



Report on the Legislative Consent Memorandum for the Consumer Rights Bill: Amendment in relation to Letting Agency Fees

Background

1. On 21 October 2014, the Minister for Communities and Tackling Poverty ('the Minister') laid a Legislative Consent Memorandum ('the Memorandum') for the Consumer Rights Bill currently before the UK Parliament.
2. On 4 November 2014, the Business Committee agreed to refer the Memorandum to the Communities, Equality and Local Government Committee ('the Committee') for consideration. In referring the Memorandum, the Business Committee set a reporting deadline of 20 November 2014.
3. A Legislative Consent Motion ('the Motion') relating to the Memorandum is scheduled for debate in plenary on 25 November 2014.

Consumer Rights Bill

4. The Consumer Rights Bill ('the Bill') is sponsored by the Department for Business, Innovation and Skills. The UK Government's policy objectives for the Bill are to clarify and simplify consumer rights, to make provision about investigatory powers for the regulation of traders and to make consumers better informed and better protected.
5. Further information on the Bill's policy objectives can be found in paragraphs 5 to 7 of the Memorandum.

Provisions in the Bill for which consent is sought

6. The consent of the Assembly is sought for the amendments to the Consumer Rights Bill tabled by Baroness Neville-Rolfe on 7 October 2014.
7. These amendments seek to amend Chapter 3 of Part 3 of the Bill (including the addition of a related new Schedule) to provide, amongst other things, for

Chapter 3 to apply in relation to Wales. Chapter 3 places duties on letting agents to display and publish a list of their fees, prominently, at each of their premises and on their websites, along with a description of the service, cost or purpose of each fee.

8. Further details on the proposed amendments can be found in paragraphs 10 to 13 of the Memorandum.

Committee consideration

9. We considered the Memorandum on 5 November 2014. We note from the Memorandum that the Welsh Government had intended to include a requirement for agents to publicise their fees within the Code of Practice relating to a licence given in relation to Part 1 of the Housing (Wales) Act 2014. However, the Welsh Government now considers that the “Consumer Rights Bill provides a stronger legislative mechanism”¹ to achieve its aim of making letting fees more transparent.

Our view

10. We regret that the opportunity was not taken by the Welsh Government to include an equivalent provision to that outlined in this LCM in relation to the transparency of letting agents’ fees within the Housing (Wales) Act 2014.

11. We have no objection to the agreement of the Motion.

¹ Legislative Consent Memorandum: Consumer Rights Bill
<http://www.assembly.wales/laid%20documents/lcm-ld9963%20-%20legislative%20consent%20memorandum%20consumer%20rights%20bill/lcm-ld9963-e.pdf>