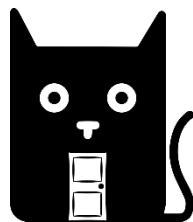


Heads for Tails!

*How pet damage insurance could be the thinking landlord's answer
to more pets in rented accommodation*

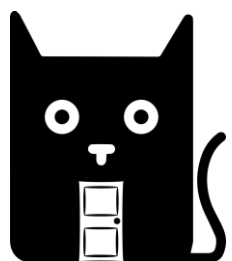
BY: JEN BEREZAI



AdvoCATSeastmids

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Foreword

By: Andrew Rosindell, M.P. for Romford

Back in 2020 I became conscious of the enormous problems that renters were facing with regards to pet ownership. Blanket “no pets” clauses imposed by approximately 55% of landlords, mean that people with pets looking to move into rented accommodation are being forced to give up their beloved animals. For people without pets in rented accommodation, pet ownership is little more than a dream.

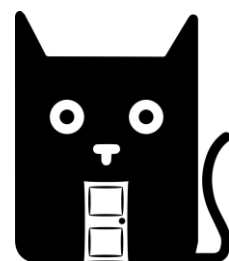
I took up this issue after hearing the story of Jasmine the dog, whose owner Jordan is unable to even have her for a day or two when his mother goes away. Jasmine has to spend time in a kennel, despite being a calm, placid, well behaved dog.

My Ten Minute Rule Bill would make pet-ownership a right, under certain conditions. However, I am also acutely aware of the need to explore other policy options for easing the pain of renters.

That’s why I am delighted to support this important work by Jen Berezai of AdvoCATS, a key supporter of my campaign over the past months.

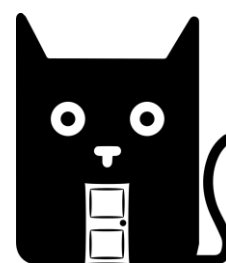
The Tenant Fees Act of 2019 had positive aims, but it has clearly been harmful to the cause of greater pet ownership for renters, an issue which has come to a head given the loneliness and self-isolation many have suffered during this pandemic, something which a dog or a cat could really ameliorate.

Amending it to allow for landlords to require insurance as part of the permitted payments might only be a start, but it would be a positive start, and I hope the government explores this as an option.



Executive Summary

- The Tenant Fees Act (2019) has added to the problems faced by pet-owners or prospective pet-owners in securing rented accommodation, due to the abolition of the provision for landlords to request extra security deposits for pets
- This comes in a period in which increasing numbers are renting and, due to the pandemic, problems of loneliness and self-isolation have been exacerbated
- Pet-ownership has been shown to provide significant benefits to pet, tenant and landlord, with pet-owners performing better than average on measures of physical and mental health, and tending to stay longer in tenancies than non-pet owners
- Jasmine's Law is an ambitious attempt with cross-party support to establish the right to bring pets into rented accommodation, but as a Ten Minute Rule Bill, it is unlikely to pass
- Instead, campaigners have suggested a small amendment to the Tenant Fees Act, to allow pet damage insurance to be included as a permitted payment
- The onus of pet damage insurance falling on tenants, rather than landlords, would allow tenants to build up a no claims history, and would avoid higher premiums for landlords in the event of a claim
- A number of insurance companies have expressed interest in providing pet damage insurance products, but would need the law to change for these insurance policies to be viable
- Amending the Tenant Fees Act (2019), to add pet damage insurance to the list of permitted payments would only require secondary legislation subject to an up/down vote in the House of Commons
- Public opinion is clearly in favour of making pet damage insurance an option for prospective tenants. 53% of pet owners, including 57% of dog owners and 55% of cat owners, say they would be willing to take out pet insurance if required by a landlord



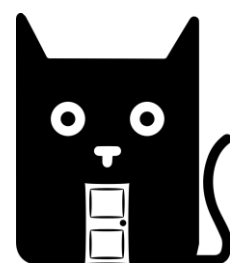
Introduction

The problem of landlords allowing pets in rental properties is an old one, but the issue has gathered pace as the tenant population has grown, and, more recently, since the introduction of the Tenant Fees Act in 2019, which saw the provision for landlords to request extra security deposits for pets abolished. Only around 7% of landlords currently advertise their properties as being suitable for pets, and many of them now charge a monthly “pet rent” top up. The majority of lettings contracts now specify No Pets, although this can be at the agency’s not the landlord’s behest.

A 2018 [report](#) by the Resolution Foundation estimated that one third of people born between 1980-1996 – so called “Generation Rent” – were likely to find themselves renting well into their retirement years. This represents over 4.5 million people, and this figure is likely to rise sharply as the short to medium-term economic effects of the Covid-19 pandemic impact the population.

Following the first successful reading of MP Andrew Rosindell’s [10 Minute Rule Bill](#), dubbed Jasmine’s Law, in October 2020, the research for which AdvoCATS contributed towards, the author of this report posted an article about the proposed legislation on the Property Tribes landlord forum, and the overwhelming response was negative in the extreme. The central message coming back from landlords was one of concern over recouping any cost of damages caused to their property by pets, costs that in some instances had run into the thousands. This prompted research into the insurance options for landlords & tenants in respect of pet damage, with the backing of Andrew and his team.

This report is the result of that research.



Benefits of pet ownership

Landlords are understandably nervous about proposals to ban blanket “no pets” clauses, without addressing some underlying financial anxieties. Although the vast majority of pets are well-behaved, and pose no risk to rented accommodation, as evidenced by Cats Protection’s [Purrfect Landlords report](#) which found that 83% of private landlords who allowed cats had never experienced any damage, there will always be horror stories of significant, costly damage done to accommodation which is difficult for the landlord to claim back without going through lengthy court proceedings.

However, the overall impact of pet ownership in rented accommodation is almost certain to be a net benefit to landlords and tenants, as well as the local community.

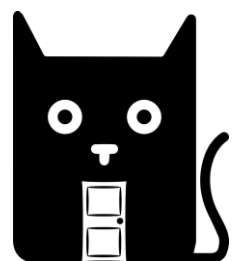
[Research](#) by Battersea Dogs & Cats Home found that “pet owners are 60% more likely than non-pet owners to get to know people in their neighbourhood they hadn’t known before”, with the same research also finding that pet owners “stay longer in their tenancies, develop stronger community ties than non-pet owners, and are more willing to support and help others locally.” Battersea’s research also found that pet ownership had a positive impact on physical and mental health, with pet owners making 15% fewer visits to a doctor, a saving of £2.45 billion to the NHS annually. In the midst of a pandemic, this figure takes on particular relevance.

Of equal relevance, during a period of lockdown, is the role pets play in ameliorating loneliness. [According to the ONS](#), the number of people living on their own “went up by 16% to 7.7 million between 1997 and 2017,” whereas the UK population increased by only 13% during that period. The percentage of people living alone is also found by the ONS to be largely concentrated in older age groups, with a 53% increase in 45-64 year olds living alone compared to a drop of 16% in those aged 25-44 from 1997-2017.

In addition, the ONS data reveals that “those aged 25 to 64 who are living alone are less likely to own their home than couples without children.”

With more people living alone, particularly among older age groups when loneliness can be especially damaging when also associated with cognitive decline, and with those living alone more likely to rent, the impact of “no pets” clauses in rented accommodation is particularly acute.

During the pandemic, single-person households have been particularly hard hit. Subject to the same restrictions on household mixing as multi-person households, they also had to spend much of the first lockdown without access to support bubbles, which were only



brought in as a measure on the 13th of June, nearly three months after the first lockdown came into effect on the 23rd of March.

Single-person households will play a particular role in the troubling increase in loneliness reported by charities such as Red Cross, which found in recently published [research](#) that 41% of UK adults report feeling lonelier since lockdown.

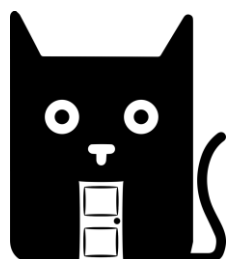
The benefits of pet-ownership to those who suffer from loneliness, as most of us do from time to time, are potentially significant. As Blue Cross [notes](#) “Loneliness can affect people of any age, and pets work miracles in transforming the lives of those who feel alone and isolated. Owning a pet gives people a routine and a sense of purpose; a reason to get up in the morning. Older pet owners are also more likely to take exercise or play with their pets.”

As the PDSA’s Joanna Wright told [The Independent](#) at the beginning of the first lockdown, “pets can be very calming when we’re going through anxious times, and they can provide focus and purpose, which can be particularly important for vulnerable and lonely people.”

Addressing the loneliness issue also makes financial sense - an [APGOCATS report](#) into cats’ effectiveness in tackling loneliness states that “studies have estimated that every £1 spent on specific, effective anti-loneliness strategies saves society £2-£3”.

Despite the physical and mental health benefits of pet ownership being well documented, hundreds of thousands of people are being deprived of the companionship and joy that owning a pet can bring.

Change is long overdue.

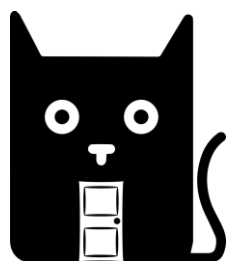


Landlords vs tenants : who pays?

The key question here is: who should bear the responsibility for having such an insurance policy? Whilst it is good to have options for both parties, it would seem sensible for the onus to be on the tenant – that way they are able to build up a no claims history or bear the increased premium following any claim, something it was felt a landlord would not appreciate!

But all landlords are individuals, and whilst one with a portfolio of 50 properties may choose blanket cover including pet damage, another with just a handful may agree the responsibility should rest with the tenant.

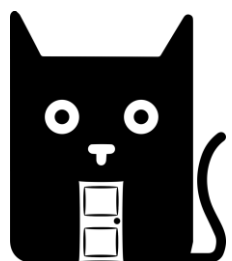
With many renters bemoaning the loss of the ability to offer a pet deposit they would have been keen to pay to keep their pet(s), due to changes made in the Tenant Fees Act (2019) and often being willing to now pay “pet rent”, an actual policy offering more protection for less outlay is the proverbial no-brainer. The challenge is getting landlords and lettings agencies onside.



Assessing industry opinion

As part of my research, I spoke to John Stewart, Deputy Director of Policy & Research at the NRLA, the leading landlord association following the merger of the NLA and the RLA last year. John is a fellow animal lover, and keen to both keep more pets and their owners together, and encourage pet ownership in general, whilst also protecting NRLA members' interests. An insurance option or options would, he believes, be of great interest to NRLA members and the wider landlord community. There is talk of having an article about #JasminesLaw in a future issue of their quarterly magazine, together with a survey asking their membership if having appropriate pet damage insurance in place would make them more willing to consider pets on a case by case basis rather than imposing a blanket ban.

I also spoke to Ben Lenton, one of very few contributors to the Property Tribes thread already mentioned who had a positive view and offered his input. Ben is a landlord, with a number of properties to his name, and was a very useful sounding board for this report. Whilst NRLA's John suggested that amending the list of permitted payments within the Tenant Fees Act to include insurance would be the most sensible course of action, Ben added that a Code of Practice should be written, offering a framework for both landlords and tenants alike to understand what is expected of them, and to offer guidance on such issues as what type of accommodation is suitable for what pet(s), how to deal with pet related complaints, documentation a tenant should provide, and so forth.



Existing policy options & products in development

This is not an exhaustive list by any means, but a good selection of leading landlord and tenant insurance providers. Insurance options that include pet damage for both landlords & tenants are few and far between, but there are some worthy of note, and other providers have intimated that better publicity to increase awareness of these policies and/or legislative change, will stimulate more of the market to develop their own products. An important barrier to the development of such schemes by insurance companies is the legislative one. Given that, under the Tenant Fees Act (2019) pet damage insurance is not on the list of permitted payments, for many insurance companies it is not viable to develop such cover.

Alan Boswell Group (insurance partner to Property Tribes)

ABG have just launched (February 2021) a pet damage cover option as part of their landlords' or tenants' contents insurance policies. Both products have been developed in conjunction with SAGIC, the insurance arm of the Salvation Army which is a not-for-profit insurer, with all profits going back to the Salvation Army to support their charitable activities. The policy provides up to £5K cover for sudden, unintentional and unexpected physical loss, breakage or damage caused by a domestic pet to fixtures and fittings of the rented accommodation, as well as contents provided by the landlord.

Endsleigh Insurance (Lets with Pets – Dog's Trust)

Endsleigh have the Lets with Pets landlord's insurance product which was launched in conjunction with Dog's Trust in 2009, and which has pet damage as an integral part of its cover, with no claim limit. The policy has been around for a number of years, but both parties fully acknowledge that little has been done to promote it of late. Endsleigh have recently appointed a new CEO and are looking to be more proactive in promoting their product range as a whole.

Just Landlords

Although Just Landlords offer an impressive 40 different covers, this does not include pet damage. Furthermore, although they knew of the Endsleigh policy, they were not aware of any existing product aimed at tenants. They were the first to affirm that greater awareness and take up might lead to other providers following suit.

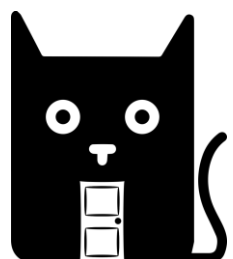
My Urban Jungle

MUJ are a relatively new kid on the block, and their main focus is tenants' contents insurance at very low premiums (£5/month) with an excess of just £100. They do offer

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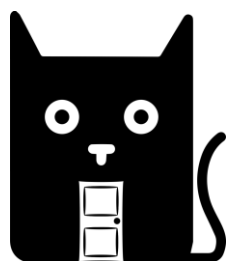
www.advocatseastmids.org.uk



pet damage as an optional extra, for an additional £5, but although the sum insured is up to £10K, the actual cover itself is quite limited and excludes damage to soft furnishings and carpets. They have said that there was definitely the potential to extend this cover in exchange for a higher excess option.

One Broker

OB is the only company I have found who had a comprehensive tenants' contents insurance product with integral pet damage cover available at the time of writing, that has been in existence but little promoted for 5 years. Featuring up to £4k worth of cover as standard, the policy is portable and has the facility for any claims to be paid direct to the landlord. Premiums vary depending on the level of contents cover required, but are per household not per pet, and, starting at £120/year, are significantly less than the majority of pet deposits that used to be requested, and indeed would represent a better use of "pet rent".



Changing the law

Andrew Rosindell M.P.'s [legislation](#), dubbed “Jasmine’s Law”, would establish the right to keep a pet in rented accommodation into law. The Secretary of State for Housing, Communities and Local Government would be instructed to create certificates of responsible ownership, which landlords could require prospective tenants to possess when applying for accommodation, and certificates of exemption, which could be granted to a landlord in the event of religious, health, or other reasons which would render accommodation unsuitable to a pet.

“Jasmine’s Law” has been introduced to Parliament via a mechanism known as a [Ten Minute Rule Bill](#), a form of Private Members’ Bill. Parliamentary procedure means it is highly unlikely the Bill will be given sufficient Parliamentary time to become law, and so further options must be explored for facilitating greater pet ownership in rented accommodation.

The Model Tenancy Agreement

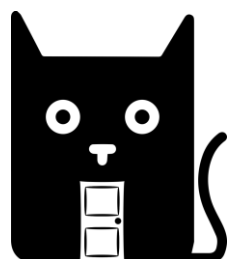
In January 2021, the Government [changed](#) the Model Tenancy Agreement so that “responsible tenants with well-behaved pets will be able to secure leases more easily.” Under the new Agreement, landlords will no longer be able to issue blanket bans on pets. As Housing Minister Chris Pincher stated: “it can’t be right that only a tiny fraction of landlords advertise pet friendly properties and in some cases people have had to give up their beloved pets in order to find somewhere to live.”

Campaigners welcome the change, with the RSPCA [calling](#) it a “big step forward for pet owning renters.” But it is not a definitive solution. The Model Tenancy Agreement, while influential, is not binding on landlords, and acts as a suggested template for such agreements.

As Andrew Rosindell [said](#) following the announcement: “The Model Tenancy Agreement is just a template. It is not legally binding... we must turn these proposals into law to ensure a pet in every home.”

Amending the Tenant Fees Act (2019)

If there is a lack of appetite for full scale legislative change, an easier policy fix which would provide a significant lifeline to pet-owners looking for rented accommodation, would be a change to the [Tenant Fees Act](#) (2019).



The aim of the Tenant Fees Act, as outlined when it was introduced, was to “reduce the costs that tenants can face at the outset, and throughout, a tenancy” as well as to allow tenants to see “what a given property will cost them in the advertised rent with no hidden costs.”

While this ambition of lower costs and greater transparency for tenants is laudable, for many prospective pet-owners it did not achieve either of these goals. The Act does not include pet damage insurance as part of its list of permitted payments, the consequence of which has been higher rents for many pet owners, which defeats the aim of lower costs and greater transparency, as there is ambiguity introduced into the rental cost.

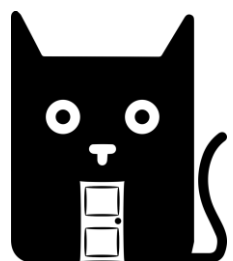
As explained by the Tenancy Deposit Scheme, prior to the Tenant Fees Act, “landlords could ask tenants who wanted to have a pet in their rented accommodation for a ‘pet deposit amount’ as part of the tenancy deposit”. But under the Tenant Fees Act “landlords and letting agents are no longer able to take a higher security deposit for tenants with pets.”

Yet the Tenant Fees Act “does not place any restrictions on what landlords can charge their tenants for rent.” As a consequence, The Guardian [reported](#) that “landlords are charging ‘pet rent’ running into hundreds of pounds a year.”

Adding pet damage insurance to the list of permitted payments would be relatively simple. The Act, under Chapter 1, Section 3, Subsection 2, states that “the Secretary of State may by regulations made by statutory instrument amend Schedule 1 [list of permitted payments] by adding, modifying or removing a reference to a permitted payment.”

An explanatory note states that: “Regulations are subject to the affirmative procedure, meaning that they must be approved by a resolution of each House of Parliament except in the case of an amendment to the maximum amount of permitted payment on assignment, variation or novation of a tenancy for the purposes only of reflecting changes in the value of money.”

This means that with a simple vote in the House of Commons, the Secretary of State could add pet damage insurance to the list of permitted payments. This would free up numerous insurance companies to create new, or update existing, pet insurance schemes to cater to pet-owners seeking to move into rented accommodation. The permitted payments scheme could also be updated to allow for a “pet deposit”, as an alternative or an additional option, but this would need to have its own cap.



Public opinion

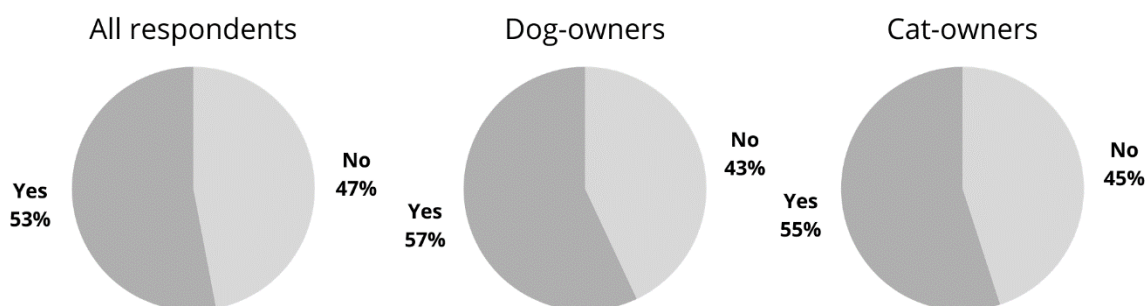
Public opinion is clearly on the side of amending the Tenant Fees Act to include pet insurance on the list of permitted payments.

YouGov, in a polling commissioned by the Society for Companion Animal Studies in February 2021, asked 1,056 GB adults who currently have a pet to imagine they were looking to move into a rental property with their pet(s), which required them to have a "specialised pet ownership insurance" as a condition of being able to rent the property.

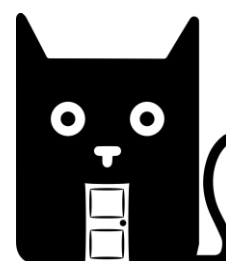
53% of pet owners, including 57% among dog owners and 55% among cat owners respectively, indicated that they would be willing to pay for specialised pet insurance, if priced reasonably to them and required by a landlord.

This also includes a majority of those pet owners who rent from private landlords or from their local authority, at 51% in both cases.

A majority of pet-owners would be willing to take out pet insurance if required by a landlord



Source: YouGov

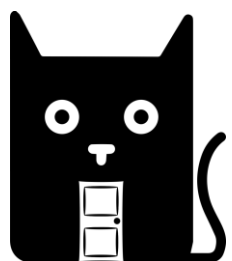


Conclusion & recommendations

It's generally acknowledged that #JasminesLaw is unlikely to actually become law, but the bill and the ensuing campaign have heightened awareness of a growing problem, which is having a very real impact on the lives of ordinary people, whose only crime is not being able to get on the housing ladder. Rescues are already under increasing pressure, ratcheted up by the economical effects of Covid-19, and precious space is being taken up by pets who had perfectly good and loving homes.

#Jasmine'sLaw has cross party support, and will hopefully at the very least be debated further in parliament. There is currently a groundswell of popular opinion in favour of better pet related legislation : the welfare bill, Lucy's Law, Tuk's Law et al – and it makes sense to take advantage of this, which the planned soft re-launch of #JasminesLaw campaign will be doing.

The absolute cornerstone of the bill is responsible pet ownership, so as you would a car or a business, taking out appropriate insurance against pet damage to a property you don't own can only help underline responsibility. Promoting the existence of a comprehensive insurance policy will see significant uptake and other products will soon come online to compete. Enshrining the right for a landlord to request that such a policy is held in order to allow pets in their property **in law** – by amending the Tenant Fees Act to make this a Permitted Payment – will go a very long way to achieving #JasminesLaw's ultimate goal of #APetInEveryHome, and improve the lives of thousands – perhaps hundreds of thousands - of tenants.



Contributors

Alan Boswell Insurance

Ben Lenton

Endsleigh Insurance

Just Landlords

My Urban Jungle

NRLA

One Broker

With grateful thanks to SCAS, the Society of Companion Animal Studies, for funding the public opinion research

Report author – Jen Berezai, co-founder AdvocatSeastmids

AdvocatSeastmids – *working hand in paw with rescues, landlords & tenants*
Email : advocatsem@gmail.com
www.advocatseastmids.org.uk

