

## **Appendix 4 - Consumer grades**

### **There are four consumer grades:**

Grading	Description
C1	Our judgement is that overall the landlord is delivering the outcomes of the consumer standards. The landlord has demonstrated that it identifies when issues occur and puts plans in place to remedy and minimise recurrence.
C2	Our judgement is that there are some weaknesses in the landlord delivering the outcomes of the consumer standards and improvement is needed.
C3	Our judgement is that there are serious failings in the landlord delivering the outcomes of the consumer standards and significant improvement is needed.
C4	Our judgement is that there are very serious failings in the landlord delivering the outcomes of the consumer standards. The landlord must make fundamental changes so that improved outcomes are delivered.

### **C1 and C2 grades**

All landlords should aim for a C1 grade. Landlords at C1 have provided us with enough evidence to assure us that overall they are delivering the consumer standards outcomes. This means that in delivering the outcomes of the consumer standards:

- they are making effective use of their own systems to identify and address potential issues and areas for improvement. This includes improvements to their stock and the services they provide to tenants
- We expect that even where a landlord is assessed as C1 it will continue to review, evaluate and improve its services to tenants.

Where we judge a landlord to be C2 this is because we have identified some weaknesses which we consider are material to the landlord's delivery of the outcomes of the consumer standards, which if not addressed, are likely to lead to poor outcomes for tenants.

We expect that landlords graded at C2 will develop a plan to drive relevant improvement and will be able to show that weaknesses have been addressed so that outcomes for tenants are improved. We expect landlords to share relevant improvement plans with tenants.

### **C3 and C4 grades**

A C3 grade means that there are serious failings in the landlord delivering the outcomes of the consumer standards, which the landlord's current arrangements are not strong enough to put right. This will be significantly impacting on service

outcomes for tenants and/or accountability to tenants. We expect the landlord to develop a plan that will drive significant change and to share that with tenants. Our engagement with the landlord will be intensive and we will seek evidence that gives us the assurance that sufficient change and progress is being made.

A C4 grade means that failings are so serious that the landlord must make fundamental changes so that improved outcomes are delivered. It is likely that the landlord has not shown the willingness and/or ability to put things right, and so we may decide to take enforcement action.