

20 July 2023

Re: Improving NSW rental laws

Dear Committee,

I am writing to highlight the issues I've experienced in my 9 years of renting in NSW as an Australian-born citizen.

Use of third party apps for rental payments

Real estate agencies are forcing tenants to use third party payment apps to pay their rent and refusing to accept direct transfers from safe and secure Australian banks.

In my 9 years of renting, I have never been denied the ability to pay my rent via direct debit through my bank account on a recurring basis until now.

This year, my real estate agency moved all tenants to a payment app called [REDACTED]. The app technically meets legislation requirements in that a fee-free option for payment is provided – but this option is on a one-off payment transaction basis only.

To set up a recurring direct debit in the app, there is a surcharge fee. During times where housing and cost of living are elevating distress in the community, it is unconscionable that people should be forced to 'pay money to be able to pay their rent'.

While the option to pay each week in a one-off transaction is available, this is not convenient and puts the tenant at risk of housing security should a person forget on one occasion. Using our banks for recurring payments does not involve a surcharge and enables us to fulfil our responsibilities as a tenant by ensuring rent is paid on time each week.

Using a payment app further violates our right to choose as citizens who we share our personal banking information with. As renters we are already required to hand over evidence of all existing personal information from banks statements, utility bills, medicare cards etc. in rental applications.

Contrary to public media discourse about use of apps being optional, real estates are writing the apps into our leases so that our contracts prohibit any other form of payment. This has occurred in my current fixed term lease. When I expressed my concerns to my real estate and expressed I wish to remain paying through my bank, this was denied.

Apps are known to be vulnerable to scams, hacks, and require maintenance that can impact the timeliness of payment transactions being processed. While theoretically the same can be said for Australian banks, we should be enabled the right to choose who receives our personal information. The app [REDACTED] does not have their trust account audited annually which is against the law according to *Property and Stock Agents Act 2002 No 66*.

Recommendations
1. Prohibit mandatory use of third party apps for rental payments. This should always be optional at the choice of the tenant.
2. Mandate that rental payments made via legal banks in Australia are always permitted as forms of payment methods in any fixed or periodic lease agreement.

Limited power as tenants

Our rights as tenants are limited in NSW. If we complain to our real estate agencies too much, they find loopholes within the system to evict us. For example, retaliation occurs by increasing the price of rent excessively to effectively 'price tenants out' of the property and then advertising the property for the original price online.

It also predominantly occurs by providing tenants with negative references even in circumstances where all responsibilities of the tenant are met throughout the lease agreement (e.g. no late/missed payments, no damage incurred, full bond released back to tenant, live quiet and respectful life) due to personality differences.

This happened to me two years ago. I never missed any rent or utility payments, had the apartment professionally cleaned upon leaving, and the agent returned my bond in full as no damage occurred to the property. As far as I was concerned it was a smooth easy tenancy. When I applied for my next property, I received a call from the prospective agent informing me I received a negative reference from my previous agent due to a pet request for a cat I made while living there which was refused. Apart from the pet request, I never spoke to real estate throughout the 12 months I lived there. Based on one single disagreement, they attempted to compromise my ability to secure future housing.

Not having rights as a tenant means we constantly live in fear of housing being taken away at the discretion of employees of real estate agencies. Access to safe and affordable housing is a human right and should not be weaponised for the financial gain of property owners. Tenants pay off investment properties for landlords, we should not be treated as a commodity to exploit for financial gain.

Recommendations
3. Develop standard set of permitted reasons to provide a negative rental reference to stop 'personality-based' reasons and ensure compliance regulations imposed.
4. Permanently ban no grounds evictions for periodic tenancies.
5. Prohibit landlords from excessive rent prices that are not reasonably in line with low and middle income Australian wages and market value.

I grant permission for my submission to be made public anonymously. Due to fear of my real estate agency finding out I made a submission to this inquiry and retaliating by threatening my current secure housing, I do not wish to be named publicly.

If you have further questions, I am able to be contacted for a private consultation.

Thank you,

■■■■■