



Case Reference : **CAM/00MD/HMF/2022/0022**

Property : **48 Hillside, Slough SL1 2RW**
(1) Izabela Angelova

Applicants : **(2) Emanuil Vachev**
(3) Aila Balasko

Representative : **In person**
(1) Nedka Ivanova

Respondent : **(2) Radoslav Stoilov**

Representative : **Ms Nicholls of Flat Justice**

Type of Application : **Application by Tenants for a Rent Repayment Order**

Tribunal Members : **Judge S Brilliant**
Mr J Francis QPM

Date and Venue of Hearing : **08 December 2022**
Cambridge County Court, 197 East Road, Cambridge CB1 1BA

Date of Written Reasons : **12 December 2022**

DECISION

Determination

1. The Tribunal is satisfied beyond all reasonable doubt that, during the 25 month period commencing on 14 January 2020 and ending on 14 February 2022, 48 Hillside, Slough SL1 2RW (“the House”) fell within a selective licensing scheme.
2. The amount we order to be paid back to the First and Second Applicants by the Respondents is £7,499. The amount we order to be paid back to the Third Applicant by the Respondents is £5,539. The Respondents must also refund the application and hearing fees.

The licensing schemes

3. In Slough an additional licensing scheme came into operation from 01 July 2019. A selective licensing scheme also came into operation on 01 July 2019.
4. The additional licensing scheme operates where there are three occupants living in more than one household who share facilities such as a bathroom or kitchen. An HMO licence is required: s.61(1) Housing Act 2004. Failure to obtain a licence is an offence: 72(1) Housing Act 2004. Such a failure can be penalised by a rent repayment order: s.43(3) Housing and Planning Act 2016.
5. The selective licensing scheme applies to any property which is let out privately. A Part 3 licence is required: s.85(1) Housing Act 2004. Failure to obtain a licence is an offence: 95(1) Housing Act 2004. Such a failure can be penalised by a rent repayment order: s.43(3) Housing and Planning Act 2016.
6. If an HMO licence is not required, a separate selective licence will be required for each of the Ground and First Floor Flats and the Garden Flat.

The proceedings

7. These proceedings concern applications for rent repayment orders pursuant to ss.40, 41, 43 and 44 Housing and Planning Act 2016 (“the 2016 Act”).
8. Directions for the hearing were given on 01 September 2022.
9. At the hearing the Applicants were represented by Ms Nicholls of Flat Justice. The Applicants each gave oral evidence. The Respondents represented themselves. The Respondents each gave oral evidence.

The House and its licensing

10. 48 Hillside, Slough SL1 2RW (“the House”) is a 2 storey semi-detached house which has been converted into three flats. One is on the ground floor (“the Ground Floor Flat”), one is on first floor (“the First Floor Flat”) and one is in a separate annexe in the garden which is attached to the rear of the House (“the Garden Flat”). The rear

kitchen door of the Ground Floor Flat leads into the garden. The occupant of the Garden Flat has to pass through the kitchen of the Ground Floor Flat to access the garden, which in turn leads to the front door of the Garden Flat.

11. Each of the three flats has its own kitchen and bathroom. Each of the three flats is self-contained. In our judgment, for the reasons about to be given, there are no shared facilities in the House.

12. Despite the submission to the contrary made by the Applicants, we do not consider that the ground floor bathroom was a facility the Third Applicant was entitled to use. The Garden Flat is self-contained. The Garden Flat Lease does not include the ground floor bathroom. The Third Applicant never used the ground floor bathroom. She said in evidence that it was a normal assumption that she could only use her own bathroom.

13. The First Applicant gave evidence that the tenants of the First Floor Flat made use of the ground floor bathroom. There was an occasion when the toilet on the first floor was blocked. She also suspected that those tenants had taken personal items of hers from the ground floor bathroom, including some hand cream.

14. Again, the tenants of the First Floor Flat, who were not party to these proceedings, were not entitled to use the ground floor bathroom. Their flat was also self-contained.

15. Nor do we consider that because the Third Applicant had to walk through the ground floor kitchen to reach the Garden Flat that makes any difference.

16. By s.254(2)(f) Housing Act 2004, a building meets the standard test if two or more of the households who occupy the living accommodation share one or more basic amenities. "Basic amenities" are defined in s.254(8) as including "cooking facilities". When the Third Applicant walked through the kitchen of the Ground Floor Flat she was not using a cooking facility, she was using it as a corridor.

17. 13 October 2021 Slough BC Wrote to the Respondents telling them to apply for an HMO. The Respondents applied for an HMO licence 05 November 2021. Ms Nicholls criticised this delay, but we do not consider it significant. The licence was granted on 19 July 2022. The fact that Slough BC did issue an HMO for the House is not binding on us.

18. If and insofar as the first instance decision in Valmoria v Obi (2021) MAN/32UF/HMF/2020/0003, cited to us might come to a different conclusion, we decline to follow it.

19. In fact, the distinction between the two types of licences is academic as Ms Nicholls did not suggest that there was any difference in effect between the two types of licence.

The Leases

20. The First and Second Applicants rented the Ground Floor Flat under an undated lease (“the Ground Floor Lease”). A copy of this lease was not provided until December 2021.

21. The First and Second Applicants occupied the Ground Floor Flat between 14 January 2020 and 14 February 2022 (25 months). The Ground Floor Lease is to be taken as commencing on 14 January 2020.

22. The Third Applicant rented the Garden Flat under a lease (“the Garden Flat Lease”). A copy of this lease was never provided to her.

23. The Third Applicant occupied the Garden Flat between 26 July 2020 and 27 November 2021 (16 months). The Garden Flat Lease is to be taken as commencing on 26 July 2020.

The Respondents

24. The Respondents are the joint owners of the freehold of the House. The First Respondent is the only named landlord on the Ground Floor Lease. The First and Second Applicants paid their rent into a bank account belonging to the Second Respondent. Both of the Respondents managed the House. We are satisfied that the Respondents were the joint landlords under both the First Floor Lease and the Garden Flat Lease.

The rent repayment claimed

25. The First and Second Applicants paid £800 per month for the 21 months between 26 January 2020 and 13 October 2021, and £850 per month for the 4 months between 14 October 2021 and 13 February 2022.

26. The First and Second Applicants apply for rent to be repaid in respect of the 12 month period ending on 4 November 2021. This has been calculated at £800 for 11 months and £850 for 1 month. The calculation put forward amounts to £9,650.

27. The Third Applicant paid £600 per month for the 16 months between 26 July 2020 and 27 November 2021.

28. The Third Applicant applies for rent to be repaid in respect of any 12 month period. This amounts to £7,200.

Deduction for utilities

29. There needs to be deducted from these figures the amount paid for utilities forming part of the rent. We were shown a calculation prepared by the Respondents.

30. We accept Ms Nicholls' submission that council tax should not be deducted as it is a fixed sum payable regardless of whether or not a flat is occupied, and it does not depend on the individual's rate of expenditure.

31. Ignoring pence, in the final calendar year the total for water, gas and electricity amounted to £830. Since there were three flats, we reduce that figure to 2/3, which amounts to £553. We therefore attribute £276 as the cost of utilities for each of the Ground Floor and Garden Flats. This reduces the respective rent repayment orders to £9,374 and £6,924.

Care The statutory framework

32. s.40 of the 2016 Act states:

(1) This Chapter confers power on the First-tier Tribunal to make a rent repayment order where a landlord has committed an offence to which this Chapter applies.

(2) A rent repayment order is an order requiring the landlord under a tenancy of housing in England to (a) repay an amount of rent paid by a tenant ... under the tenancy.

33. Among the relevant offences is having control of or managing an HMO which is required to be licensed and which is not licenced.

34. s. 43 of the 2016 Act provides that the Tribunal may make a rent repayment order if it is satisfied beyond reasonable doubt that the offence has been committed, and that where the application is made by a tenant the amount is to be determined in accordance with s.44.

35. s.44 provides:

(1) Where the First-tier Tribunal decides to make a rent repayment order under s.43 in favour of a tenant, the amount is to be determined in accordance with this section.

(2) The amount must relate to [our emphasis] rent paid during the period mentioned in the table: [The table provides for the offence in these proceedings to be a period not exceeding 12 months, during which the landlord was committing the offence.]

(3) The amount that the landlord may be required to repay in respect of a period must not exceed (a) the rent paid in respect of that period

(4) In determining the amount the tribunal must, in particular, take into account—

- (a) *the conduct of the landlord and the tenant,*
- (b) *the financial circumstances of the landlord, and*
- (c) *whether the landlord has at any time been convicted of an offence to which this Chapter applies.*

The case law

36. There is no requirement that a payment in favour of the tenant should be reasonable: Vadamalayan v Stewart [2020] UKUT 183 (LC) [11].

37. It is not possible to find in the 2016 Act any support for limiting the rent repayment order to the landlord's profits. That principle should no longer be applied. That means that it is not appropriate to calculate a rent repayment order by deducting from the rent everything spent on the property during the relevant period. There is no reason why the landlord's costs in meeting his obligations under the lease (such as repairs) or by way of mortgage repayments should be set off against the cost of meeting his obligations to comply with the rent repayment order: Vadamalayan [14-15].

38. The context of a "starting point" is familiar in criminal sentencing practice, but since the rent paid is also the maximum which may be ordered the difficulty with treating it as a starting point is that it may leave little room for the matters which s.44(4) obliges the Tribunal to take into account, and which Parliament clearly intended should play an important role (Ficcara v James [2021] UKUT 38 (LC) [50]).

39. An important decision is that of Fancourt J in Williams v Parmar [2021] UKUT 0244 (LC). This deserves to be quoted at length:

23. The offence of having control of or managing an unlicensed HMO is not an offence described in s. 46(3)(a) and accordingly there was no requirement in this case for the FTT to make a maximum repayment order. That section did not apply. The amount of the order to be made was governed solely by s.44 of the 2016 Act. Nevertheless, the terms of s.46 show that, in cases to which that section does not apply, there can be no presumption that the amount of the order is to be the maximum amount that the tribunal could order under s.44 or s.45. The terms of s.44(3) and (4) similarly suggest that, in some cases, the amount of the order will be less than the rent paid in respect of the period mentioned in the table in s.44(2), though the amount must "relate to" the total rent paid in respect of that period.

24. It therefore cannot be the case that the words "relate to rent paid during the period ..." in s. 44(2) mean "equate to rent paid during the period ...". It is clear from s. 44 itself and from s. 46 that in some cases the amount of the RRO will be less than the total amount of rent paid during the relevant period. S. 44(3) specifies that the total amount of rent paid is the maximum amount of an RRO and s. 44(4) requires the FTT, in determining the amount, to have regard in particular to the three factors there specified. The words of

that subsection leave open the possibility of there being other factors that, in a particular case, may be taken into account and affect the amount of the order.

25. *However, the amount of the RRO must always “relate to” the amount of the rent paid during the period in question. It cannot be based on extraneous considerations or tariffs, or on what seems reasonable in any given case. The amount of the rent paid during the relevant period is therefore, in one sense, a necessary “starting point” for determining the amount of the RRO, because the calculation of the amount of the order must relate to that maximum amount in some way. Thus, the amount of the RRO may be a proportion of the rent paid, or the rent paid less certain sums, or a combination of both. But the amount of the rent paid during the period is not a starting point in the sense that there is a presumption that that amount is the amount of the order in any given case, or even the amount of the order subject only to the factors specified in s.44(4).*

26. *In this regard, I agree with the observations of the Deputy President of the Lands Tribunal, Judge Martin Rodger QC, in Ficcara v James. [2021] UKUT 0038 (LC), in which he explained the effect of the Tribunal’s earlier decision in Vadamalayan v Stewart [2020] UKUT 0183 (LC). Vadamalayan is authority for the proposition that an RRO is not to be limited to the amount of the landlord’s profit obtained by the unlawful activity during the period in question. It is not authority for the proposition that the maximum amount of rent is to be ordered under an RRO subject only to limited adjustment for the factors specified in s. 44(4).*

40. At [40] the learned judge repeated that there was no presumption in favour of the maximum amount of rent paid during the period, and the factors that may be taken into account are not limited to those mentioned in s.44(4), although the factors in that subsection are the main factors that may be expected to be relevant in the majority of cases.

41. At [41] the learned judge said that the circumstances and seriousness of the offending conduct of the landlord are comprised in the “conduct of the landlord” [in s.44(4)(a)], so the Tribunal may, in an appropriate case, order a lower than maximum amount of rent repayment, if what a landlord did or failed to do in committing the offence is relatively low in the scale of seriousness, by reason of mitigating circumstances or otherwise. As we shall see, mitigating circumstances are relevant in these proceedings

42. The learned judge continued:

50. *I reject the argument of Mr Colbey that the right approach is for a tribunal simply to consider what amount is reasonable in any given case. A tribunal should address specifically what proportion of the maximum amount of rent paid in the relevant period, or reduction from that amount, or a combination of both, is appropriate in all the circumstances, bearing in mind the purpose of the legislative provisions. A tribunal must have particular regard to the conduct of both parties (which includes the seriousness of the*

offence committed), the financial circumstances of the landlord and whether the landlord has at any time been convicted of a relevant offence. The tribunal should also take into account any other factors that appear to be relevant.

51. *It seems to me to be implicit in the structure of Chapter 4 of Part 2 of the 2016 Act, and in sections 44 and 46 in particular, that if a landlord has not previously been convicted of a relevant offence, and if their conduct, though serious, is less serious than many other offences of that type, or if the conduct of the tenant is reprehensible in some way, the amount of the RRO may appropriately be less than the maximum amount for an order. Whether that is so and the amount of any reduction will depend on the particular facts of each case. On the other hand, the factors identified in para 3.2 of the guidance for local housing authorities are the reasons why the broader regime of RROs was introduced in the 2016 Act and will generally justify an order for repayment of at least a substantial part of the rent. This is what Judge Cooke meant when she said in Vadamalayan that the provisions of the 2016 Act are rather more hard-edged than those of the 2004 Act, which included expressly a criterion of reasonableness. If Parliament had intended reasonableness to be the criterion under Chapter 4 of Part 2 of the 2016 Act it would have said so.*

43. More recently, in Acheampong v Roman [2022] UKUT 239 (LC) it was said that a the following approach will ensure consistency with the authorities:

(a) Ascertain the whole of the rent for the relevant period.

(b) Subtract any element of that sum that represents payment for utilities that only benefited the tenant, for example gas, electricity and internet access. It is for the landlord to supply evidence of these, but if precise figures are not available an experienced tribunal will be able to make an informed estimate.

(c) Consider how serious this offence was, both compared to other types of offence in respect of which a rent repayment order may be made (and whose relative seriousness can be seen from the relevant maximum sentences on conviction) and compared to other examples of the same type of offence. What proportion of the rent (after deduction as above) is a fair reflection of the seriousness of this offence? That figure is then the starting point (in the sense that that term is used in criminal sentencing); it is the default penalty in the absence of any other factors but it may be higher or lower in light of the final step;

(d) Consider whether any deduction from, or addition to, that figure should be made in the light of the other factors set out in section 44(4).

44. The judge added that step (c) above is part of what is required under section 44(4)(a). It is an assessment of the conduct of the landlord specifically in the context of the offence itself; how badly has this landlord behaved in committing the offence?

45. Our attention was also drawn to Hallett v Parker [2022] UKUT 165 (LC), Simpson House 3 Ltd v Osserman [2022] UKUT 164 (LC), and Wilson v Arrow (no citation given).

Complaints against the Respondents: summary

46. The Applicants complain about the following matters:
- (a) the deposits were not protected under any of the approved schemes;
 - (b) the condition of the premises;
 - (c) inspections and visits on short notice;
 - (d) the failure to provide a tenancy agreement until December 2021 in the case of the Ground Floor Flat;
 - (e) the failure to provide a tenancy agreement at all in the case of the Garden Flat;
 - (f) fire risks in the House, including insufficient fire alarms;
 - (g) giving notice to leave in less time than that required by law;
 - (h) no gas safety certificate;
 - (i) no “How to Rent” guide;
 - (j) no electrical installation condition report;
 - (k) no energy performance certificate;
 - (l) no fire risk assessment;
 - (m) no written details of the landlord.

Complaints against the Respondents: findings of fact

47. We remind ourselves that the standard of proof in making our findings is that we are sure beyond all reasonable doubt, not merely on the balance of probabilities.

- (a) The deposits were not protected under any of the approved schemes

48. We are satisfied that all three Applicants paid a deposit, and that none of the deposits were protected under an approved scheme. We do not accept the

Respondents' analysis that these payments were merely advance rent.

(b) The condition of the premises

49. The Respondent say that the House was refurbished to a high standard in 2013. The Third Applicant says, and we accept, that there was some mould in the Garden Flat in the bedroom and near the door. She had to buy a humidifier. She says she was told by Slough BC that the flat was not fit for living in, due to the mould and its very small size. But there is no evidence before us from Slough BC criticising the condition of the Garden Flat, and we do not regard this complaint of being of a high level.

50. The First and Second applicants say that there was no natural light in the living room in the Ground Floor Flat. We were shown a picture of a high window starting at ground level separating the living room with the kitchen. It was blocked with translucent foil. But there is no evidence before us from Slough BC criticising the condition of the Ground Floor Flat, and again we do not regard this complaint as being of a high level

(c) Inspections and visits on short notice

51. We have been provided with a number of WhatsApp shots and a video recording, translated into English from Bulgarian, showing that insufficient notice was given to the Applicants by the Respondents before inspections and visits.

52. On 18 April 2020, two minutes' notice was given when the First Respondent came to pick up some post.

53. On 05 May 2020, 30 minutes' notice was given when the Second Respondent came to do some cleaning up.

54. On 07 October 2021, two days' notice was given for the boiler to be checked.

55. On 14 October 2021, The First Respondent came to the House without any notice, knocked on the door and told the First Applicant she had one month and 2 to 3 weeks to leave. She then spoke to the Third Applicant and gave her one month to leave. She said that they were selling the house where they were now living, and needed to return with their family to the House.

56. At around 9 AM on 29 October 2021, the Second Respondent arrived at the House without any notice. He started knocking on the bedroom door of the Ground Floor Flat while the First Applicant was sleeping part naked with her baby. He said that another person was coming to check the boiler. The First Applicant called the police as she was so scared. An hour later the First Respondent arrived again without notice.

57. On 21 December 2021, the Second Respondent only gave notice that he wanted to check the boiler as he was on his way in his car.

58. The Applicants felt intimidated by these visits with short notice. We accept the Applicants' evidence relating to the visits referred to above.

(d) The failure to provide a tenancy agreement until December 2021 in the case of the Ground Floor Flat

59. This lease was not provided until over 18 months after the tenancy began. This prevented the First and Second Applicants from obtaining universal credit in respect of their accommodation, until January 2022. They had asked the Respondents to supply a tenancy agreement after their baby had been born but were told that they would need to move out if they wanted a tenancy agreement.

(e) The failure to provide a tenancy agreement at all in the case of the Garden Flat

60. No lease of the Garden Flat was ever provided. This prevented the Applicant from obtaining universal credit in respect of her accommodation.

(f) Fire risks in the House, including insufficient fire alarms

61. On 05 November 2021, Mr Abiola, Slough BC's Senior Housing Regulation Officer said that having reviewed the layout of the House, he considered the layout to pose a significant fire risk.

62. The Garden Flat had extinguishers and alarms. But, the Garden Flat did not have an appropriate route out of the property in case of fire as the only route out was through the Ground Floor Flat. However, the Third Applicant could use the garden if she needed to leave her flat.

63. The Ground Floor Flat had two fire extinguishers under the staircase, a smoke alarm in the kitchen and in the hallway. It also had a carbon monoxide detector in the kitchen. But fire alarms were only installed in the living room and bedroom of the Ground Floor Flat the day before a council inspection, as well as more fire extinguishers and a fire blanket in the kitchen.

64. There were no appropriate extractor fans, fire blankets (until very late in the day), notices on fire doors, fire instructional notices or thumb turn locks.

65. We regard these matters as serious.

(g) Giving notice to leave in less time than that required by law

66. Before either of the leases could be brought to an end s.21 notices will need to be served. We have already stated that on 14 October 2021, the First Respondent came to the House without any notice, knocked on the door and told the First Applicant she had one month and 2 to 3 weeks to leave. She then spoke to the Third Applicant and gave her one month to leave. The Applicants were intimidated by this behaviour.

67. The Respondents were motivated by the fact that their extended family suddenly found they had to leave their existing accommodation. In the end, they moved somewhere else.

68. The Third Applicant received two more visits when she was pressurised to leave. In fact that time she was planning to move away from Slough.

(h) No gas safety certificate

69. No gas safety certificate was supplied when the Ground Floor and the Garden Flat were let out (the same boiler served both flats). There was no check by a certified engineer before 29 October 2021.

(i) No “How to Rent” guide

70. No “How to Rent” guide was supplied when the Ground Floor and the Garden Flat were let out. We reject the Respondent’s evidence that the guide was provided at the beginning.

(j) No electrical installation condition report

71. No electrical installation condition report was supplied when the Ground Floor and the Garden Flat were let out. We reject the Respondent’s evidence that the report was provided at the beginning. It was provided much later.

(k) No energy performance certificate

72. No energy performance certificate was supplied when the Ground Floor Flat and the Garden Flat were let out. We reject the Respondent’s evidence that the certificate was provided at the beginning. It was provided much later.

(l) No fire risk assessment was conducted

73. No fire risk assessment was conducted in either the Ground Floor Flat or the Garden Flat.

(m) No written details provided of the landlord

74. No details of the Respondents were displayed in either the Ground Floor Flat or the Garden Flat.

Complaints against the Applicants

75. We do not accept on the evidence that any of the Applicants made fraudulent claims for Universal Credit. Indeed, they were not cross examined on it

Applying the law to the facts

76. We find that the Applicants were good tenants. They paid their rent and did not damage their flats.

77. We find that much of the conduct of the Respondents was well below that to be expected of a conscious and law-abiding landlord. Certainly, some visits, albeit on short notice, were done with good intention, particularly the maintenance of the boiler. Nevertheless, we accept that the Applicants felt very intimidated, and we have catalogued in some detail above the poor behaviour of the Respondents.

The Ground Floor Flat

78. Adopting the exercise in Acheampong:

(a) The rent for the relevant 12 month period is £9,650.

(b) We attribute £276 as the cost of utilities. This reduces the rent repayment orders to £9,374.

(c) Comparing other types of offence we think that a fair proportion of the rent fairly reflecting the seriousness of this offence is 70%.

(d) Turning to s.44(4):

(i) The conduct of the landlord is open to serious criticism. The conduct of the tenants is not open to any criticism.

(ii) The Respondents gave no evidence of their financial circumstances, but were simply letting out this one property and they are not people of any substantial means.

(iii) The Respondents have not at any time been convicted of a relevant offence.

79. In our judgment, the rent repayment order should require 80% of the rent to be repaid. This sum is £7,499. We then have to consider the conduct of the landlord, the means of the landlord and whether there have been any previous convictions.

The Garden Flat

80. Adopting the exercise in Acheampong:

(a) The rent for the relevant 12 month period is £7,200.

(b) We attribute £276 as the cost of utilities. This reduces the rent to £6,924.

(c) Again, comparing other types of offence we think that a fair proportion of the rent fairly reflecting the seriousness of this offence is 70%.

(d) Turning to s.44(4):

(i) The conduct of the landlord is open to serious criticism. The conduct of the tenants is not open to any criticism.

(ii) The Respondents gave no evidence of their financial circumstances, but were simply letting out this one property and they are not people of any substantial means.

(iii) The Respondents have not at any time been convicted of a relevant offence.

81. In our judgment, the rent repayment order should require 80% of the rent to be repaid. This sum is £5,539.

82. The Respondents must accordingly refund to the First and Second Applicants £7,499, and the Third Applicant £5,539. In addition, it must refund the application and hearing fees.

Name: Simon Brilliant

Date: 12 December 2022.

ANNEX - RIGHTS OF APPEAL

- i. If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber) then a written application for permission must be made to the First-tier Tribunal at the Regional office which has been dealing with the case.
- ii. The application for permission to appeal must arrive at the Regional office within 28 days after the Tribunal sends written reasons for the decision to the person making the application.
- iii. If the application is not made within the 28 day time limit, such application must include a request for an extension of time and the reason for not complying with the 28 day time limit; the Tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed despite not being within the time limit.
- iv. The application for permission to appeal must identify the decision of the Tribunal to which it relates (i.e. give the date, the property and the case number), state the grounds of appeal, and state the result the party making the application is seeking.

