

# Growing fear for private renters with an uncertain financial future PayPoint survey reveals the COVID eviction ban has not reassured tenants

- **Almost half of private renters and 30% of social tenants are concerned about the long-term financial impact of COVID-19**
- **Concern amongst private tenants is up 14% from July 2020 to January 2021**
- **1 in 3 tenants would welcome a digital payment reminder tool and flexible terms**

With the UK in the midst of yet another national lockdown, and many months of uncertainty still ahead, fears over financial stability remain high. In a survey of social and private renters, PayPoint found that whilst a third of social tenants remain concerned about the future, compared to July 2020, fears amongst private tenants have risen – nearly 50% of private renters are now concerned for the long term, rising 14% in six months.

According to the latest English Housing Survey, the private rental sector accounts for 4.4 million<sup>ii</sup> households which means that as many as 2 million households could be worrying about keeping a roof over their head in the long term. And this fear is underlined by figures from homelessness charity, Shelter, which revealed that almost 445,000 of private tenants have fallen behind in their rental payments or received an eviction notice in December.

Danny Vant, Client Services Director for digital payments expert, PayPoint, commented: “This time a year ago we could never have predicted the intense uncertainty families are facing today. Renters have found themselves in extremely challenging positions through no fault of their own. Whilst on the whole, landlords and housing associations are doing everything they can to support these people and their families, the longer the pandemic curbs the economy, the harder it is for everyone to find a means of financial survival.”

Across all markets, the growth of digital services has accelerated since the very first lockdown. In line with this, both social and private renters surveyed by PayPoint said they would welcome digital solutions to support them in better managing their finances - 27% of private and 32% of social renters said they would utilise a service that reminds them when payments are due and offers flexibility to either make a one-off payment or create a recurring schedule.

Danny Vant continued: “Our survey results confirm the wider trend in increased reliance on digital that has been seen during the pandemic. Digital solutions such as PayPoint’s collection tool, PayByLink helps landlords to engage with tenants sensitively and responsibly via SMS and email, to work with them to manage their payments. Through PayByLink, landlords can support tenants as they navigate this stressful time. In return, they may improve and strengthen relationships with tenants, resulting in longer term, more financially dependable tenancies in the future.”

## **PayByLink benefits for late payment collection:**

- Sends automated SMS customer reminders
- Enhances customer engagement
- Offers user-friendly payment optionality that keeps customers engaged
- Increases collection of small arrears with ease
- Easily integrates into your own CRM system
- Increases efficiency with bulk payment options
- Reduces spend on collections and write offs
- Enhances cash flow management
- Fully PCI compliant and can be used effectively in a call centre environment

<sup>1</sup>200 private and social renters - Social Grade C2, D, E - were surveyed using Gorkana Surveys, January 2021.

<sup>2&3</sup> Source: <https://www.independent.co.uk/money/eviction-arrears-rent-housing-costs-increase-help-b1789293.html>