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**From:**  
**Sent:** 21 May 2013 17:59  
**To:** Pubs Consultation Responses  
**Subject:** Ex ETI Pubco Victim  
**Attachments:** THE continued.pdf ETI tenant rip off!.pdf, rip off

Hi,

My husband and I are ex Enterprise Inns tenants of THE

I have joined LSL facebook page and have been in communications with our Local MP and Greg Mulholland. There have been 2 editorials in the when we arrived all excited and when we left all distressed. We left due to ETI unreasonable demands and questionable business practices.

The Pub is the only one left in the village. The other, The is currently going through planning permission for housing - single dwelling via Planning. I have made a comment on there and advised what I think the council should consider.

I believe ETI do not want the to succeed. They confirmed to me that they will accept an offer for the freehold though the amount they wanted was way in excess of it's true value. They refused our maximum offer in excess of it's true value. I believe they want to sell it to developers as it is the perfect site for housing development. A developer will pay what they want.

We would have succeeded if they had given us a fair deal. We made good and increased turnover. The villagers said we were the most professional and the best tenants the Pub has ever had.

We were not failures. ETI wanted us to fail. We were forced to quit.

Please see attached

Thank you

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## REF ENTERPRISE INNS PUB 'RIP OFF' THE

### About us

We own a 'freehouse' and have been successfully trading there for nearly years. The shop premises we lease had been empty for two years. We created our business from nothing.

OUR RECENT MONTHS EXPERIENCE IN OUR ETI TIED PUB FROM 2012 TO 2013.

We performed due diligence and had thoroughly researched the Company. We had read much bad publicity about the Pubcos so were cautious. We are not naïve. We are experienced professionals.

THE Enterprise Inns

century listed building in the foot of the village

The is now the only Pub in the village.

Previous tenants total 11 in ten years during the time ETI have owned it.

Condition dilapidated.

### PREVIOUS TENANTS

The previous tenant after only Months trade. He and his had financial problems. They could not pay their bills. They had no hot water, no fuel, no logs for the fire, no beer,

MAY/JUNE 2012

We were looking for a Pub for and we had plans to join in running the business.

The Pub was offered to us as soon to be available by brokers

as the Pub we had originally enquired about had gone to an ETI multiple operator. A viewing was arranged

The BDM did not turn up.

After several meetings and telephone conversations with [A] ETI BDM, we agreed a rent of k pa for a longer term tenancy agreement of up to 5 years. We signed the temporary agreement in good faith whilst our longer term agreement and our business plan and P&L accounts were being prepared. We were also in the early stages of negotiating other deals within the longer term agreement, such as rent steps of k and tie release fees etc. We parted with 5k deposit and one Month rent and mandatory charges. [A] would only accept cash or bankers draft. We were misrepresented and believe the misrepresentation was wilful.

#### JUNE - AUGUST 2012

We made good the premises, repaired, refurbished and redecorated. We cleared out the garden (5 years of overgrowth). We spent a considerable amount on equipment, crockery furniture etc. We employed Staff 2 Chefs ( ), 1 Manager, 1 head waitress/barmaid and 4 partime waitresses to assist us in running the Pub. We increased turnover.

Within 6 weeks of trading, [A] began to assess the pubs profitability by taking our Menu ( ) said for ( ), jotting down our bar prices and turnover figures. ( ) complimented us on the improvements we had made. We asked why ( ) needed these figures and ( ) said it was simply for ETI records. We thought nothing of it. ( ) came again the following week and went through the same process. ( ) took away a recent newspaper editorial about us taking on the pub.

#### AUGUST - SEPT 2012

ETI put the Pub on the market for a rent of k for RPT and k for RPL agreement. A contractor came to put up a for sale sign. We complained to [A] ( ) said it was standard procedure to market the pub until we had signed the deal. ( ) advised we store the for sale sign in the barn. So we did. ( ) then offered the Pub to us for ( ) first 3 Months and thereafter k pa for RPT or k for RPL. He reneged on our original rent deal. We complained that we had already agreed a rent deal. ( ) said that is not the rent deal now. We have an email from ( ) before we signed the TAW saying the rent is circa likely to be k. The rent of circa likely to, became a verbal agreement of fact.

#### SEPT - OCT 2012

We disputed the new rent deal on offer as we had already agreed a deal. The new rent was re-calculated on our performance. We would never have signed the TAW and invested financially if we had not already agreed a rent.

We tried every which way to get our deal back and in desperation to stay even offered to meet half way. The regional manager refused all our offers and would get angry and make threats that there were other interested parties prepared to pay that rent. He contacted a couple to come and view the pub. They confirmed he had contacted them out of the blue. I had to show them around as [A] did not turn up. I cried. We complained to boss [B] and requested a meeting. [B] arrived with [A] and sided with ( ). It was take it or leave it. They said they had other tenants waiting and advised we give notice to leave. We did not give notice to leave. [A] sent a letter terminating our agreement and gave us notice to quit as of 1<sup>st</sup> November 2012. We complained to Mr Tuppen via email and he passed our complaint to [C] divisional Director. We also complained to our local MP.

[C] communicated with me via telecom and email. He said [A] did not have the authority to agree a rent with us. He claimed not to understand why [A] agreed a rent with us. He said that [A] had been working for ETI for years and that there had been no other complaints about . (This turned out to be a lie). He agreed that if we had been told the rent was going to be k we would have simply walked away and not signed the TAW. I said [A] deliberately lied to us. He confirmed that he did not think it was deliberate. He confirmed that he would be closely monitoring [A] and had spoken to [A] and [B]. [C] confirmed we could not have the original agreement with [A] and that the new rent was market value. Previous tenant's rents were 20k and 26k pa and they all failed. Other Pubs in the area are 20k – 28kpa. He offered a compromise with rent steps and said he would stop the eviction. I felt we were left with no choice and at the time and we were delighted that we were not being evicted so I accepted in principle the offer of the compromise. I even thanked him as he appeared to care. My was livid!.

Nov – May 2012

We became wise to their ways and due to other SERIOUS issues along with the misrepresentation, such as their bad business practices of misleading information, withholding information, SERIOUS trading standards issues such as advertising and information on pubs particulars, SERIOUS compliance issues to do with health and safety and fire safety, blatant breaches of their cop and downright . Promises of work not completed, promises of refunds not given, overcharging on the F&F rental, i.e renting zero value and broken items not fit for purpose.

We started to panic about our future relationship with them. We offered to stay for one year and said we would sign a deal when the agreement and their cop were covered by the statutory code and defied in law with an adjudicator. We offered to stay as temporary tenants (with financial compensation) until they found a new tenant. We offered to purchase the freehold (they refused our maximum offer) We offered to take on a long term lease totally FOT so they would just be our landlords they said no to all our offers. They wanted us out as we were trouble makers!

We gave notice to leave as of 2012.

An agency has now taken on the Pub. . The operate plus Pubco Pubs and work alongside ETI. They put in a Manager give him a fee.

THE

Months in a TAW.

### **MISREPRESENTATION**

June 2012. We agreed a rent for a longer term tenancy with the BDM before we signed the TAW agreement (a temporary tenancy agreement as an interim period of 3 Months whilst our longer term tenancy agreement RPT was being prepared.) We paid 0k pa in our TAW. The Pub operators in the next village pay just £1 a week in there TAW (ETI multiple Operator). They have now been offered a 20 year freehouse deal with ETI. ETI are investing 65k into their pub.

After making good and investing financially into the premises and trading for a few Months, the BDM began to assess the Pubs profitability and calculated a new rent. ETI decided they wanted 8k more rent than we had agreed. We disputed and they terminated our temporary agreement and gave notice for us to leave as of 1<sup>st</sup> Nov 2012. We disputed further and took it to Tuppen, Townsend and . They offered us a compromise and cancelled the eviction. We were not happy with the compromise and disputed further. We then gave notice to leave. We were finally deterred from entering into a business relationship with ETI due to other serious issues with regard to blatant breaches in their cop, trading standards issues ref advertising, compliance issues (high risk ref fire safety) bad business practices such as misrepresentation, misleading advice and information, withholding information and downright . We offered to buy the Pub. They refused our offer and wanted an amount far in excess of its market value. We wanted to trade as a freehouse and asked for the same deal as the neighbouring village Pub. They said no.

### **OVERVALUED FIXTURES AND FITTINGS INVENTORY – MONTHLY RENTAL CHARGES**

We rented the fixtures and fittings on the inventory on a Monthly basis at 20% of ETI Book valuation. ETI valuation was approx. £ so we paid per annum @ per Month.

A lot of items were at zero value, unfit for purpose or broken, to include a dangerous gas fire which showed on ETI contractor's documents as gas safe. It exploded in customers face, and burned their hair and arm. We spent approx £900 on repairs to rented items. Some we could not repair so could not use however still had to rent them. ETI would not refund our costs for repairs to the rented F&F items, although have recently confirmed that we send invoices and they will see!

The ETI valuer confirmed itemised valuation on the majority of the major equipment items on the inventory came to around £ . No explanation was given as to how he had made it up to £

We were supposed to be purchasing the F&F as we were going to enter into a longer term agreement so employed our own valuer at a cost of £300. He valued the F&F at £

ETI negotiated the figure to £ and threatened us with another 3<sup>rd</sup> party independent valuer at a cost of £1,000 so we had to agree.

We requested a refund of the overpayments of the rental. We believed it was unfair to make us rent broken, zero value and unfit for purpose items. They eventually offered a refund of £ – still waiting for refund.

If we had entered into a longer term agreement, we were informed that our rental charges would be deducted from the purchase price of £ or we could continue renting at an increase of 25% of the new book value. ETI confirmed that if they wished they could put any price on their F&F and fix it at that price.

#### **OUR EXTRA MONTHLY CHARGES NET OFF VAT**

Buildings Insurance	mandatory
All Risks Insurance quoted by another insurance company	mandatory in TAW agreement
Heating Cellar Cooling maintenance	mandatory
Compliance Testing	mandatory
Premises licence recharge fee	mandatory
F&F Rental Charges	mandatory

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#### **OTHER EXPENSES INCURRED**

ETI agreed to contribute financially towards our costs for initial repairs.

Instead the BDM gave us blackboards and 12 polo shirts which we accepted. He then confirmed that they were given instead of ETI paying towards certain repairs.

#### **DELAPS FUND**

We were offered either a tenancy or a lease. The lease delaps fund was £850 per Month on top of the rent. The building required 60k – 80k worth of work doing to it to include the roof.

ETI total capital investment into the property since 2006 = £151.60

#### **TRADING STANDARD**

We pointed out to ETI a few false claims on the Pubs sales particulars and the Pub business facts. They made the corrections and claimed admin errors. We could have been conned into believing the claims. How many other false advertising and false Pub business facts are there? The Pub business facts they provide are supposed to assist incoming tenants in their business plans & P&L forecasts.

#### **COMPLIANCE**

In our temporary TAW the property did not comply to fire and health and safety regulations. We pay for the services for a risk assessment to be carried out. ETI would not make good the High risk fire safety issues raised. We made good what we could afford to do (though it was ETI responsibility). We reported to local Council.

### **P&L & BUSINESS PLAN**

ETI tried to persuade us to use their accountants to provide a business plan. We used our own. We based the P&L account forecast on our few Months trading in the TAW and information from previous Staff and our years' experience in the hospitality and catering industry. It showed a loss. ETI requested we provide another one showing a profit. We were advised to provide P&L accounts that would meet with the rent they were asking.

### **BUSINESSES IN ETI POCKETS**

The Pub Broker claimed to be on our side. When we needed them for vital evidence as proof of the , they backed off and confirmed they did not want to lose their yearly fee from ETI. Another ETI Pub broker tried to cover up the issue of the F&F overvaluation. Eventually he got ETI to refund (I believe due to my threat with trading standards). I contacted various top Solicitors in our area to take on our case. They could not represent me as ETI were their clients. I contacted various surveyors looking for an independent. Most of them in our area were ETI property valuers. Some contractors and service providers made claims against ETI to us and some warned us about ETI and informed us of some terrible things they had witnessed about the treatment of ETI tenants. They later denied the claims when we needed their support. The ETI contract surveyor for the delays confirmed that if he could he would send me the more detailed valuation he gives to ETI as opposed to the one they give to their tenants. He later denied this when we needed him to assist. He confirmed to ETI that I had misunderstood him. ETI claimed it was just in a different format.

### **NEW TENANTS**

The new tenants are an agency company who work alongside ETI. . They have 0 plus Pubco Pubs. They pay no rent. They put in Managers and pay them a fee to run it. Everyone gets a cut including ETI. It is all . No payroll. FACT.