

# **Unclaimed tenancy deposits**

## **Equality Impact Assessment Results**

**June 2024**

# Equality Impact Assessment Results

## Title of Policy:

Part 4 - Housing (Scotland) Bill (“the Bill”) – Unclaimed tenancy deposits

## Summary of aims and desired outcomes of Policy:

Measures in the Bill are designed to introduce changes to the Private Rented Sector Tenancy Deposit Schemes, to enable the use of unclaimed tenancy deposit funds and reinvesting them to the benefit of tenants living in the private rented sector (“PRS”).

## Directorate:

Directorate for Local Government and Housing: Better Homes Division: Private Rented Housing Team.

## Executive summary

Scottish Ministers have committed to further reform of the rented sectors as part of delivering their vision and commitments for housing as set out in Housing to 2040<sup>1</sup> and consulted on as part of our New Deal for Tenants: Draft Rented Sector Strategy<sup>2</sup>. The reforms were also developed as part of the Cooperation Agreement between the Scottish Government and the Scottish Green Party Parliamentary Group, which was ended on 25 April 2024. The 2023-24 Programme for Government<sup>3</sup> commits to a Housing Bill that will help to deliver the legislative changes required.

Part 4 of the Bill as introduced includes provision to enable the use of unclaimed tenancy deposit funds and for these to be reinvested for the benefit of tenants living in the PRS. A deposit would be considered as unclaimed 5 years from the tenancy end date, allowing tenants to have clarity on when the 5 year timescale to reclaim commences. This is a change to the current legislation which requires that both the funds and tenants details are held indefinitely by the deposit schemes. Provisions therefore enable the use of unclaimed tenancy deposit funds and sets limitation on the use of these funds to ensure they benefit PRS tenants including providing and securing the provision of:

---

<sup>1</sup> [Housing to 2040 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/housing-to-2040/pages/introduction/)

<sup>2</sup> [Supporting documents - A New Deal for Tenants - draft strategy: consultation - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/supporting-documents-a-new-deal-for-tenants-draft-strategy-consultation/pages/introduction/)

<sup>3</sup> [Delivering our National Missions - Programme for Government 2023 to 2024 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/delivering-our-national-missions-programme-for-government-2023-to-2024/pages/introduction/)

- advice, information or assistance to private tenants in relation to their rights as tenants;
- other services or facilities that promote or support the interests of such tenants, and
- preventing private tenants from becoming homeless.

This is one of a number of equality impact assessments that will be carried out in relation to the Bill policy changes.

The analysis is presented below in the Key Findings section. The findings are based on stakeholder engagement and feedback, desk-based research and analysis of the Review of Tenancy Deposit schemes, responses to the New Deal for Tenants: Draft Rented Sector Strategy and the Landlord and Tenant Engagement Questionnaire and subsequent engagement discussion groups.

The EQIA is an ongoing process, and therefore will continually be amended as new evidence comes to light. We will continue to engage with our stakeholders and will regularly review the EQIA record and results following the data review and subsequent analyses.

Our assessment has identified that procedural changes to enable the use of unclaimed tenancy deposits and for reinvestment into the sector for benefit of its tenants, in relation to the three aspects of the public sector equality duty, is neutral. It has however been identified that introduction of the measures to use unclaimed funds to the benefit of tenants living in the PRS will have an overall beneficial effect on all tenants, including those with protected characteristics. The use of unclaimed deposit funds therefore has the potential to support activities in the future that may positively impact on those with protected characteristics.

## **Background**

Since 2012, where a private landlord asks a tenant to pay a tenancy deposit, the deposit must be lodged with one of three independent approved tenancy deposit schemes. Monitoring of the schemes has highlighted the previously unforeseen issue of deposits remaining unclaimed some significant time after the tenancy has ended. Scottish Ministers now wish to address this issue and take the necessary steps to enable the use of the current unclaimed funds, reinvesting them to the benefit of tenants living in the PRS.

When a tenancy ends, a landlord or letting agent is required to arrange the return of the deposit minus any reasonable deductions. The landlord or letting agent should do this as soon as they can after the tenancy ends. Unclaimed tenancy deposits occur where the landlord has started the process to return the deposit (via an application to the deposit scheme provider), but the tenant does not respond and cannot be contacted.

A review of tenancy deposit schemes was carried out in 2018<sup>4</sup>, which explored this issue further. It found that the majority of unclaimed deposits belong to students, in particular overseas students who regularly return home without claiming their money back from the schemes. In addition, some of the larger unclaimed deposits relate to tenancies taken out by companies on behalf of their employees.

Despite work by each of the schemes to return unclaimed deposits, there is now around £4 million of unclaimed tenant deposit funds between the three approved deposit schemes.

## The Scope of the EQIA

This EQIA considers any positive or negative impact that the unclaimed deposit provision may have on those with protected characteristics, as outlined in the Equality Act 2010 (age, disability, sex (including pregnancy and maternity), gender reassignment, sexual orientation, race and religion or belief).

As part of our considerations and policy development of the measure, a formal public consultation was carried out as part of the Scottish Government's New Deal for Tenants: Draft Rented Sector Strategy<sup>5</sup>. Independent analysis of responses to the consultation<sup>6</sup> was published in August 2022.

Further targeted stakeholder engagement with tenants, landlords and other relevant stakeholders has taken place to inform the development of the measures, including a landlord and tenants questionnaire and subsequent discussion group events seeking views on particular aspects of the policy. Independent analysis of responses to the questionnaire<sup>7</sup> was published on 8 March.

## Key Findings - Tenants

The PRS is home to 341,000 households<sup>8</sup>. The PRS has grown significantly over the last 20 years and houses a diverse population, including families with children, low-income and other vulnerable groups, many of whom face difficulties in accessing other tenures<sup>9</sup>.

---

<sup>4</sup> [Review of Tenancy Deposit Schemes in Scotland \(www.gov.scot\)](http://www.gov.scot)

<sup>5</sup> [Supporting documents - A New Deal for Tenants - draft strategy: consultation - gov.scot \(www.gov.scot\)](http://www.gov.scot)

<sup>6</sup> [A New Deal for Tenants: consultation analysis - gov.scot \(www.gov.scot\)](http://www.gov.scot)

<sup>7</sup> [Rented sector reform: landlord and tenant engagement questionnaire - analysis report - gov.scot \(www.gov.scot\)](http://www.gov.scot)

<sup>8</sup> Scottish Government, [Housing statistics: Stock by tenure](http://www.gov.scot). Figures are estimated stock as at March 2022. In the Financial Memorandum, the number of private rented households is rounded to 340,000 when used in costings.

<sup>9</sup> [Supporting documents - Housing Statistics 2022 & 2023: Key Trends Summary - gov.scot \(www.gov.scot\)](http://www.gov.scot) and [new-deal-tenants-draft-strategy-consultation-paper.pdf \(www.gov.scot\)](http://www.gov.scot)

While all private tenants should have a tenancy deposit protected by one of the three approved tenancy deposit schemes in Scotland, there is limited available data on the protected characteristics profile of tenants who have a deposit protected. We recognise that the data available does not provide a complete picture of the experiences of those with protected characteristics. However, the EQIA has allowed the opportunity to consider the impact of this measure for these groups as fully as possible.

## Age

We know from the Scottish Surveys Core Questions Survey 2022<sup>10</sup> findings that 25.5% of those living in the PRS are 16-24, 35.3% are 25-34, 15.5% are 35-44, 10% are 45-54, 6.8% are aged 55-64, and 6.9% are 65 and above.

Scottish Government data on Poverty and Income Inequality in Scotland<sup>11</sup> shows that in the last 15 years, the youngest households (household heads aged 16-24) have been consistently more likely to be in relative poverty compared to older households. In the period 2020-23, 39% of people in households with household heads aged 16-24 were in relative poverty after housing. In comparison, the age groups 25-34, 35-44, 45-54 and 55-64 all had lower poverty rates between 17% and 23%.

We know from the Review of Tenancy Deposit Schemes<sup>12</sup> that the majority of unclaimed deposits belong to students, in particular, overseas students. According to the UK-wide National Student Accommodation Strategy 2023, 46% of students rent from a private landlord which means that almost half of the student population relies on the PRS sector for accommodation<sup>13</sup>. Evidence<sup>14</sup> also suggests that the majority of students in Scotland are young people under the age of 25. In 2021-22, 40% of people at university full-time were aged 20 or under, while 55% of full-time students studying a first degree were aged 20 or under. Amongst all full-time students in Scotland, a further 35% were aged 21-24 years and 13% were aged 25-29 years. When it comes to the proportion of Scottish-domiciled students, 48% of people at university full time were 20 years or under; 29% of people were 21-24 years; 10% were aged 25-29 and 13% were aged 30 years and over.

The review of tenancy deposit schemes found older households were more likely to have not experienced an unclaimed deposit or know someone who had (93%, compared to 84-85% of other household types).

---

<sup>10</sup> [Supporting documents - Scottish Surveys Core Questions 2022 - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/documents/2022/09/Supporting_documents_-_Scottish_Surveys_Core_Questions_2022_-_gov.scot)

<sup>11</sup> [Poverty and Income Inequality in Scotland 2020-23](https://www.gov.scot/resources/documents/2023/03/Poverty_and_Income_Inequality_in_Scotland_2020-23)

<sup>12</sup> [Review of Tenancy Deposit Schemes in Scotland \(www.gov.scot\)](https://www.gov.scot/resources/documents/2023/03/Review_of_Tenancy_Deposit_Schemes_in_Scotland)

<sup>13</sup> [SPF Report on future of Scotland's Residential Rental Market \(scottishpropertyfederation.org.uk\)](https://www.scottishpropertyfederation.org.uk/resources/SPF_Report_on_future_of_Scotland_s_Residential_Rental_Market)

<sup>14</sup> [Who's studying in HE? | HESA](https://www.hesa.ac.uk/news/2023/04/whos-studying-in-he)

While the procedural changes will not directly impact positively or negatively on tenants relating to age, the changes will ensure that unclaimed funds can be used to support those living in the PRS. This will have a positive effect on all tenants, but may be particularly beneficial for younger people who may be more likely to be living the PRS.

## **Disability**

According to the Scottish Surveys Core Questions 2022<sup>15</sup>, the proportion of adults in the PRS who have a limiting long-term physical or mental health condition was and 23.2%.

According to evidence compiled from multiple sources for a 2022 Scottish Government analytical paper<sup>16</sup> on the cost of living:

“[h]ouseholds with one or more disabled people are more likely to be in poverty. 23% of people in households with a disabled household member were in relative poverty after housing costs in 2017-20, compared to 17% of people with no disabled household members. The percentage of net income spent on housing, fuel and food is higher for households with a disabled household head. Food insecurity is also more common among adults with a limiting longstanding illness (18%). Disabled people often use more energy, as many need to keep heating on for medical reasons, or use electricity to charge essential equipment such as mobility aids. Many disabled people have needs which mean that economising on energy can bring severe hardship.”

A Cache survey<sup>17</sup> of 1,012 private renters found that just over a quarter of renters (26%) who do not have a disability or long term health condition found it challenging to afford their current rent. The percentage increases to 40% for renters with a disability or long term health condition.

Evidence from the survey of renters<sup>18</sup>, indicated that those respondents with a disability or longer-term illness were more likely to experience an issue with their landlord or letting agent. 40% of respondents compared with 35%. Those who had experienced an issue were asked about what steps had been taken to resolve. The most common response (28%) was that they did not raise the issue for fear of what might happen. This along with the general lack of awareness of tenancy rights

---

<sup>15</sup> [Scottish Surveys Core Questions 2022](#)

<sup>16</sup> [The Cost of Living Crisis in Scotland: An Analytical Report \(www.gov.scot\)](#) p48. The analytical paper as published contains references to hyperlinks which no longer exist. However, underlying data available is summarised in this report [Poverty and Income Inequality in Scotland 2020-23 \(data.gov.scot\)](#) and underlying data tables can be found here: [Download data](#).

<sup>17</sup> [Living in Scotland's private rented sector: a bespoke survey of renter's experiences - UK Collaborative Centre For Housing Evidence](#)

<sup>18</sup> [Living in Scotland's private rented sector: A bespoke survey of renters' experiences](#)

indicated by RentBetter<sup>19</sup> research make clear the importance of awareness raising of new rights and the mechanisms for resolving disputes as part of the implementation of the new rights.

Whilst the procedural changes will not directly impact positively or negatively on tenants relating to disability, the measures to use unclaimed funds to the benefit of tenants living in the PRS will have a positive effect including for disabled people.

### **Sex (including pregnancy and maternity)**

According to the Scottish Core Questions 2022<sup>20</sup>, an estimated 50.2% of those in the PRS are women. Women earn less on average than men<sup>21</sup>, are less likely to be paid the Living Wage<sup>22</sup> and are more likely to not be working due to looking after children or home<sup>23</sup>. This may lead to women having a lower independent income. Whilst there may be income pooling within a couple with a high-income and low-income earner, there will be an unequal reliance on the sharing of income to maintain their standard of living<sup>24</sup>.

The Wealth in Scotland<sup>25</sup> report also shows that women are less likely to own property than men<sup>26</sup>, and lone parents (of whom 92% in Scotland are women) and working aged women with no children are the least likely groups to own any property.

The previously mentioned 2022 CaCHE survey<sup>27</sup> of 1,012 private renters in Scotland found that a higher proportion of women reported worry about affording other essentials in comparison to male renters<sup>28</sup>. It also found that a higher proportion of female renters (41%) had experienced an issue with their landlord or letting agent than male renters (32%).

---

<sup>19</sup> [Low income renters priorities for change scotland synthesis report sept 2022-1.pdf \(housingevidence.ac.uk\)](#)

<sup>20</sup> [Scottish Surveys Core Questions 2022 - gov.scot \(www.gov.scot\)](#)

<sup>21</sup> [Scotland's Gender Equality Index 2023 \(data.gov.scot\)](#)

<sup>22</sup> See footnote 21

<sup>23</sup> See footnote 21

<sup>24</sup> The low-income indicator measures the proportion of adults with an income below 60% of the UK median income, after equivalising for dependent children living with them. Due to limitations of the available data, we have assumed that costs related to dependent children are shared proportionate to individual income within a family. This indicator uses income before housing costs to avoid needing to make assumptions about how housing costs are split within a couple.

<sup>25</sup> [Wealth in Scotland 2006-2020 \(data.gov.scot\)](#)

<sup>26</sup> In 2018-2020, 70% of households with a male household head owned property, whereas only 59% of households with a female household head did. This gap was consistent over time.

<sup>27</sup> [Living in Scotland's Private Rented Sector: A Bespoke Survey of Renters' experiences – September 2022](#)

<sup>28</sup> 39% of men compared to 47% of women surveyed

Whilst a precise gender breakdown isn't available for other household types on Housing Benefit or for households receiving the housing element of Universal Credit, the available data suggests that it is likely that women in Scotland are overall more likely to be in receipt of Housing Benefit or the housing element of Universal Credit than men<sup>29</sup>.

Evidence from Scottish Government analysis of the Family Resources Survey<sup>30</sup> indicates there are some types of households with children who are at a higher risk of being in poverty. These include households with single parents, those with three or more children, households with a disabled person/child, of a minority ethnic background, those with a child under one, or households where the mother is aged under 25. Taking together, these groups represent 90% of households with children in poverty.

Over recent years, evidence shows that households with children under one are at a heightened risk of poverty, and that families with a new child are more likely to enter poverty, even when controlling for other factors<sup>31</sup>. Evidence from a recent focus report on poverty and households with babies<sup>32</sup> suggests that new mothers found Universal Credit payments helped to relieve housing costs by covering their rent, however most of the interviewees were in social housing and it was suggested that private rented accommodation is unaffordable. Many within the study mentioned that having a baby prompted a change in housing; often moving out of pre-pregnancy housing to avoid overcrowding. While rental costs were not a prominent concern, mothers highlighted the challenges of securing homes which suit their family's needs.

Whilst the procedural changes will not directly impact positively or negatively on tenants relating to sex (including pregnancy and maternity), the measures to use unclaimed funds to the benefit of tenants living in the PRS will have a positive effect.

## **Gender reassignment**

A 2018 Stonewall report<sup>33</sup> found that 25% of trans people faced discrimination when looking for a house or flat to rent or buy in the last year. The same percentage had experienced homelessness at some point, while 20% of non-binary people had faced discrimination when looking for a new home.

---

<sup>29</sup> [Cost of Living \(Tenant Protection\) \(Scotland\) Bill: equalities impact assessment - gov.scot \(www.gov.scot\)](https://www.gov.scot/cost-of-living-tenant-protection-scotland-bill-equalities-impact-assessment)

<sup>30</sup> Scottish Government analysis of Family Resources Survey Data (2020-23) [Poverty and Income Inequality in Scotland 2020-23 \(data.gov.scot\)](https://www.gov.scot/poverty-and-income-inequality-in-scotland-2020-23)

<sup>31</sup> [Additional child poverty analysis 2024 - gov.scot \(www.gov.scot\)](https://www.gov.scot/additional-child-poverty-analysis-2024)

<sup>32</sup> [Tackling child poverty delivery plan: fourth year progress report 2021-2022 - focus report on households with babies under one - gov.scot \(www.gov.scot\)](https://www.gov.scot/tackling-child-poverty-delivery-plan-fourth-year-progress-report-2021-2022)

<sup>33</sup> [Stonewall Scotland - LGBT in Britain](https://www.stonewall.org.uk/scotland)



Data around the prevalence and experiences of trans people in the Scottish private rental sector are limited. We do not have reliable estimates for the number of trans or non-binary people in Scotland at present, including those living specifically within the PRS. However, as the next section will detail, there is evidence that other members of the LGBTI community are more likely to live in the PRS and within urban areas in Scotland.

Reported findings from a 2022 UK study of housing discrimination<sup>34</sup> by Generation Rent and LGBTI homelessness organisation “akt” found that 43% of LGBTI respondents reported that they had been forced to live in unsuitable accommodation, compared with 29% of non-LGBTI participants. Insecurity and accessibility to affordable homes in the private rental market was raised as also an issue. However, limited information about the study or its underlying data were available so it is unclear as to how robust or representative these findings are.

In a published response to the recent consultation on A Human Rights Bill for Scotland<sup>35</sup>, the Equality Network cited (yet unpublished) data from a survey undertaken by Scottish Trans which ran from March–June 2023 and surveyed 575 trans and non-binary people from across Scotland about their experiences of housing and the cost-of-living, among other topics. The findings report experiences of discrimination by private landlords, housing insecurity, and in the case of trans respondents, the cost of living crisis causing respondents to have to make choices between necessities and gender affirming purchases. Detail of survey results and methodology were not yet available for assessment at the time of drafting so it is not possible to comment on the robustness of these findings.

The consultation response also expressed that trans people may experience an additional layer of difficulty when seeking benefits via the Department for Work and Pensions due to administrative issues arising from either not having a GRC (gender recognition certificate), or due to issues caused by current and previous details such as names no longer matching on the system. According to the UK Government’s national LGBT Survey Report (2018)<sup>36</sup>, only 12% of the trans men and trans women respondents who had either started or finished transitioning had obtained a GRC.

Whilst the procedural changes will not directly impact positively or negatively on tenants relating to gender reassignment, the measures to use unclaimed funds to the benefit of tenants living in the PRS will have a positive effect.

## **Sexual orientation**

The available evidence suggests that more cis lesbian, gay and bisexual people privately rent: people living in the PRS are more likely to identify as either ‘lesbian,

---

<sup>34</sup> ["I didn't feel safe being my full self" - the LGBTQ+ experience of renting \(generationrent.org\)](https://www.generationrent.org/)

<sup>35</sup> [Equality-Network-Consultation-Response-A-Human-Rights-Bill-for-Scotland-4th-October-2023-.pdf](#)

<sup>36</sup> [National LGBT Survey: Research report - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/721222/national-lgbt-survey-research-report-2018.pdf)

gay, bisexual or other' (LGB) than the population as a whole: 6.9% compared to 2.9%<sup>37</sup>.

A 2021 report by the Scottish Government on inclusivity in rural areas<sup>38</sup> which drew on multiple data sources found that there is a higher prevalence of lesbian, gay, bisexual or 'other' people in urban areas, which may partially reflect experiences of LGBTI people of having moved to a different area due to their experiences as LGBTI.

Poverty and income inequality analysis data suggests the poverty rate has been consistently higher for LGBTI adults compared to straight/heterosexual adults. In the period 2020-2023 it is estimated that 25% of those identifying as LGB+ were in relative poverty after housing costs, compared to 19% of straight adults<sup>39</sup>. However, it should be noted that the analysis flags that there were too few LGB+ identifying adults in poverty in the sample to produce a robust estimate of their population and measurement uncertainty is quite wide for this group.

Whilst the changes will not directly impact positively or negatively on tenants relating to sexual orientation, the measures to use unclaimed funds to the benefit of tenants living in the PRS will have a positive effect.

## Race

Recent data from the Scottish Surveys Core Questions 2022<sup>40</sup> indicate that just over half (52.3%) of adult respondents in the PRS recorded their ethnicity as 'White: Scottish', lower than all other tenures, and 16.5% recorded their ethnicity as White: British, and 2.5% as White: Polish. 6.8% recorded their ethnicity as White 'Other'<sup>41</sup> and 15.6% recorded their ethnicity as Asian<sup>42</sup>, figures which are both higher than other tenures. All other ethnic groups<sup>43</sup> make up 6.1% of the PRS.

A 2022 Scottish Government analytical paper<sup>44</sup> drawing together evidence about cost of living found that:

---

<sup>37</sup> [Scottish Surveys Core Questions 2019 \(Last updated: January 2021\)](#)

<sup>38</sup> [Inclusive Participation in Rural Scotland: A Preliminary Exploration \(www.gov.scot\)](#)

<sup>39</sup> [Poverty and Income Inequality in Scotland 2020-23 - Equality analysis](#). 21% of adults who did not answer the question about sexual orientation also reported being in relative poverty after housing costs.

<sup>40</sup> [Supporting documents - Scottish Surveys Core Questions 2022 - gov.scot \(www.gov.scot\)](#)

<sup>41</sup> includes 'White: Irish', 'White: Gypsy/Traveller', 'Roma', 'Showman/Showwoman' and 'White: Other White Ethnic Group'

<sup>42</sup> 'Asian' includes the categories Asian, Asian Scottish or Asian British

<sup>43</sup> All other ethnic groups' includes categories within the 'Mixed or Multiple Ethnic Group', 'African', 'Caribbean or Black' and 'Other Ethnic Group' sections

<sup>44</sup> [The Cost of Living Crisis in Scotland: An Analytical Report \(www.gov.scot\)](#) p.42

“[m]inority ethnic groups are significantly more likely to live in larger households<sup>45</sup>, to be unpaid carers and live in private rented accommodation. Minority ethnic households are also more likely to have deeper levels of poverty<sup>46</sup> and so a greater proportion of their income is likely to be spent on essentials which are subject to inflation.”

As noted in a 2020 report of the Coalition for Racial Equality and Rights<sup>47</sup>, within Scotland, black and minority ethnic (“BME”) groups are demographically younger than white ethnic groups. According to the 2011 Census, those identifying as white are most likely to be aged 45-59, whereas as BME groups are largely younger in profile (most likely to be aged 25-34) – with the exception of Caribbean or Black where it is 35-44. However, although there is evidence to suggest that younger people may find themselves in the PRS due to a lack of other options (often referred to as the ‘generation rent’ phenomena<sup>48</sup>, there is a lack of evidence about how this applies to BME communities in Scotland.

A Scottish Government evidence review of the housing needs of minority ethnic groups<sup>49</sup> sought to uncover trends in housing for minority ethnic groups. The review found that multiple trends in housing for minority ethnic groups were present across the literature including those identified above. People from minority ethnic groups were more likely to be living in relative poverty after housing costs than people from the white Scottish/British group which is still the case<sup>50</sup>, and some ethnic groups such as ‘African’, ‘White: Polish’ and the ‘Other ethnic’ group, were much more likely to be living in some of the most deprived areas in Scotland.

The review also notes that it remains a partial view and that gaps in the data exist, given that the available evidence on the demographic and geographic profile of the population is often dated or limited in terms of sample size, and that this restricts the insight offered by the available evidence.

Research undertaken as part of the RentBetter Project in 2020<sup>51</sup> found that, of the non-white minority ethnic PRS tenants in Scotland sampled, just over a third found it difficult to find a place to rent, compared to one-fifth of all tenants in the sample. For non-white minority ethnic tenants, this difficulty in finding a place to rent was more commonly attributed to affordability or being on benefits than for other tenants<sup>52</sup>. This research also found that tenants from non-white minority ethnic groups

---

<sup>45</sup> According to [Census 2011 data](#)

<sup>46</sup> Scottish Government (2020). Poverty and income inequality in Scotland 2016-19 and [Additional poverty analysis 2018 - gov.scot \(www.gov.scot\)](#)

<sup>47</sup> [Ethnicity and Housing in Scotland](#), Coalition for Racial Equality and Rights, July 2020

<sup>48</sup> ‘Generation rent’ and the ability to ‘settle down’: economic and geographical variation in young people’s housing transitions: [Journal of Youth Studies: Vol 20 , No 1 - Get Access \(tandfonline.com\)](#)

<sup>49</sup> [Housing needs of minority ethnic groups: Evidence review \(www.gov.scot\)](#), January 2021

<sup>50</sup> [Scottish Government, Poverty and Child Poverty Data for Download](#)

<sup>51</sup> [RentBetter Baseline Full Reports | Rent Better \(indigohousegroup.com\)](#)

<sup>52</sup> [RentBetter Baseline Full Reports | Rent Better \(indigohousegroup.com\)](#)

were still less likely to feel confident in challenging their landlord and dealing with disputes compared to their white counterparts.

The 2021 Scottish Government evidence review noted that some families may choose to live in the PRS due to fear of discrimination or lack of culturally appropriate accommodation within the social sector, however:

“[s]ome studies presented a more complex view of over-representation in the PRS, where minority ethnic families chose to rent privately for the greater flexibility and choice it offered compared to other tenures, suggesting a more positive image of the sector (Netto & Abazie 2012; Strachan & Donoghue 2009). For some participants, the sector was seen as an attractive alternative to the social rented sector in terms of greater choice of properties and more attractive neighbourhoods for families (Netto & Abazie 2012), allowing them to live nearer to places of worship and other amenities such as halal shops and cultural centres (Netto et al. 2011)<sup>53</sup>.”

A 2023 report by Netto et al on work carried out by researchers at the Urban Institute<sup>54</sup> at Heriot Watt University in partnership with Shelter Scotland and Cemvo Scotland aimed to improve this gap in evidence<sup>55</sup>. This was based on a systematic evidence review, an online survey with social landlords and interviews with a small sample of 30 minority ethnic (“ME”) and 10 white Scottish participants on low and middle incomes from urban and rural locations with a range of ages, household compositions, tenure and employment statuses.

Findings from this report included indications that, compared to white Scottish interviewees, a different set of drivers motivated ME interviewees to seek new housing, including changes to or difficulty in securing employment, fear of and experience of racial harassment including intergenerational impacts, poor housing conditions and lack of space. The report also found that the majority (95%) of ME interviewees found their current housing unaffordable. Affordability issues led to ME interviewees living in the PRS to seek social housing. However, the 2022 Scottish Household Survey<sup>56</sup> reported similar rates of difficulties in paying the mortgage or rent when comparing households where the person with the highest income was either white or minority ethnic.

Homelessness statistics suggest that some ethnic minorities are more likely to become homeless from the PRS due to rent arrears, particularly ‘White Irish’ (2%) and ‘Caribbean or Black’ (4%).

---

<sup>53</sup> [Housing needs of minority ethnic groups: Evidence review \(www.gov.scot\) see p31](#)

<sup>54</sup> [The Urban Institute – Leading and sharing thinking in Urban Planning, Real Estate, and Urban Design. \(hw.ac.uk\)](#)

<sup>55</sup> [Minoritised ethnic access to social housing in Scotland at key transition points - Shelter Scotland](#)

<sup>56</sup> [Scottish Household Survey 2022: Key Findings - gov.scot \(www.gov.scot\)](#) Data table 1.17. Rates of difficulty paying were 3% for White Scottish, 2% for White British, 4% for White Other, and 2% for Minority Ethnic Group HIH respondents.

Whilst the procedural changes will not directly impact positively or negatively on tenants relating to race, the measures to use unclaimed funds to the benefit of tenants living in the PRS will have a positive effect.

## **Religion or belief**

According to the Scottish Surveys Core Questions 2022<sup>57</sup>, the most common religious designation across all housing tenures is 'no religion'. People who live in the PRS and social rented sector are more likely to identify as being 'Muslim' or 'other religion'<sup>58</sup> compared to those who own their homes outright and those who own their homes with a mortgage. In the period 2018-2023, Muslim adults and adults identifying as 'other religion' were more likely to be in relative poverty (61% and 31% respectively) than adults overall (19%) and adults belonging to the Church of Scotland (16%), after housing costs were taken into account<sup>59</sup>.

Whilst the procedural changes will not directly impact positively or negatively on tenants relating to religion or belief, the measures to use unclaimed funds to the benefit of tenants living in the PRS will have a positive effect.

## **Recommendations and Conclusion**

We recognise that the data available does not allow a complete picture of the needs of those with protected characteristics. However, this assessment has allowed the opportunity to consider the impact on these groups as fully as possible. Our assessment indicates the impact of this policy measure on the three aspects of the public sector equality duty is neutral as it does not positively or negatively impact on people with protected characteristics.

It has however been identified that introduction of the measures to use unclaimed funds to the benefit of tenants living in the PRS will have a generally beneficial effect on all tenants, including those with protected characteristics. This will include vulnerable groups who are more prevalent to renting within the PRS or more prone to poverty or homelessness within Scotland, including single parent families, tenants from ethnic minority groups and tenants with a disability. Investment into the sector will also have a positive impact on young people, many of which are students.

Key findings from the RentBetter<sup>60</sup> research highlights tenants on low incomes, tenants from ethnic minority groups and tenants with a disability or longer-term illness had general lack of awareness around PRS rights and protections in relation to deposits. It is particularly important that we reach seldom heard audiences who

---

<sup>57</sup> [Supporting documents - Scottish Surveys Core Questions 2022 - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/documents/2022/06/Supporting_documents_-_Scottish_Surveys_Core_Questions_2022.pdf)

<sup>58</sup> The 'Other' group includes Hindu, Buddhist, Pagan, Jewish, Sikh, and 'Another religion' responses

<sup>59</sup> [Poverty and Income Inequality Statistics March 2024](https://www.gov.scot/resources/documents/2024/03/Poverty_and_Income_Inequality_Statistics_March_2024.pdf)

<sup>60</sup> [RentBetter Baseline Full Reports | Rent Better \(indigohousegroup.com\)](https://www.indigohousegroup.com/rentbetter-baseline-full-reports/)

are less likely to know their rights or might know their rights but feel unable to exercise them.

To advance equality of opportunity during implementation, communications on the new rights and the changes to existing legislation should use a range of appropriate, accessible and inclusive means and methods, including internet and social media to advance equality of opportunity by maximising understanding of the changes.

To ensure that the intended outcomes of the Bill are delivered, it is critical to ensure that all tenants and landlords are aware of their rights and that continuous evaluation of how this policy may affect each characteristic takes place at each stage.



© Crown copyright 2024



This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit [nationalarchives.gov.uk/doc/open-government-licence/version/3](https://nationalarchives.gov.uk/doc/open-government-licence/version/3) or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk).

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at [www.gov.scot](http://www.gov.scot)

Any enquiries regarding this publication should be sent to us at

The Scottish Government  
St Andrew's House  
Edinburgh  
EH1 3DG

ISBN: 978-1-83601-343-3 (web only)

Published by The Scottish Government, June 2024

Produced for The Scottish Government by APS Group Scotland, 21 Tennant Street, Edinburgh EH6 5NA  
PPDAS1465718 (06/24)

W W W . g o v . s c o t