

UK start-up InsureStreet helps solve cash deposit crisis with trust-based property rental solution

Submitted by: Six Degrees Limited

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- UK start-up aims to pioneer a rental community built on mutual trust and respect
- Digital platform to benefit tenants, agents and landlords, says HISCOX insurance
- Serial entrepreneur Vin Murria among high-profile investors

London, UK, 10th May 2017 – UK start-up, InsureStreet (<http://insurestreet.co/>), is set to solve a major issue in the rental market and potentially pump nearly £4 billion of 'dead money' back into the UK economy by replacing cash deposits with trust-based deposit replacement insurance.

The app, whose backers include serial entrepreneur Vin Murria and insurance provider HISCOX, presents 'generation rent' with an easy and affordable alternative to the often crippling upfront cash deposits required by landlords.

InsureStreet comes at a time when rent rises across the UK have far outpaced wage increases over the past five years – and at a time when more misery is predicted for renters with further steep rises expected over the next few years, particularly in London

(<https://www.ft.com/content/679d6088-a1b5-11e6-82c3-4351ce86813f>). However, with a shortage of affordable housing, more and more people have no choice but to rent

(<http://www.telegraph.co.uk/finance/property/property-market/12157946/Generation-Rent-London-to-become-a-city-of-renters>).

How InsureStreet works:

- Typically, renters are charged a minimum of six weeks' rent as a security deposit, plus agency fees and a month's rent in advance.
- InsureStreet provides renters with a digital RentPassport™ that validates their profile and then provides renters with an instant insurance quote to cover their deposit.
- Instead of paying a traditional cash deposit, renters make a one-off payment for an insurance policy that covers them for the duration of the rental contract. In most cases, that one-off insurance payment is less than a tenth of what you would pay for a traditional cash deposit.
- The platform rewards good behaviour through lower policy premiums at renewal.
- For landlords, the fear of unknown renters forces them to take cash deposits to cover any losses. InsureStreet replaces that fear with a trusted renter profile and an insurance policy, backed by HISCOX.
- InsureStreet has also partnered exclusively with Experian to offer renters the option to choose to pay their rent on the app and help improve their credit score.

With nearly two out of five UK households renting their home and home ownership at its lowest level for a quarter of a century

(<http://www.telegraph.co.uk/finance/property/house-prices/10663923/Rise-of-Generation-Rent-as-home-ownership-hits-25-year-low/>)

this new data-driven approach also has the potential to channel £4bn of dead capital back into the UK economy, as well as free up often badly needed cash for renters. According to the latest figures around the Tenancy Deposit Scheme, right now more than £4bn

(<https://www.depositprotection.com/documents/year-in-review-2015.pdf>) is tied up in rental deposits schemes, and £1.25bn of that is in London alone.

Tahir Farooqui, founder and CEO of InsureStreet, says: “We believe change comes from within, especially in an industry that has been blighted with mistrust. In championing social mobility, we chose to lead by example and empower our customers to do the same; together we can grow and evolve as positive agents of change. Our goal is to make it easier for good tenants to find nice places to live – especially in large cities where rent is inflated beyond their means.

“And for landlords, because they have access to trusted renter profiles, it takes away the fear and mistrust out of rental transactions,” he adds. “What we are offering is not only a convenient app to set up and access our RentPassport™ service, but also a ‘Rental Hub’ to connect tenants, landlords and agents with each other and relevant services to improve their overall rental experience. The hub is both intuitive and transparent, ensuring open communication channels, so together the industry can evolve products and services that make a positive difference in the communities it serves.

“We will continue to develop a range of on-demand insurance-based services targeted at ‘generation rent’, and as we grow, a percentage of our profits will go to the homeless.”

Martin McBrearty, head of underwriting partnerships at HISCOX, comments: “The launch of InsureStreet is an exciting development for the rental market. Its RentPassport™ will connect tenants with agents or landlords digitally, making the whole rental experience more trusted and flexible. We’re really pleased to be involved.”

The company has secured initial funding from angel investors including Vin Murria, one of the UK’s top women entrepreneurs, along with other angel investors including Charles Burgess, Christopher Raymond McKee, Nick Martin and Catherine Hardiman.

The London-based start-up, which is regulated by the FCA, is selectively piloting with trusted and reputable insurance partners including HISCOX, Experian, Urban Spaces, Get Living, Quintain (Tipi (<http://www.tipi.london/>)), Essential Living, Atlas Residential, Walten & Allen and Fifty Thousand Homes.

Jonathan Westley, managing director of consumer information services at Experian, says: “Experian is committed to be able to help millions of renters improve their credit score by having rent payments count in their credit record. We believe the new proposition from InsureStreet doesn’t just make renting more affordable, but that it can give people access to more attractive and affordable credit products in general. A strong credit history helps people to access mainstream financial services, including mortgages. In the past, building a good credit rating has been easier for homeowners than for tenants,

because mortgage payments are factored in, but via Rental Exchange we want to help level the playing field for renting tenants.”

Jonathon Ivory, managing director of Atlas Residential adds: “InsureStreet offers a unique and interesting proposition to benefit both investors and customers. For the former, there is some nervousness in respect of arrears and bad debt and the impact on returns, which InsureStreet can insulate against. For the later, with Atlas’s priority for customer satisfaction and retention, the consumer no longer has to tie-up such large deposit sums but they can also begin to build a valid credit history that can support downstream home ownership. This makes the InsureStreet offer very compelling and of great interest to our business.”

It is also one of only five insurance start-ups to be chosen as part of the Accenture FinTech Innovation Lab.

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About InsureStreet

InsureStreet™ was founded in 2016 by Tahir Farooqui and was born out of personal experience when his younger brother, a millennial, struggled to find the large sum cash deposit typically required by landlords. The company’s mission is to solve this growing deposit crisis for ‘generation rent’.

Its service offers an alternative solution as users are able to access an on-demand insurance platform that generates real-time prices for deposit insurance, and rewards the good behaviour of trustworthy tenants. This removes the headache for landlords.

As the company aims to unlock billions of pounds currently locked away as deposits across the UK, it hopes to redirect that capital back into the economy. <http://insurestreet.co> (<http://insurestreet.co/>)