

BENEFIT DISCRIMINATION – PRIVATE RENTALS

Adviser Guide to Tenants' Rights



This guide is designed to help you advise people who are finding it difficult to gain access to the private rental market because agents or landlords won't let to them because they receive benefits.

No Benefits policies are unlawful discrimination

A No Benefits policy is when an agent or landlord automatically refuses to rent to anyone who gets universal credit or housing benefit. **This is discrimination and it's unlawful.**

This includes letting agents/landlords who:

- refuse to let someone view an affordable property
- won't consider an individual for a tenancy because they get benefits
- advertise properties as 'no DSS' or 'working professionals only'

The courts have ruled that these policies are unlawful because they indirectly discriminate against women and disabled people. But potential tenants can challenge No Benefits policies regardless of sex or disability.

Discrimination also includes situations where the agent automatically gives an excuse for the refusal; for example, saying:

- tenants who are on benefits automatically need a guarantor
- a benefits claimant automatically fails affordability, referencing or credit checks
- the landlord, mortgage lender or insurance company won't allow lettings to tenants on benefits

The Government has confirmed that it plans to legislate to make benefit prejudice illegal. Unfortunately until this happens many renters who receive benefits will face discrimination and need to know how to tackle it.

How Richmond renters can beat discrimination

Richmond residents looking for a private rental home should be advised do a few simple things if they face discrimination from letting agents or landlords.

- **Keep records of the property search.** Make a record of agents' responses when asked to view or rent a property. Save emails or messages. If there is a verbal conversation, note down what was said and with whom. This can help later if evidence is needed to complain.
- **Show the property is affordable.** It's likely to be discrimination if an individual can afford the property, but the agent makes assumptions about their ability to pay or suitability as a tenant just because they receive benefits. Agents can still

check that a potential tenant can pay the advertised rent for a property, as well as any up-front costs such as a deposit.

- **Can a tenant afford the rent?** Tenants should understand what they can afford and be able to prove it when asked.

It is vital to make sure individuals and families understand how their Local Housing Allowance (LHA) rate will be calculated so that they know exactly what they can afford and can consider if they can top up the LHA rate with wages or other income. The Richmond rates can be checked [here](#). Tenants who have completed a Benefit Check can use this to show the level of LHA they will receive.

Tenants who already pay a similar or higher rent to a private landlord whilst claiming benefits should be ready to provide bank statements and references to show a good history of rent payments.

It is also worth considering if renters can get a Discretionary Housing Payment (DHP) from Richmond Council to help with a deposit, rent in advance or ongoing rent payments. [Read more](#) on DHPs in Richmond.

Securing a new home

Renters should consider how they can secure a property. This might include:

- **Offering rent in advance.** Some landlords feel unsure about letting to tenants claiming benefits because both universal credit and housing benefit are paid in arrears. Tenants may be able to reassure them by offering enough rent in advance for the first two months of the tenancy.
- **Finding a guarantor.** Renters may be asked to provide a guarantor for the tenancy. Guarantors are not a legal requirement and tenants may be able to persuade a landlord or agent that they don't need one if they've already shown they can afford the rent. [Read](#) Shelter's advice on using a guarantor.
- **Coping with credit checks.** Landlords and agents must get a tenant's permission to run a credit check and they can't charge for it. [Read](#) Shelter's advice on how it works.

Dealing with discrimination

Renters who face direct discrimination can complain. A complaint letter won't always work but it gives the letting agent a chance to put things right. Shelter has drafted two useful template letters for tenants which can be [downloaded here](#). The first letter asks the agent to reconsider if tenants are refused a viewing or application for an affordable property and the second sets out how to make a formal complaint.

If the agent's response is very slow or unsatisfactory, then formal complaints can be taken further to the Property Ombudsman. [Read more](#) about how the Ombudsman can help.