

REPORT TITLE: RENTAL EXCHANGE INITIATIVE

30 JANUARY 2018

REPORT OF PORTFOLIO HOLDER: LEADER WITH PORTFOLIO FOR HOUSING
– Cllr Caroline Horrill

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WARD(S): ALL

PURPOSE

This report seeks to explain the benefits to both Winchester City Council and its tenants in joining the Rental Exchange, a scheme which uses rental payment information to help social housing tenants improve their credit profile and qualify for more affordable credit and other services.

RECOMMENDATIONS:

1. That Winchester City Council Housing Services participate in the Rental Exchange.
2. That Winchester City Council set up a regular data feed with Experian as managers of the Rental Exchange thereby improving the housing circumstances of vulnerable and excluded households and supporting our residents with the impact of welfare reform.

IMPLICATIONS:

1 COUNCIL STRATEGY OUTCOME

- 1.1 Joining the Rental Exchange links to Priority 2 of the Housing Strategy, improving the housing circumstances of vulnerable and excluded households and supporting our residents with the impact of welfare reform. It also links to the Council Strategy to improve the health and happiness of our community.

2 FINANCIAL IMPLICATIONS

- 2.1 There is no cost to the Council to join the Rental Exchange. There is an initial cost of sending information including Privacy Notices to tenants, explaining the scheme to them and how their personal data will be used but this is minimal and could be included with other annual bulk mailing to tenants, for example annual increase letters.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The Council's Data Protection Officer has been consulted on any potential data protection implications associated with joining the Rental Exchange. A Data Protection Impact Assessment is being carried out to ensure that full consideration has been given to data protection and privacy implications arising from the use of tenants' personal data for this purpose.

4 WORKFORCE IMPLICATIONS

- 4.1 Resources will be required for the initial set up but this will be from current staffing.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None.

6 CONSULTATION AND COMMUNICATION

- 6.1 Consultation has already taken place with the Housing Management Service Delivery Group of involved tenants. The tenant group endorsed the Council's initiative to join the Rental Exchange. Further consultation with tenants is proposed in the form of a digital consultation exercise and also wider promotion the Rental Exchange through the use of a variety of established tenant communication channels such as Tenant Voice.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 None.

8 EQUALITY IMPACT ASSESSEMENT

- 8.1 None. All tenants are able to opt out of the Rental Exchange at any time and have the right for their information to be deleted.

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 The Rental Exchange is a joint project by Big Issue Invest and Experian. Experian have said that they have worked closely with the Information Commissioner's Office (ICO) on this project. They say that the ICO considers the Rental Exchange as an example of best practice for the sharing of information and has been very supportive. It recognises that tackling social, financial and digital exclusion issues through enabling tenants to use their information in a way that helps them is not something that should be prevented by United Kingdom Data Protection Law, subject to tenants being provided with a very clear explanation of how this will benefit them via a Privacy Notice.
- 9.2 Experian state that the ICO has confirmed to them that the Rental Exchange has been assessed to meet the General Data Protection Regulation (GDPR).
- 9.3 Rental payment information will be kept secure and will not be shared with any third parties for marketing purposes and the data will be accessed when a tenant applies for goods or services where a credit or identity check is made through an organisation using Experian's database.

10 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Property</i> <i>No risk</i>		Sustaining tenancies and preventing homelessness.
<i>Community Support</i> <i>No Risk</i>		Promotion of digital platforms to reduce social, financial and digital exclusion.
<i>Timescales</i> <i>No risk</i>	Work to be carried out within existing staffing resources.	
<i>Project capacity</i> <i>No risk</i>	Work to be carried out within existing staffing resources.	Delivery and promotion of the Rental Exchange project to reduce tenant debt. Providing tenants with safe and reputable borrowing opportunities.
<i>Financial / VfM</i> <i>No risk</i>	There is no cost to the Council to join the Rental Exchange. Associated costs to administer the	

	product would be minimal and met within the HRA service budget.	
<i>Legal</i> <i>No risk</i>	A Data Protection Impact Assessment is being completed. IT system in place to securely hold and share personal financial information.	
<i>Innovation</i>		
<i>Reputation</i> <i>No risk</i>		Opportunity to positively enhance the Council's reputation by reducing tenant debt and enhancing the work of the 'Stop Loan Sharks' campaign and partnership Charter.
<i>Other</i>		

11 SUPPORTING INFORMATION:

Introduction

- 11.1 In 2010 Big Issue Invest introduced the concept of using rental payment information to help social housing tenants improve their credit profile and qualify for more affordable credit and other services.
- 11.2 Many organisations rely upon credit scoring to decide whether to give customers' access to financial products such as a mobile phone contracts, insurance, a bank account or a loan at an affordable interest rate.
- 11.3 Research indicates that many social housing tenants are excluded from affordable credit and services due to the lack of a credit history and this means they are more likely to be refused or pay more, putting extra pressure upon already challenging finances.
- 11.4 In the same way that mortgage information counts towards a credit profile, rental payment history can be used as proof of a tenant's financial standing and reliability. By sharing rental payment history it will help tenants to create an online proof of identity and a good credit history will make it easier for tenants to open a bank account, receive better gas and electricity rates, cheaper insurance or obtain cheaper credit.
- 11.5 Across the United Kingdom the Rental Exchange has 130 Housing Associations and Local Authority members sharing data of over 1.2 million social housing tenants.

Benefits of the Rental Exchange to tenants

- 11.6 The majority of our tenants pay their rent on time and so sharing their rent account information with Experian through the Rental Exchange will enhance their credit score. The Rental Exchange provides an opportunity for tenants to improve their credit rating without having to take on further debt. It also enables tenants to build an online proof of identity which is important when applying for a utility supplier, a mobile telephone provider or when shopping online.
- 11.7 If a tenant is unable to pay their rent, it is unlikely that they are suitable for a loan or other payment agreement, therefore the Rental Exchange supports responsible borrowing and lending and helps people avoid becoming over indebted.
- 11.8 Private sector tenants also have the opportunity to share their rent payments with Experian and other credit scoring companies, however they would pay from around £7.99 per month to participate in similar schemes. There is no fee for Council tenants.
- 11.9 People with mortgages are required by their mortgage provider to share their mortgage payments with a credit scoring company. Council tenants will have the choice to opt out of the Rental Exchange.

Benefits of the Rental Exchange to the Council

- 11.10 Tenants would be rewarded for paying their rent on time and the scheme will help them to access cheaper and more affordable credit and services.
- 11.11 Through continued good rent payments tenants will be able to access cheaper and more affordable credit and services. It will also promote better borrowing habits for tenants avoiding reliance on unscrupulous loan sharks often operating within local communities specifically targeting vulnerable households.

12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 None. There are no other services available for social housing tenants to share their rental information with credit scoring companies.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

None.

Other Background Documents:

Information on the background of the Big Issue and Experian project:

<https://www.experian.co.uk/rental-exchange/social-housing-providers.html>

Information from Experian regarding Data Protection and the GDPR:

<https://www.experian.co.uk/assets/rental-exchange/rental-exchange-gdpr-faqs.pdf>

The Rental Exchange Brochure by Experian:

<https://www.experian.co.uk/assets/rental-exchange/rental-exchange-social-housing-brochure.pdf>

APPENDICES:

None.