

# BPF briefing on water charging

## Background

Compared to other utility sectors, the UK water industry is burdened by over a billion pounds of 'bad-debt': debts built up by those who fail to pay their water bills. According to the latest Government research, those living in the private rented sector contribute significantly to this debt (about 30% of the total).

To address this, the Government undertook a review to examine the levels of bad debt in the water industry and how this debt can be reduced. This review put forward a number of recommendations which have implications for landlords of private rented accommodation; one of which is set to become law by being included in the recently passed Floods and Water Management Act. This paper explains in clear terms what this requirement is.

## New obligations placed on landlords

Water companies currently have no statutory powers to gather information to assist in their billing and revenue collection. They therefore have a lack of data with which to target vulnerable customers who might need assistance or those customers who refuse to pay.

The Government is addressing this by requiring landlords of tenanted private rented accommodation to disclose to water companies the details of their tenants, at the start of any new tenancy i.e. when a new agreement takes effect. It will not affect existing tenancies.

Should landlords fail to pass this information on to the water companies, or deliberately pass on incorrect information within a specified period, the landlord will be held responsible for paying the water bill for the property until it is re-let and the information is passed on. Landlords of vacant properties are liable to pay the water bills for their premises also.

This requirement applies to both traditional private rented property and HMOs though properties where the landlord is resident in the property are exempt. Crucially agents acting on behalf of landlords are not affected by this law, the requirement rests on landlords only.

## What details should be passed on?

The Floods and Water Management Act contained primary legislation only. Much of the detail as to how this requirement will work is yet to be drafted in secondary legislation. Until it is, the requirement does not take effect.

From looking back at the recommendations of the Government's review, information that landlords may be required to pass on could include any of the following: the tenants full name, DOB, contact details, the commencement date for the tenancy, the tenant's previous address etc. And, going on the recommendations of the Government's review landlords are likely to have a period of 21 days to pass on the required information, though this again is not confirmed and will be set out in the secondary legislation.

## The issue of tenancy agreements

Landlords will be required to write a new clause into their tenancy agreements with new tenants, stating that the specified pieces of information will be passed onto the water company.

## Contact

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