

# Unlocking Trust in The Short-Term Rental Sector

An exclusive report by  
I-PRAC

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The short-term rental space has become one of the most innovative and fastest-growing sectors in hospitality. Setting profits and the growing consumer market aside, we'll question how (if at all), the element of "trust" is prioritised amongst property owners and short-term rental agencies. Surely, in this industry, trust should be the most definitive factor of all?

This exclusive reports tackles some of the most challenging and fundamental questions within the sector. Most importantly, it'll explore how **trust** can be restored for the benefit of innocent travellers and legitimate business operators alike.

All sources have been accurately cited and/or referred to.

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# SOME HOME TRUTHS



We'll begin with some first-hand experience before delving into all the statistics and technical details.

Not so long ago, co-founder of I-PRAC, **Chris Maughan** posed a question to his credible LinkedIn community. Little did he know that the comments on his post would form an integral introduction for this report.

The question was, (along the lines of), **“Do you, as a traveller, prefer short-term rentals, or conventional hotel accommodation, particularly when travelling alone?”**. Regardless of owning a short-term rental agency himself, Chris encouraged his community to be as honest as possible.

The responses, although sad, were not that surprising. The majority of industry professionals answered with, “hotel accommodation”; and thoughtfully outlined their reasons why.

The most common reason of all?

**Travellers did not trust their short-term rental properties.**

## The Everyday Traveller's Desperate Cry for Help

**According to 2019's statistics, there are currently 2917.17 million short-term rental users, worldwide. This year, the market's growth rate was 6.9%, which given the existing figures, is huge.**

As we've continuously reiterated, the short-term rental industry shows no signs of slowing down, especially with the growing support of new software and integrated apps. The trouble is, an increasing number of consumers are still questioning whether they can trust short-term rental operators. And it's no surprise either, with the horrific scam stories and tragic incidents that we learn about far too often.

Whilst we can admit that "lack of trust" is not exactly old-news for the short-term rental industry, this consensus alone should ring alarm bells. We're operating in the business of people. Strip the details back, and ultimately, the short-term rental space has a responsibility of putting a roof over a traveller's head for an agreed period of time, whilst ensuring that they are safe and secure.

Has the promise of safety been overshadowed by the industry's high-speed growth? Isn't the promise of trust, after all, a basic human right?

It seems that by now, we should have learned that flamboyant marketing and positive reviews do not guarantee protection for innocent travellers – or even legitimate business operators, for that matter. Consider for a moment, that as digital technology is advancing, so are the minds of scam artists and bogus company operators. The short-term rental consumer market is being duped and, in many cases, **physically harmed**, as a result of fraudulent activity. Whilst trust is something that should drive and solidify the industry, it's as if "trust" is **exactly** what's lacking.



**“Isn't the promise of trust,  
after all, a basic human right?”**

## Trust Over Marketing

**Whether a business owner who is turning over millions, or a single parent who has spent months saving up for a holiday, what is the one thing that all travellers expect, when booking into a short-term rental property?**

The truth is, whilst high-resolution images on shiny websites might provide some “relief”, that relief may only be short-lived if there is nothing else to guarantee that the trading company/property owner is 100% legitimate.

Think about it, we live in a digitally-driven world where it’s easy to access, replicate, and steal content. So, however convincing a website or social media page may “seem” – it rarely justifies parting with thousands of pounds for. The same applies to online reviews (even on well-known review websites and the likes of Google). It isn’t difficult to remain anonymous or mask your real identity behind a glaring computer screen – all too often, travellers may not even know who exactly they’re giving their money to.



# 89%

89% of short-term rental bookings **fail** at the payment hurdle

Source: *Build-up Bookings*

# 59 sec

Travellers spend an average of 59 seconds navigating a short-term rental agency’s website before “moving along” if they don’t feel assured.

So, returning to our earlier question: what is the one thing that all travellers expect, when booking into a short-term rental property? The answer, is of course, **trust**. Travellers want and deserve peace of mind. But what’s frightening is that on many occasions, the short-term rental industry has **failed** to provide them with this.

The negative repercussions of this are two-fold. On one hand, travellers are left confused, emotionally distressed and maybe even out-of-pocket; and on the other, legitimate short-term rental agencies and property owners are losing out on bookings, as they fail to guarantee that they can be trusted.





## The Airbnb Crisis

A while ago, Business Insider revealed that Airbnb is now bigger than the world's 5 top hotel brands put together. With 7 million listings worldwide, this disruptive industry-leader outstrips the likes of Marriot International, Hilton Worldwide, Intercontinental Hotel Group, Wyndham Worldwide, and Accor Hotel Group. According to a statement from the company in 2017:

*“On any given night, 2 million people are staying in other people’s homes around the world, on Airbnb”.*

The problem? Well, according to a recent article by **Travel Weekly**, almost 1 million people (per year since 2017), may have been victims of fraud on Airbnb. In fact, since its inception, the multi-million dollar company has been known to deeply divide the consumer market, with some claiming that it's an innovative solution for alternative accommodation, and others arguing that it is simply, unreliable.

What we must consider, is that the larger a company like this becomes, the more difficult it gets to monitor every single transaction. However, when I recently typed the words “Airbnb” and “trust” into a Google search, it wasn't long until I came face-to-face with headlines that did anything but, reassure me.

### Is Airbnb Safe? We Analyzed 1021 Horror Stories To Find Out

<https://www.asherfergusson.com> › [airbnb](#) ▼

30 Nov 2017 - This affects everyone using Airbnb including guests staying in the USA. ... 10)

Don't trust a place simply because it has a 5-star average. I know ...

### 'Airbnb scam cost me £920' - Telegraph - The Telegraph

<https://www.telegraph.co.uk> › [Travel](#) › [Advice](#) ▼

20 Mar 2015 - Brian O'Hanlon writes. I was recently the victim of a scam via Airbnb's website when booking an apartment in Barcelona. While browsing ...

It's true that we've learned to take content on the internet with a pinch of salt. Although the question remains and is more prominent than ever: would you 100% trust Airbnb listings (or any other short-term rental listings), if “horror stories” were one of the first things that you came across, during your research?

What can this lack of trust mean for the industry?

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## The Airbnb Promise

Taking the internet and media by storm, is Brian Chesky's recent announcement of verifying all **7 million** of Airbnb's listings, by December 2020.

The company's CEO shared the news at **The New York Times DealBook Conference**, during an interview with Andrew Ross Sorkin. This major policy shift has been instigated by the November 2019 shootings at a 100-people plus Halloween party at an Airbnb rental in California where **five people died**, as well as a number of other recent reports about scammers on Airbnb taking advantage of renters.

The company has been under a lot of scrutiny for its lack of clarification in health and safety policies and poor monitoring of listings (with guests sometimes left "guessing" if a rental property is legitimate or even exists). The defence argument here, is that the short-term rental industry in general has grown at a phenomenal rate; and as a result, operators are now playing "catch up" with introducing industry regulations, laws, and policies, and building trust.

For Chesky, this promise is certainly a step in the right direction. He mentioned in a series of Tweets:

***"We're going to make sure that we can stand behind every single listing, and every single host..."***

*Brian Chesky*

***"We're in the business of trust. But that only works if people trust our community and people trust that when something goes wrong, Airbnb is there for you".***

*Brian Chesky*

The CEO doesn't rest his case there. As well as promising to verify each and every one of Airbnb's listings, he has also announced the launch of:

- ✓ **Guest Guarantee:** If guest accommodation fails to meet Airbnb's "Accuracy Standards", the company will attempt to book a property of equal or greater value; and if ever unable to do this, will offer a full refund.
- ✓ **Neighbour Hotline:** A 24-hour hotline for Airbnb guests (and neighbours), where they can speak to an Airbnb employee if they have any problems.
- ✓ **Reviews of High-Risk Bookings:** Such as large parties, etc

It's reassuring to see Airbnb putting trust at the forefront of their business again; however, is it possible that they have bitten off more than they can chew? The company has made numerous statements about property verification and protection against fraudulent activity but has said very little about how exactly they're going to achieve this.

Verifying 7 million listings **correctly** is no easy feat.



## The Verification Process: a Job for the Experts

Brian Chesky's announcement has urged hundreds of people and businesses from the industry, to look into the rental property verification process more. The CEO has briefly described the "process" the company will be following over the next twelve months.



Source: [sanfranciscobusiness.com](http://sanfranciscobusiness.com)

Airbnb's verification process will mainly be a mixture of "company and community monitoring" (quote, Chesky); although we have yet to understand what that really means. Chesky has also explained that Airbnb will start asking guests to leave more thorough reviews about the places they have stayed at (maybe through a series of questions) to help determine if a listing is legitimate or not.

We can presume that the company will continue to use digital technology – including artificial intelligence to help detect "fake" listings – as it will be impossible for them to personally inspect all 7 million rental properties and property owners.

However, is this enough to *really restore* the trust of guests who are spending hundreds of their hard-earned cash? Not only this, but it seems that (with respect) a number of other companies are jumping on the "verification bandwagon" without truly understanding what it takes to fully protect a traveller from fraud. **Are we forgetting just how sophisticated these scam-artists have become?**

Indeed, the solution is obvious. Rental property verification is a rigorous process; best left to experts who are equipped with the time, money, knowledge, and skill. Failing this and the short-term rental industry (and all the businesses within it) will come to a tragic end, as a result of not prioritising trust – and investing into it, where need be.

## Introducing a Global Verification Platform for Short-Term Rental Agencies & Property Owners

Statistics from Action Fraud claim that an astonishing **£7 million** was lost to property rental fraud in 2018, in the UK alone. Make note, only 3 only out of 10 rental fraud incidents are actually reported, meaning that the colossal size of this problem is not even close to being recognised; and the industry is suffering as a result of it. The damage that these sinisterly clever fraudsters are causing, is far greater than we imagine.

Perhaps contrary to popular belief, scammers are no longer operating from a one-bedroom flat above the local convenience store. In fact, what they're doing is **building a business** (at the expense of innocent travellers) and investing a great deal of time and money into making their fake listings seem as convincing as possible.

These con-artists will go to extreme lengths. They will follow industry trends, pay for Google Ads, employ professional copywriters (some of whom are experienced in psychologically manipulating people), set up active social media accounts, and target unsuspecting holidaymakers during peak times of the year, such as Christmas and the summer holidays. They have meticulously studied the consumer market; they read the numerous online articles that outline how renters can "avoid rental fraud", and callously use it to their advantage.



**Fraudsters of this calibre cannot be accurately detected through AI, guest reviews, and a simple social media search. They will go to extreme lengths to win the traveller's trust.**

Co-founded and funded entirely by **Chris Maughan**, who is also the owner of a successful short-term rental agency in the South of France, is **I-PRAC**. The only global verification platform that guarantees **100% protection** against property rental fraud.

The experts at I-PRAC have spent years perfecting the verification process. Unlike some of their smaller competitors, they understand that it takes a lot more than a simple internet search and word-of-mouth reviews to safely mark a property or property owner as "legitimate".

By employing real-life people (professionals), and combining this with high-end technology, I-PRAC has introduced a much-needed solution for the short-term term rental industry; ultimately making it a sector that can be trusted and thrive. In fact, as a result of being **"I-PRAC Approved"** – which is in many ways, a badge of honour for industry professionals – agencies and property owners have reported that their conversion rates have sky-rocketed. Guests are now finally booking into properties with confidence, knowing that their money and emotional welfare is 100% protected.



# How Does I-PRAC Build 100% Trust in The Short-Term Rental Industry?

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During a recent conversation with Chris Maughan, co-founder of I-PRAC, I was surprised (and suitably impressed) to find that it takes the company up to 3 weeks to fully verify a short-term rental agency or property owner, due to the due-diligence of their process.

To simplify, I-PRAC has two different types of members: **owners** and **agents**, from whom they collect specific data and information. As the agents are registered companies, there are usually a higher number of documents to verify for them, so their verification process differs slightly. Needless to say, the team of professionals at I-PRAC do not take this *huge* responsibility lightly.

***“I-PRAC has two different types of members: owners and agents, from whom they collect specific data and information.”***

- ✓ **Proof of ownership (of property) documents**
- ✓ **Proof of property address (specific documents only are accepted)**
- ✓ **Proof of bank account for accepted payments. We all know that scammers have a habit of asking money to be “wired” to them.**
- ✓ **Passport / ID**
- ✓ **Latest utility bill, addressed to the property**
- ✓ **Legitimate and working phone number, at the property**
- ✓ **Legitimate and working email address (where domains are checked)**
- ✓ **Links to social media accounts**
- ✓ **Photographs of the property, for review**

As well as providing all of the above, prospective I-PRAC members also have to fill out a detailed application form and have a 15-minute telephone interview with one of the experts. It is only *after this*, that the technology and data approval managers begin their robust and rigorous approval process.

# How Does I-PRAC Build 100% Trust in The Short-Term Rental Industry?

When a prospective member has been successfully **I-PRAC Approved**, they will receive a unique **I-PRAC ID number**. This ID number, along with the official I-PRAC logo, will be presented on the property owner's or agency's website. Any guests visiting these websites can access the I-PRAC ID number and "Search" it on the I-PRAC website (therefore guaranteeing that the business/operators whom they're dealing with, have been 100% verified).

The screenshot shows the I-PRAC website interface. At the top, there's a navigation bar with the I-PRAC logo and links for Rental Agencies, Property Owners, Travellers, Ambassadors, and Partners. Below this, a large banner image of a modern interior is displayed. On the left, a circular profile picture placeholder is shown. To its right, the text reads: 'MEMBER ID: IP18-15579', 'Example Rental Agency', 'IPSWICH, UNITED KINGDOM - MEMBER SINCE 4 APRIL 2018'. Below this, there are social media icons and a tip: 'TIP: Look out for helpful tips throughout the profile to verify this I-PRAC member, before paying and registering your booking'. A 'Verified Details' section follows, listing: 'COMPANY FOUNDED: 23rd January 2001', 'COMPANY COUNTRY: United Kingdom', and 'COMPANY REGISTRATION NUMBER: 01234567'. It also lists owners: 'Jane Doe (primary)' and 'John Doe'. A 'We meet the I-PRAC standards' section on the right lists verified documents: 'Passport of agency owner(s)', 'Proof of agency incorporation', 'Proof of agency address', 'Address of agency owner(s)', and 'Verification of agency bank account'. A 'Request a Callback' button is visible on the far right.

The screenshot shows the I-PRAC website interface for a property owner. The navigation bar is the same. Below the banner image, a circular profile picture placeholder is shown. To its right, the text reads: 'MEMBER ID: IP19-51654', 'Example Property Owner', 'EXAMPLE TOWN, FRANCE - MEMBER SINCE 17 SEPTEMBER 2018'. Below this, there are social media icons and a tip: 'TIP: Look out for helpful tips throughout the profile to verify this I-PRAC member or visit our blog for more information'. A 'Verified Details' section follows, listing: 'PROPERTY OWNER SINCE: 17th March 2019', 'OWNERS: Jane Doe (primary) and John Doe', and 'ABOUT THE PROPERTY: Number of Bedrooms: 5, Number of Bathrooms: 2'. It also lists the 'RENTAL PROPERTY ADDRESS: Example Villa, Example Town, 01234, France'. A 'We meet the I-PRAC standards' section on the right lists verified documents: 'Passport of property owner(s)', 'Proof of property ownership', 'Proof of property address', 'Home address of property owner(s)', and 'Verification of bank account'. A 'Request a Callback' button is visible on the far right.

In addition to this, I-PRAC will also create an online profile for their approved members, which guests can visit and book directly from. Effectively, this one-of-a-kind global verification platform is not only placing "trust" back into the short-term rental industry, but it's also ensuring that the businesses within it can thrive.



## Winning Trust, Credibility, & Bookings

**Whether a “popular” opinion or not, success in the short-term rental industry does not begin with direct bookings, costly marketing, advertising and PR, not even luxurious amenities. These are all of course, very important; however, success in this sector must always begin with trust.**

Ultimately, it’s consumer trust that will drive more bookings, recommendations, and be the life-blood of any short-term rental business. We have now seen for ourselves, that industry giants such as Airbnb have also come to this realisation. However, whilst they’re prepared to invest millions of pounds in restoring trust and credibility, the biggest question (and maybe even concern) is, do the likes of these household brands truly understand what it means to verify a listing, **properly?**

As the fastest-growing sector in hospitality, the short-term rental space is booming. Change – needless to say – cannot happen overnight, nor can we inspire positive differences by taking shortcuts and allowing fraudsters to be one step ahead of the game.

The “standard” so-to-speak, should be simple: **I-PRAC Approval.**

Currently, the I-PRAC verification process is the only the way to be certain that short-term rental properties and their owners are 100% legitimate and operating in-line with industry standards. The company builds a bridge of trust between consumers and professionals who let their spare rooms, villas, and apartments; and in many ways, is the perfect solution for brands like Airbnb.





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