

Call for Evidence on Housing Disrepair Claims

Response from the Northern Housing Consortium

About Us

The Northern Housing Consortium (NHC) is a membership organisation based in the North of England. We are the 'Voice of Housing in the North' working with local and combined authorities, housing associations and ALMOs to develop insight, influence and solutions to create better homes and places. This response draws on feedback from our member organisations.

Introductory Comments

We welcome the government's Call for Evidence on housing disrepair claims, as well as the joint approach with the Ministry of Justice which will promote a rounded approach to fairness in the system.

Our members are committed to maintaining safe, warm, and well-maintained homes but the current process, including the activities of some companies and solicitors, are not in the interest of tenants, increasingly expensive and often unnecessary. This results in limited resources for housing quality being diverted away from actually carrying out repairs.

Social landlords are embracing a proactive approach to repair and maintenance of homes with new and varied approaches to diagnosing and preventing issues and tackling disrepair. The financial reporting of Private Registered Providers demonstrates significant levels of investment in the quality, safety and energy efficiency of existing stock. Spend on repairs and maintenance increased by 11% up to the end of March 2024 and is now equivalent to £10bn per annum over the next five years.¹

Although property condition and repairs remain the most common source of tenant complaints, and thousands of repairs are carried out successfully each year, some tenants seeking redress continue to face exploitation.

Overview of Key Issues

Despite the higher volumes of responsive repairs driven by the management of damp and mould issues, compliance repairs, and catch-up works, there are instances where a legal route to an unresolved case will be sought by tenants. Tenants should have access to legal redress, but the current system often does not highlight genuine grievances or achieve early resolution but instead incentivises adversarial approaches.

We have identified several systemic issues affecting the current process of housing disrepair claims:

- A sharp rise in claims driven by claims management companies and legal marketing
- Significant administrative burdens on landlords and courts

¹ 2024 Global Accounts of private registered providers January 2026

- Duplication between legal claims and regulatory routes (e.g., Ombudsman, local authority enforcement)
- An imbalance between genuine tenant needs with commercially-driven claims activity
- Diverting of resources away from repairs and investment

Reform is necessary, not only to better protect tenants from high pressure selling and other sharp practices, and curb the growing influence of claims management companies, but also to support landlords to achieve the best investment decisions in providing good quality housing.

Trends in Housing disrepair claims

There is a clear upward trend in disrepair claims for most social landlords. We expect to continue to see cases increase.

All areas report an increase in claims and there is a high prevalence of claims in large urban areas. This could be where there are large concentrations of older social housing stock or more concentrated populations of tenants approached about legal redress.

There is a growing problem of tenants being persuaded to take out claims without it being made clear that 'no win, no fee' is not representative of the full picture and they may be responsible for legal costs if the case is unsuccessful.

There is evidence that tenants would have been happy to work with their landlord directly. There are cases of tenants being threatened with paying the solicitors costs for the work carried out in the initial stages if they don't proceed. There is also evidence that claims companies do not identify themselves and tenants can be left with the impression they are representing the landlord, or from 'the council'.

The cost and impact of housing disrepair claims

Disrepair claims are increasingly a significant cost for social landlords.

The scale of costs overall builds perverse incentives into the system which in some cases, encourages unscrupulous behaviour. This is taking money out of the sector that could be used to invest in homes.

Cost of Disrepair Claims Each Year²

- 2017 – 2018 – £7,868,748
- 2018 – 2019 – £10,624,239
- 2019 – 2020 – £12,646,680
- 2020 – 2021 – £14,325,758

One large northern council saw a 1,584% increase in legal disrepair cases from 117 in April 2018 to 1,970 in April 2023. The cost of the cases, including legal fees and compensation paid to residents increased from £292,655 in 2018-19 to £2,986,269 in 2022-23, up 920%. In four months of 2023–24 alone, £1.3 million was paid out.

The average cost per case in 2023/24 was £6,234.88. In most cases the costs exceed the value of the work several times over.

² Statistics by: Inside Housing based on FOI stock holding councils.

Our members report there has been a shift in the split between the percentage of damages paid to the customer and fees taken by the legal representative. In general, this has decreased from 52% to 30% in each case with a greater share going to the tenant's solicitor.

Our Key Points

1. Referral fees in housing disrepair claims

Referral fees are inappropriate as they encourage claims farming and high-volume, low-merit cases. Lessons can be learned from personal injury law where referral fees were banned due to similar risks and extending this ban to housing disrepair would align with established consumer protection principles.

Alternatively, introducing a cap on referral fees or enforcing stricter regulation and transparency, rather than an outright ban, could ensure tenants fully understand costs and risks. Tenants should at the very least be made aware of the fees solicitors will earn for the work and there should be a requirement for tenants to be made aware of the risks under a 'no win, no fee' case.

If a ban is implemented, it should be accompanied by alternative outreach mechanisms, such as local authority advice services or tenant advocacy groups, to maintain access to justice.

2. Raise the Small Claims Limit

The small claims track limit of £1,000 is outdated and does not reflect current repair costs or inflation, resulting in many cases being pushed into the fast track, where legal costs escalate significantly.

Increasing the small claims limit would capture more cases under the low-cost regime, reducing incentives for claims farming and controlling legal costs.

Raising the limit to around £2,500–£5,000 could reduce litigation costs, limit aggressive claims farming and keep proportionate access to justice for tenants.

To support tenants this could be combined with clear guidance on case allocation with enhanced tenant protections through advice services.

3. Borrowing Lessons from Personal Injury Reforms

Personal Injury reforms offer useful lessons such as a ban on referral fees, cost protection measures, cost transparency, and standardised case protocols, supported by regulatory oversight. Similar reforms would help housing disrepair claim processes become fairer, more efficient, and less susceptible to exploitative practices.

4. Enhanced Regulatory Oversight

Regulatory changes could better protect tenants in housing disrepair claims by enhancing oversight, improving transparency on fees, and strengthening enforcement of both solicitors and claims management companies.

Several landlords called for the introduction of fixed recoverable costs, from which housing disrepair work is currently excluded.

5. Alternatives to Court

The pre-action protocol plays a critical role in encouraging early resolution and minimising unnecessary litigation. However, recent case law and emerging sector concerns indicate that

clearer guidance on expert evidence, and improved transparency would significantly enhance its effectiveness. Also, stronger early-resolution mechanisms are required. The protocol places a strong emphasis on gathering evidence at the outset, leaving limited scope for landlords to carry out repairs within the required timeframes.

We support targeted reforms to ensure the protocol remains balanced, proportionate, and focused repairing homes as swiftly as possible.

Conclusion

The opportunity provided by social housing regulation to improve timeliness of repairs and put residents first, is likely being undermined by some legal firms and claims management companies who have created a 'compensation culture' around disrepair.

A comprehensive approach combining legal reform, regulatory tightening, and consumer safeguards will help protect tenants from exploitation and ensure equitable, efficient housing disrepair claim processes.

We welcome further engagement with the government on this important issue.