

**PART 8 OF THE ENTERPRISE ACT 2002 (EA02)
UNDERTAKINGS TO THE COMPETITION AND MARKETS AUTHORITY
(CMA) UNDER SECTION 219 OF THE EA02 RELATING TO:**

**THE UNFAIR TERMS IN CONSUMER CONTRACTS REGULATIONS 1999; AND
PART 2 OF THE CONSUMER RIGHTS ACT 2015.**

London and Quadrant Housing Trust, Registered Society number 30441R, registered office 29-35 West Ham Lane, London, E15 4PH and its subsidiaries within the meaning of section 1159 of the Companies Act 2006 and any interconnected trading companies within the meaning of section 223(4) of the EA02 (**L&Q**), voluntarily gives the following undertakings to the CMA under section 219 of the EA02.

The CMA allowed L&Q until 31 January 2022 to give these undertakings and confirms that L&Q has given these undertakings by that date.

For the avoidance of doubt, these undertakings do not amount to an admission that any person has infringed the law.

UNDERTAKINGS

In accordance with section 219(4) and section 219B of the EA02, L&Q undertakes:

- not to engage in any conduct which contravenes paragraphs 1 to 18 below;
- not to engage in such conduct in the course of its business or another business; and
- not to consent to or connive in the carrying out of such conduct by a body corporate with which it has a special relationship (within the meaning of section 222(3) of the EA02).

Interpretation

Acton Gardens means Acton Gardens LLP, a joint venture between Countryside and L&Q, registered number OC351063, registered office Countryside House, The Drive, Brentwood, Essex, CM13 3AT and its subsidiaries within the meaning of section 1159 of the Companies Act 2006.

Countryside means Countryside Properties PLC, registered number 09878920, registered office Countryside House, The Drive, Brentwood, Essex, CM13 3AT and its subsidiaries within the meaning of section 1159 of the Companies Act 2006.

Doubling Clause means a term or terms in a Lease which cause the Ground Rent payable under the Lease to double (or more) more frequently than every 20 years, and includes any such clause which was in a Lease and has been subsequently varied to refer to a different rate of escalation (eg RPI).

Former Leaseholder means a person who was previously a Leaseholder and who has sold their interest to a Leaseholder.

Ground Rent refers to the principal rent payable periodically by a Leaseholder to his or her landlord under the terms of a Lease, however described, but for the avoidance of doubt does not include other sums which may be reserved as rent such as but not

limited to a service charge and insurance costs.

Lease means a long residential lease for which Acton Gardens was originally the freeholder (or landlord) and that contains a Doubling Clause and for which L&Q is now the freeholder (or landlord).

Leaseholder means a person who holds a leasehold interest in a property pursuant to a Lease.

Removal of Doubling Clauses

1. L&Q will make an offer to each Leaseholder to vary the Lease and remove the Doubling Clause, with any associated costs to the Leaseholder to be covered up to an amount of £750 and such costs to be reimbursed upon provision by the Leaseholder of reasonable evidence that such costs have been incurred. For the avoidance of doubt, the amount of £750 is the Leaseholder's maximum aggregate total entitlement under these undertakings for costs incurred and is inclusive of VAT.
2. The offer in paragraph 1 will be communicated by:
 - a. sending a letter to the relevant property; and
 - b. sending an email to the Leaseholder (where their email address is known).
3. The offer in paragraph 1 will be communicated within 30 working days of the date of this undertaking and then again annually for a two-year period or until accepted by the Leaseholder, whichever is earliest.
4. L&Q will:
 - a. place and maintain details on a suitable webpage of its website about a Leaseholder's ability to vary their Lease and remove a Doubling Clause within 30 working days of the date of this undertaking;
 - b. include a link to the webpage in written correspondence sent to Leaseholders by or on behalf of L&Q offering to remove the Doubling Clause pursuant to paragraph 1; and
 - c. do so for a two-year period or until all Doubling Clauses have been removed, whichever is earliest.
5. Once an offer has been accepted by a Leaseholder, L&Q will use all commercially reasonable endeavours to effect the variation without undue delay.

Non-reliance on Doubling Clauses

6. L&Q will not rely, or seek to rely, on a Doubling Clause against a Leaseholder, including not demanding any Ground Rent above the initial Ground Rent.
7. L&Q will not take any action or steps for possession against a Leaseholder for non-payment of Ground Rent in reliance on Ground 8 of Schedule 2 to the Housing Act

1988 or take any action or steps leading to possession or any other sanction against a Leaseholder for non-payment of Ground Rent in excess of the initial Ground Rent.

8. L&Q will offer to refund to each Leaseholder any amounts the Leaseholder has paid to it under a Doubling Clause, including any Ground Rent which the Leaseholder has paid in excess of the initial Ground Rent and any charges associated with the excess Ground Rent. For the avoidance of doubt, this offer will not be subject to any administrative or other charges for the payment of the refund.
9. The offer under paragraph 8 will be communicated by:
 - a. sending a letter to the relevant property; and
 - b. sending an email to the Leaseholder (where their email address is known)
10. The offer under paragraph 8 will be communicated within 30 working days of the date of this undertaking and then again annually for a two-year period or until accepted by the Leaseholder, whichever is earliest.

Other Leaseholders

11. Subject to paragraph 12 below, where any Former Leaseholder who has paid Ground Rent to L&Q under a Doubling Clause identifies themselves to L&Q, L&Q will offer to refund to them any such amounts, including any Ground Rent which the Former Leaseholder has paid in excess of the initial Ground Rent and any charges associated with the excess Ground Rent. For the avoidance of doubt, this offer will not be subject to any administrative or other charges for the payment of the refund, and the identity of any Former Leaseholder will be subject to verification.
12. L&Q will, for a five-year period, maintain on a suitable webpage of its website information about the availability of refunds to Former Leaseholders of the sums described in paragraph 11. L&Q will offer refunds of those sums to Former Leaseholders who respond to that information within that five-year period. The offers will be made within 60 working days of that response.

Payment of refunds

13. Once an offer of a refund under paragraph 8, or 11 and 12, as the case may be, has been accepted by a Leaseholder or a Former Leaseholder (again as the case may be), L&Q will use all commercially reasonable endeavours to ensure that the refund is paid to that person within 30 working days of their acceptance.

14. Each refund to a Leaseholder will be made by making a payment to the Leaseholder's billing account. Where the Leaseholder's billing account is not in arrears for the payment of Ground Rent (excluding any sums owed pursuant to a Doubling Clause), the Leaseholder will be entitled to request that the credit amount be paid into their bank account by BACS pursuant to the usual process for issuing refunds utilised by L&Q or the managing agent (or, where payment by that means is not possible, by such other means as is agreed with the person to whom the payment is due).
15. Each refund to a Former Leaseholder will be made by making a payment to the Former Leaseholder's bank account by BACS (or, where payment by that means is not possible, by such other means as is agreed with the person to whom the payment is due).

Other matters

16. Whilst these undertakings are in effect, to the extent L&Q sells the freehold of any property which is subject to a Lease and for which it is the freeholder (or landlord), it will do so on terms that the purchaser will comply with a set of obligations in relation to the Leases acquired that are the same as those set out in paragraphs 1 – 7 of these undertakings (as applied to the Leaseholder in question), and the timing is to be taken to run from the date of the sale of the freehold and for the balance of any period remaining under these undertakings.
17. Whilst these undertakings are in effect, to the extent that L&Q acquires the freehold of any property subject to a lease that would become a Lease on L&Q's acquisition of the freehold, it will offer to remove the Doubling Clause under the same terms as set out in these undertakings. It will also comply with the requirements of paragraphs 6 and 7 above.
18. Without prejudice to any other information which the CMA may request, L&Q will provide the CMA:
 - a. within 30 working days of the applicable deadlines for making offers under paragraphs 1 and 8 above, with written confirmation that all such offers have been made to all Leaseholders (or, where, all such offers have not been made, the number outstanding and the reasons why together with a timetable for the satisfaction of outstanding requirements); and
 - b. with an annual report setting out:

- i. the total number of offers made under paragraphs 1, 8, 11 and 12 above;
- ii. the total number of such offers which have been accepted;
- iii. the total number of Doubling Clauses removed;
- iv. the total number and value of refunds made; and
- v. confirmation of compliance with paragraphs 6 and 7 above.

BY SIGNING THESE UNDERTAKINGS L&Q IS AGREEING TO BE BOUND BY THEM. CONDUCT WHICH CONTRAVENES PARAGRAPHS 1 TO 18 ABOVE MAY CONSTITUTE A COMMUNITY/SCHEDULE 13 INFRINGEMENT PURSUANT TO SECTION 212 OF THE EA02. IF HAVING SIGNED THIS DOCUMENT L&Q BREACHES ANY OF THE ABOVE UNDERTAKINGS, IT IS AWARE THAT IT MAY BE THE SUBJECT OF AN APPLICATION TO THE COURT FOR AN ENFORCEMENT ORDER UNDER SECTION 215 OF THE EA02.