

**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.**

RG Reversions 2014 Limited, registered number 05488299, registered office 16-18 Warrior Square, Southend-On-Sea, Essex, SS1 2WS 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 (**RG Reversions**), voluntarily gives the following undertakings to the CMA under section 219 of the EA02. These undertakings relate to the CMA's consumer law investigation, which relates only to the use of Doubling Clauses in Leases.

The CMA acknowledges that RG Reversions was not an original party to the Leases, which already contained Doubling Clauses when RG Reversions acquired its interest in them.

The CMA further acknowledges that Pier Management Limited, registered number 04695283, registered office 16-18 Warrior Square, Southend-On-Sea, Essex, SS1 2WS, which is the managing agent for the Leases held by RG Reversions, has, pursuant to the obligations it voluntarily signed up to under the UK Government's Public Pledge for Leaseholders, offered Leaseholders with Doubling Clauses the opportunity to vary their Leases to RPI-based ground rent, to assist them with concerns about the saleability or mortgageability of properties subject to a lease which contains a Doubling Clause.

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

## **UNDERTAKINGS**

In accordance with section 219(4) and section 219B of the EA02, RG Reversions 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**

**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 specify that the Ground Rent payable under the Lease is to double (or more) more frequently than every 20 years and includes any such term which was in a Lease and has been subsequently varied to refer to a different rate of escalation (eg RPI).

**Former Leaseholder** means an individual 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 (i.e. a lease for which the original term was at least 21 years) for a residential property located in the United Kingdom for which Countryside was originally the freeholder (or landlord) and that contains a Doubling Clause and for which RG Reversions 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. RG Reversions will make an offer to each Leaseholder to vary the Lease by removing 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. RG Reversions will:
  - a. within 30 days of the date of this undertaking place and maintain details on a suitable webpage about a Leaseholder's ability to vary their Lease in order to remove a Doubling Clause;
  - b. include a link to the webpage in written correspondence sent to Leaseholders by or on behalf of RG Reversions 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, RG Reversions will use all commercially reasonable endeavours to effect the variation without undue delay.

## **Non-reliance on Doubling Clauses**

6. RG Reversions 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. Nothing in this paragraph shall prevent RG Reversions from demanding or recovering payment of the initial Ground Rent due under a Lease.
7. RG Reversions will not (i) 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 (ii) take any action or steps leading to possession or any other sanction against a Leaseholder for non-payment of Ground Rent where in either case the action or steps rely in whole or part on the fact that the Ground Rent has increased under a Doubling Clause. Nothing in this paragraph shall prevent RG Reversions seeking to recover the payment of the initial Ground Rent due under a Lease or from taking other action or steps for possession that are available to it against a Leaseholder for non-payment of that initial Ground Rent.
8. RG Reversions 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 charges directly associated with the excess Ground Rent which are limited to:
  - a. interest payments in respect of late payment of any Ground Rent in excess of the initial Ground Rent; and
  - b. any charges added to a Leaseholder's account as a result of having to send payment reminders in respect of the late payment of any Ground Rent in excess of the initial 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 by RG Reversions.

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 RG Reversions under a Doubling Clause identifies themselves to RG Reversions, RG Reversions will offer to refund to them any such amounts including any Ground Rent which the Former Leaseholder has paid to RG Reversions under a Doubling Clause in excess of the initial Ground Rent and

any charges directly associated with the excess Ground Rent which are limited to:

- a. interest payments in respect of late payment of any Ground Rent in excess of the initial Ground Rent; and
- b. any charges added to a Leaseholder's account as a result of having to send payment reminders in respect of the late payment of any Ground Rent in excess of the initial 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 by RG Reversions.

12. RG Reversions will, for a five-year period, maintain on a suitable webpage on the website of Pier Management information about the availability of refunds to Former Leaseholders of the sums described in paragraph 11. RG Reversions will offer refunds of those sums to Former Leaseholders who respond to that information within that five-year period. The offers of such a refund will be made within 60 days of the response received by RG Reversions from the Former Leaseholder.

### **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), RG Reversions will use all commercially reasonable endeavours to ensure that the refund is made to that person within 30 working days of their acceptance.
14. Each refund to a Leaseholder will be made by crediting 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 which are in excess of the initial Ground Rent), 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 RG Reversions 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 RG Reversions 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. For the avoidance of doubt, this obligation shall not apply in circumstances where the purchaser of the freehold is a Leaseholder exercising its statutory right to acquire the freehold or where there is a contractual right or option for the Leaseholder to acquire the freehold interest.

17. Whilst these undertakings are in effect, to the extent that RG Reversions acquires the freehold of any property subject to a lease that would become a Lease on RG Reversions' 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, RG Reversions 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. for a period of 2 years from the date of these undertakings, 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 RG REVERSIONS 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 RG REVERSIONS 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.**