Housing Disrepair Claims - Government Call for Evidence

NFA Response

January 2026

Introduction

The NFA (National Federation of ALMOs) is the trade body which represents arms-length management organisations across England. All are not-for-profit bodies wholly owned by their parent councils, mostly created during the first Decent Homes Standard programme over 20 years ago to manage council-owned housing and deliver housing-related services. Our members manage around 170,000 local authority-owned properties, as well as building and acquiring new homes and delivering wider services across communities.

We fully support the fundamental principle of a social housing tenant's right to bring a disrepair claim against their landlord. This is an important legal option for redress for tenants where attempts have been made to get repairs done and there have been failings by the landlord to properly respond or effectively fix the disrepair. However, the current system is not working for tenants, with significant concerns about some claims companies and solicitors that work with them. We welcome the Government's call for evidence.

We have not answered all the questions from the call for evidence, but have focused on the ones where we have the most evidence. We have asked our members to submit evidence from their local authority areas.

For further information on any of the points, please contact Lisa Birchall, NFA Head of Policy on lisa.birchall@almos.org.uk.

Individual Responses

Question 1

Have you noticed any differences in housing disrepair claims in recent years (for example their frequency, the types of issues raised, the time for remedies, or the outcomes?)

Question 2

If you have any evidence on trends in housing disrepair claims please share it here.

The NFA has been hearing concerns from our members on the sharp increase in housing disrepair claims and the rise in unethical, unscrupulous behaviour in this area for at least the last four years; in particular, concerns about ‘claims harvesting’ and unethical practice from some no-win-no-fee solicitors.

There is clearly a wild west of poor practice that is not effectively being regulated through the existing regulators or court system; that is leaving social housing tenants at risk of exploitation, particularly those with vulnerabilities; and draining Housing Revenue Accounts of much needed resources that could be better invested in existing homes. This is particularly concerning with the introduction of Awaab’s Law, which gives rogue companies another legal route to exploit tenants.

Our evidence base comes from our Autumn 2024 survey of local authorities and ALMOs, in partnership with the Association of Retained Council Housing, Councils with ALMOs Group, supported by the Housing Ombudsman Service and the Local Government Association. We have previously submitted this research to MHCLG and attach separately.

Based on a total dataset from 31 local authorities owning a total of 356,771 social and affordable homes:

Scale of claims harvesting

- **93 per cent** of respondents had seen an increase in claims companies activity knocking and soliciting work; **78 per cent** had seen an increase in advertising on social media linked to their properties;
- **89 per cent** had seen an increase in tenants rising concerns/worried about claims harvesters;
- **74 per cent** had seen an increase in companies exploiting the vulnerabilities of tenants (for example due to their frailty or literacy difficulties)
- **59 per cent** had seen an increase in companies using the local authority (or ALMO) logo for information, or staff claiming to be from the local authority (or ALMO).
- **11 per cent** had seen an increase in claims companies claiming to be from the Housing Ombudsman Service

Increase in scale and costs

- The overall disrepair caseload across our respondents was **3.9 times higher** in 2023/24 compared with 2019/2020, rising from 1,247 cases to 4,876 cases.
- The average organisational disrepair cases increased from **1.2 cases per 1,000 properties managed in 2019.2020 to 5.3 cases in 2022/23, and 7.6 cases in 2023/24**.
- For the 15 organisations that could give the total cost of handling disrepair cases (including legal costs, compensation, handling and case/project management), the costs had risen from **£2.7m in 2019/20 to £10.9m in 2023/24**.
- While all respondents had seen an increase in disrepair cases, some local authorities were being disproportionately affected; particularly larger local authorities with more concentrated stock (allowing for easier door knocking). Some local authorities had taken a deliberately more combative stance with solicitors, defending all cases which they judged to be unfounded or spurious, which was shifting these companies/solicitors to other ‘easier’ areas. However, this is still resource intensive and not without risk.

Concerns

The report sets out a number of concerns which we summarise below:

Claims Management Companies

- Landlords reported that the majority of disrepair cases – sometimes all the cases they receive – come through a 'no win, no fee' model. While a legitimate legal model, local authorities reported a considerable amount of poor practice linked to the use of the 'no win, no fee' approach. Only a small number of these cases are linked to a previous or current complaint to the organisation, and respondents reported that it is normal that landlords have had no previous notice of the disrepair.
- The poor quality of advice that some claims management companies give to tenants, including advising tenants not to let council repairs staff or contractors into the property to do repairs (which is a breach of tenancy conditions and puts tenants at risk).
- The difficulties that tenants face trying to get out of arrangements that they often don't realise that they've got into, or where they've changed their mind.
- The targeting of households with certain vulnerabilities (for example, tenants with learning difficulties or an inability to read). The methods that some companies use to get claims to sell onto solicitors are unscrupulous: for example, one member recently reported that a company was WhatsApping older tenants purporting to be from the council and asking them to send any repairs in their properties. They were then selling on applicable repairs to solicitors. This has the dual effect that tenants think they have reported repairs to their landlord, but those repairs are actually unreported and unresolved.
- Companies use social media, door knocking and direct contact to source claims with varying degrees of honesty and openness about who they are. One company recently advertised for disrepair cases using the gov.uk branding with the crown logo, while others use the colour scheme and branding of the relevant local authority when they're door-knocking. The names that some companies use as trading names are also likely to be misleading, particularly where tenants are seeking advice or support with housing disrepair, but are not necessarily looking to launch legal action.
- Respondents report that often when tenants are informed about the claim and the requirement for inspection, they often respond that they haven't instructed solicitors, highlighting proper consent has not been received.
- The fact that even where tenants think they're signing 'no win no fee' contracts, they often end up out of pocket or facing large bills. [1]
    - One member reported a recent case where a customer tried to cancel a claim under the pre-action protocol during early stages and the solicitor threatened a £4,600 cancellation fee. In another case from 2023 where the local authority won, the solicitor refused to pay the costs of £6975. The cost was passed to the claimant and the solicitor has since been closed by the SRA. The local authority has done a lot of

[1] Example cases from across the local authority sector include: Ashfield District Council defends cold caller case - Ashfield District Council and https://www.york.gov.uk/news/article/1719/solicitor-to-pay-9k-after-failed-disrepair-claim

work to try and prevent cost recovery from the tenant because they do not want to introduce financial hardship due to a solicitor's malpractice. After a long battle, the local authority is now recovering costs through the ATE provider via a new solicitor once the case was reallocated.

    - One member reported a recent court case where the local authority was successful and the judge awarded costs against the tenant (not the tenant's solicitors). Two local authority officers visited the tenant, and recorded the tenant saying that she was cold called and pressured into agreeing to put a claim in. Whilst there, the tenant's solicitors rang and told the tenant it was not the solicitors' fault that the judgement was against her, inferred it was the local authority's fault and said she could get an agreement to pay £1 a week with the landlord. Our member is applying to the judge to move the £8,000 costs from the tenant to the solicitors.

<u>Solicitors</u>

- Most money ends up with claims harvesters or is spent in legal costs. Tenants receive very little money in compensation, and are sharing sensitive information which is putting them at risk.
- Solicitors are being very unreasonable with the costs that they are pursuing. For example, one member reported that claims that are issued only after a few months with very little activity are being billed for £10,000. There was a general theme that excessive compensation and legal fees are claimed, then the local authority needs to spend more on legal representatives to renegotiate reasonable costs or take a commercial decision to agree what are considered higher costs to stop them escalating further (as claimant solicitors are not really negotiating).
- Our members report lots of unethical practice among some solicitors working in this area, including artificially inflating cases over the £1,000 threshold through the schedule of work, being unreasonable with the costs they are pursuing, or using Expert Witnesses that are not unbiased. While the Solicitors Regulation Authority does regulate in this area, it is felt that this regulation is not as effective as it could be.
- Members are also reporting an increase in claims harvesters selling one claim to multiple solicitor firms. As an example, one member recently received and resolved a letter of claim and completed all the required works. Since receipt of the initial claim, they have received seven more letters of claim for the same defects, none of which the tenant has any knowledge of.

Other trends

- Members state that they often see a Freedom of Information, Subject Access Request or Environmental Information Regulations request being raised in the weeks prior to receiving disrepair letters of claim.
- An increase in the number of Environmental Protection Act (EPA) findings attached to a letter of claim, when on inspection there have been no findings to support EPA – or using Section

82 of the Environmental Protection Act rather than Section 11/ Section 9a/10 of the Tenant and Landlord Act.
- An increase in ancillary litigation, where solicitors aggressively pursue breach cases (where payments are not made in time or works not completed in time.)

Please see Appendix 1 for two example individual cases which show the harm that poor practice in this area can have on individual tenants and households.

Question 5: Do you feel the existing regulatory regimes support and protect tenants?

No.

Our members have reported that the existing regulatory regimes are, to a large degree, ineffective, slow and fractured. They also seem to look at the issue on a case-by-case basis rather than driving systemic improvement.

Our above-mentioned survey (November 2024) asked local authorities which claims management companies/solicitors they had most concerns about. Five claims companies/solicitors were named across the board: for example, one company was mentioned as being of concern by 68% of local authority respondents; two companies by 59% of respondents; and one company by 41% of respondents. When you speak to local authority disrepair teams, the names of the same companies come up repeatedly for the same poor practices. Despite this, these companies are still operating two and a half years later, which suggests that regulation is not working effectively.

Question 10: Are there any changes to the regulation of solicitors or claims management companies that would better protect tenants making housing disrepair claims?

There should be a more joined-up regulatory landscape which is able to systemically look at issues across all housing disrepair, whether it is in relation to claims management companies or solicitors. There should be a greater focus on consumer protections and a requirement for companies to act ethically and transparently or face large fines or de-registration. Investigation and action against companies and solicitors should be quicker with poor players removed from the sector.

Better regulation of the sector will help, but we set out below additional changes which will be needed to protect tenants.

Question 11: Is there anything else that could be done to improve the housing disrepair process?

The key areas which would make a difference are:

1. Extending the fixed recoverable costs regime into housing disrepair cases.
2. Capping the maximum proportion of a compensation award that a claims management company can take, and capping or banning the referral fees that solicitors pay to Claims Management Companies – taking the approach that has been taken with PI claims.
3. Increasing the £1,000 threshold for eligible repairs which has been in place since 1991 to make it harder for companies to artificially inflate repairs costs to just over the threshold.

4. Set out clearly in regulation the steps that must be taken before a disrepair claim goes to court, including giving the landlord a reasonable opportunity to resolve the problem through the landlord's repairs and complaints process.
5. Reinstating civil legal aid for housing condition claims.
6. Improving the regulatory landscape.

We also support the strengthened role of the Housing Ombudsman Service in resolving disrepair cases, and agree that more use of HOS should be required before cases reach court.

Appendix 1 – Example individual cases

Derby

This tenant does not read or write. An individual representing the claims company knocked on the door and asked if there were any outstanding repairs. He told the tenant that he worked for the local authority and could get the repairs done quickly. The tenant allowed him in to inspect the repairs and signed a document (a letter of claim).
The company sent an offer to settle the claim, but the local authority decided to defend it as there was a lack of notice as the tenant had not previously reported the repair. The claims company issued the claim, sent court documents with the tenant's signature on them.
The local authority's surveyor attended the property to ensure all works were completed and the tenant was happy with the repairs. Her family were at the property when the surveyor attended and asked what it was relating to. They were informed that the tenant had taken out a disrepair claim which was now going to court. The tenant denied signing anything, explaining that she could neither read nor write, and knew nothing of the claim, and was happy with her landlord. The local authority noted that the tenant's signature did not match up with the signature on the documents.
The local authority's solicitor contacted the claim company regarding the signatures not matching up and the fact that the tenant did not want to go to court. The claims company decided to discontinue the claim. The local authority issued them with the fees to be paid and they refused, saying that the local authority should pursue their client (the tenant) for the recovery of costs, which was approximately £5,000. The company required the tenant to have 'after the event' insurance (£448) to cover any fees that may occur. The local authority continued to pursue the claims company for the costs, and was eventually reimbursed with £2,250. The claim was received in August 2022 and closed October 2023.

Wolverhampton

Wolverhampton has a number of disrepair companies working in the city and employing disreputable practice.
One company has created a Facebook page which refers to the independent Wolverhampton Homes housing complaints group and uses a copy of the organisation's logo to mislead.
Another company were canvassing in the Wolverhampton area wearing t-shirts in the organisation's colours which was likely to mislead tenants into believing they were employed by the city council.
As an example of the impact on tenants, a tenant contacted the organisation about being pursed for £1,100 for services that he was not aware of, nor had he engaged. The tenant said that nothing was explained to him upon a visit to his property. This visitor said he had been sent to investigate

disrepair at the property, but the tenant was baffled. He said he assumed it was the council. The visitor took photographs throughout the property and thereafter got him to sign a document. The tenant said it was not explained to him what he was signing, but was reassured by the man and coerced into signing.

Thereafter, the tenant had contact from Wolverhampton Homes to discuss their disrepair claim. The tenant said they were not aware of making a claim and did not want to pursue it. This was then cancelled by Wolverhampton Homes. The tenant received a letter stating that he had breached his terms and conditions and would be pursued for a sum of £1,100. He was distressed and had to seek advice from the Citizens Advice Bureau.