



Response to Consultation

Date: 5 March 10
Consultation: Guidance Note on Financial Regulation for Social Housing

Introduction

The Northern Ireland Federation of Housing Associations (NIFHA) represents registered and non-registered housing associations in Northern Ireland. Collectively, our members provide 30,000 good quality, affordable homes for renting or equity sharing. Further information is available at www.nifha.org

Background

NIFHA recognises that the importance of the provision of sound financial advice and the availability of low cost financial products for housing association tenants in Northern Ireland cannot be under-estimated. We believe that financial inclusion in our modern society means that the tenants of our members, within the Housing Association movement, should have access to a range of financial services such as insurance, credit and bank accounts that will enable them to manage their household income and outgoings in a cost effective way.

General Comments

NIFHA welcomes the opportunity to respond to this consultation document which aims to clarify the regulations surrounding the provision of a range of financial services to tenants. The voluntary housing movement acknowledges that the provision of good quality, affordable housing is only one aspect of our society which makes a positive impact on our tenants and our communities.

We recognise the positive social implications of the provision of a range of financial services which are aimed at enhancing the financial inclusion of our tenants. However, concern has been raised by our members regarding a number of issues surrounding the implications of Housing Association staff giving financial advice or advising on financial products to tenants. These issues are discussed specifically below:

Specific Comments

The Provision of Home Contents Insurance for Tenants by Social Housing Providers

For some time NIFHA has actively promoted the uptake of house contents insurance to our member's tenants. Our members within the Housing Association movement recognise the importance of their tenants having home contents insurance and to assist and encourage them in the uptake of this, they have provided their tenants with information in the form of leaflets from reputable sources. Housing Associations do not intend, at present, to participate in schemes whereby they make arrangements for home contents insurance for their tenants. In order to provide this service, our members would be required to develop a high level of expertise in this often complex

area, this would have corresponding implications for training and staffing levels.

The collection of premiums from tenants by Housing Associations would place additional financial account management responsibilities on Housing Association staff. Many of our tenants are in receipt of housing benefit where some or all of their rent is paid for them and they may therefore perceive this to be an additional housing charge which may have an adverse impact on their relationship with the Housing Association.

The Entering into Partnerships to Set up Banking Accounts or Savings Schemes for Tenants by Social Landlords

A number of our members within the Housing Association movement are positively working towards enabling tenants to have access to low cost credit. The Federations members recognise the importance of the setting up and having access to bank accounts for tenants and the promotion of a savings culture to them. However, the acting as an intermediary for the deposit taker and the establishment of a savings with rent scheme is considered to be beyond the range of services that our members will provide to their tenants. The provision of these services and advice regarding savings schemes etc would require our members of staff to acquire a high level of expertise regarding complex financial products. This again would have implications for staff training and the levels of staff within our member organisations.

The Provision of Advice Regarding Financial Products and Services to Tenants by Social Landlords

Our members consider that detailed specialist knowledge is required in order to provide advice regarding any aspect of financial services or products. The complexity surrounding many aspects of the products and services provided by the financial services industry leads our members to believe that their involvement in this area should remain as at present, that is referral of tenants, where necessary, to recognised reliable providers of financial and housing advice such as the Citizens Advice Bureau or Housing Rights Service.

I hope you find these comments useful.

Submitted on behalf of NIFHA by:

Maire Kerr

Housing Policy and Research Manager