

## Strategic Housing – Registered Social Landlords Review Environment and Communities Overview & Scrutiny Panel

### Regulator's approach to a possible breach of consumer standards

(extract from [Regulating the Standards \(publishing.service.gov.uk, pg 14\)](https://publishing.service.gov.uk))

#### Possible breach of consumer standards

2.37 There are four consumer standards:

- Home
- Neighbourhood and Community
- Tenancy
- Tenant Involvement and Empowerment

2.38 Requirements relating to our consumer regulation role are set out in legislation. Our approach is reactive only and therefore we do not have a role in monitoring providers' performance on consumer standards. We only use our regulatory and enforcement powers where we judge that there has been a breach of a consumer standard which has caused or could cause serious detriment. In line with our overall regulatory methodology, in reaching these judgements we take a proportionate approach to each case and focus on whether there is evidence of a systemic failure by a provider. We do not have a role in resolving individual disputes between landlords and tenants. Further guidance about how we deal with consumer standards and how we define serious detriment, is set out at [Annex B](#).

2.39 When we judge that a provider has failed (or may fail if no action is taken) to meet one or more of the consumer standards, we can use our powers if we also judge that there are reasonable grounds to suspect:

- that the failure (or potential failure) has resulted in serious detriment to the provider's tenants (or potential tenants)
- that if no action is taken by the regulator, there is a significant risk that the failure (or potential failure) will result in a serious detriment to the provider's tenants (or potential tenants).

2.40 Where we become aware of an issue that is indicative of a possible consumer standards breach (or potential breach) and possible serious detriment, the matter is referred to our internal Consumer Regulation Panel<sup>15</sup>. The panel considers whether and, if so, how the issue should be followed up. In most cases that we investigate, we are likely to seek further information from the provider.

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<sup>15</sup> Information we receive in the form of a statutory referral will always be considered by the Panel. A statutory referral is a referral from an authority, representative body, or individual specified in the Housing and Regeneration Act 2008 (as amended). These include: the housing ombudsman, tenant representative bodies, members of parliament, a councillor of the local housing authority for the district in which the property concerned is located, the Health and Safety Executive and fire and rescue authorities.

2.41 Where we judge that there are reasonable grounds to conclude that the breach (or potential breach) of standards has resulted in, or could result in, serious detriment to tenants (or potential tenants), we publish a regulatory notice setting out our findings.

2.42 The threshold for regulatory intervention in consumer standards is intended to be significantly higher than that in relation to economic standards, and so a finding of consumer standard breach and serious detriment raises questions about the effectiveness of a provider's governance arrangements. It may also be the case that issues are raised about the governance of a provider even where the serious detriment threshold has not been met. Where the issues relate to a private registered provider, we will consider if they impact on its compliance with the Governance and Financial Viability Standard. If we conclude that a provider's grading should change, we will publish a narrative judgement.