



# Informed consumers

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# Overview

- Consumers and the private rented sector
- Why is important that we have 'informed consumers'
- What does the Private Rented Sector Bill offer?
- Where do we go next?



*A consumer is the most important visitor in our premises.*

*He is not dependent on us, we are dependent on him.*

*He is not an interruption to our work; he is the purpose of it.*

*He is not an outsider to our business, he is a part of it.*

*We are not doing him a favour by serving him; he is doing us a favour by giving us an opportunity to do so.*

Mahatma Gandhi

*The consumer, so it is said, is the king.....each is a voter who uses his money as votes to get the things that he wants done*

Paul A. Samuelson, American economist



# Consumer principles and the PRS

- **access** – can people get the housing they need in the PRS?
- **choice** – is there any?
- **safety** – does the housing available endanger tenants' health or welfare at all?
- **information** – do consumers have the information they need when renting a property in the PRS?
- **fairness** – are any groups unfairly discriminated against?
- **representation** – do tenants have a say in how housing is provided?
- **redress** – what happens if things go wrong?

# Information for consumers in the PRS

It is important for tenants to know and understand:

- what services they can expect from their landlord
- what constitutes a 'fair deal'
- the choices and options open to them
- the rights they have and how these are protected
- where they can turn if things go wrong
- their responsibilities as tenant



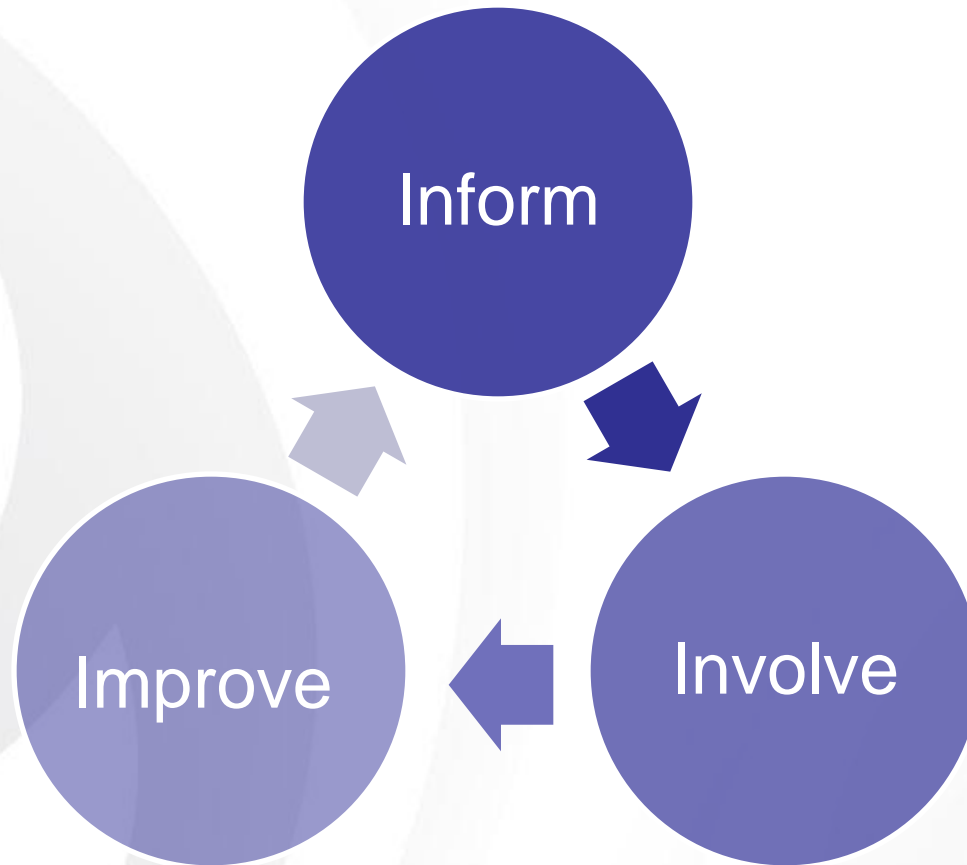
# Information for consumers in the PRS (cont.)

But informed tenants can be better for landlords too:

- help to raise standards and improve competition
- reward good practice and good service
- make for more responsible tenants and fewer problems for landlords
- make it easier to avoid disputes
- contribute to a flourishing and growing sector



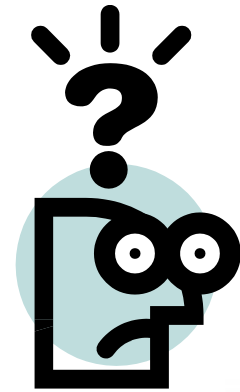
**So, information is important:**





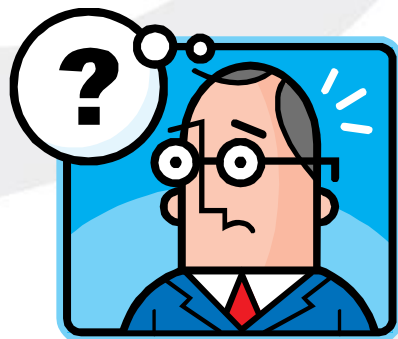
# Gaps in tenants' knowledge in the PRS at present

- Landlord registration
- PRHP and the repairing standard
- HMO licensing
- Accreditation
- Energy supply issues
- Overcrowding
- Ending a tenancy



*There are known knowns. These are things we know that we know. There are known unknowns. That is to say, there are things that we know we don't know. But there are also unknown unknowns. These are things we don't know we don't know.*

Donald Rumsfeld



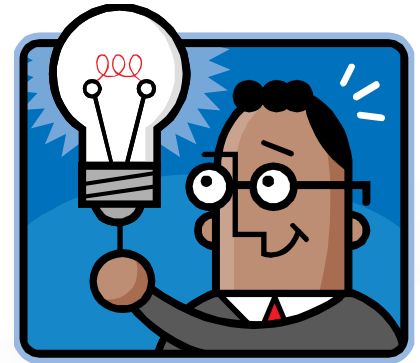
# How does the PRS Bill tackle tenants' 'known unknowns' and 'unknown unknowns'?

- A standard 'tenancy information pack'
- Landlord registration numbers displayed on adverts
- Presumption that pre-tenancy charges will be illegal unless clearly specified otherwise
- Merging of documents to be issued to tenants at the beginning and end of a tenancy



# Impact of these proposed changes

- Clearer and more comprehensive information for consumers at the start of a tenancy
- Greater onus on landlords and agents to provide certain information to tenants
- More transparency, openness and consistency across the sector
- New opportunities for tenants to be informed about services, rights and redress
- New routes through which tenants can be made aware of their own responsibilities



# But being an informed consumer is more than just receiving information....

- Information not documentation
- Identify, anticipate or avoid problems at an early stage
- Aware of, and responsive to, own responsibilities
- Use consumer protection and redress schemes and mechanisms appropriately
- Know how and when to self-refer to sources of advice and support if required



## So where do we go next?

- Regulation, redress and consumer protection in the PRS remain complicated – are there opportunities for simplification?
- Lack of awareness and understanding of rights and responsibilities is an issue for consumers across the housing market – can we take a cross-sectoral approach to tackling this?
- Disadvantaged consumers can face particular challenges and barriers to accessing and using the information they need – how is this best addressed?

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