



HM Treasury



Department for Levelling Up,
Housing & Communities

Business Rates Avoidance and Evasion

Consultation: Summary of Responses

March 2024



HM Treasury



Department for Levelling Up,
Housing & Communities

Business Rates Avoidance and Evasion

Consultation: Summary of Responses

March 2024



© Crown copyright 2024

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at: www.gov.uk/official-documents.

Any enquiries regarding this publication should be sent to us at public.enquiries@hmtreasury.gov.uk

ISBN: 978-1-916693-97-5

PU: 3409

Contents

Ministerial Foreword	6
Chapter 1 Introduction	8
Chapter 2 Government Response	9
Chapter 3 Summary of Responses	13

Ministerial Foreword

We launched the Business Rates Avoidance and Evasion consultation in July 2023 with two main objectives: first, to test concrete reforms to Empty Property Relief to help close down known avoidance practices; and second, to gather further information on wider avoidance or evasion risks and on poor rating agent activity within the business rates system, and to explore options to strengthen the system.

We are grateful to those who have taken the time to engage in, and respond to, the consultation. There were nearly 200 responses in total, and these have demonstrated the strength of feeling across the board on this important issue. These responses have been vital in shaping the reforms we are announcing today.

First and foremost, we want to ensure a level playing field between ratepayers. We also need to protect the vital funding that business rates provides for key local services.

We are therefore taking immediate action on Empty Property Relief. The Empty Property Relief “reset period” will be extended from six weeks to thirteen weeks from 1 April 2024. This will disincentivise the widespread practice colloquially known as “box shifting”, in which landlords repeatedly occupy properties for short periods of time in order to claim further Empty Property Relief.

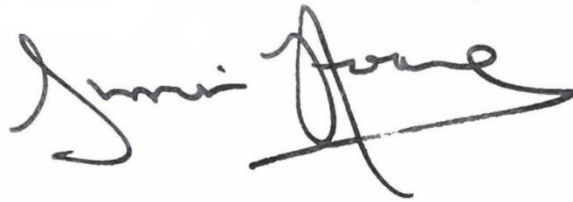
But respondents also provided evidence of broader avoidance activity and expressed concern that new avoidance schemes would continue to emerge in the future. We are therefore announcing an initial consultation on the merits of a “General Anti-Avoidance Rule” for business rates, which would provide the government with greater flexibility to tackle emerging avoidance schemes as they materialise. This consultation will be published in due course.

Finally, respondents were clear that “rogue” business rates agents are an established problem in the business rates system, preying in particular on small business owners with a lack of understanding of the system. In response, the government is increasing its communications to raise awareness regarding available reliefs and the use of agents, to better inform these ratepayers.

We will continue to monitor business rates compliance and will not hesitate to take further action in future, if necessary, to protect the public purse and maintain a fair and efficient tax system for all ratepayers.



Nigel Huddleston MP, Financial Secretary to the Treasury



Simon Hoare MP, Parliamentary Under-Secretary of State for Local Government at the Department for Levelling Up, Housing and Communities

Chapter 1

Introduction

1.1 At Spring Budget 2023, the government announced a consultation to explore the causes of, and potential measures to tackle avoidance, evasion, and poor rating agent behaviour within the business rates system.

1.2 This document is a UK government response which summarises responses to the consultation received between 6 July to 28 September 2023. It provides an overview of the main themes from the consultation responses but, inevitably, it is not practical to describe all responses in detail. It also sets out the government response to the consultation.

1.3 There were 192 responses to the consultation from local authorities, rating professionals, representative bodies, individual businesses, and others.

1.4 The consultation confirmed that business rates avoidance is a significant and multifaceted issue. The government recognises that most ratepayers pay the right amount of tax. The government is however also aware that avoidance and evasion provide an unfair advantage to a minority and it will not tolerate abuse of the tax system.

1.5 Many respondents described in detail established avoidance and evasion techniques and proposed a range of measures to counteract these. Local government respondents were also concerned by the effect these practices have on the funding of local services.

1.6 To address the most significant avoidance challenge, the government will legislate to **extend the Empty Property Relief (EPR) 'reset period' from six weeks to three months**, with effect from 1 April 2024. The government is also announcing **a consultation on adopting a 'general anti-avoidance rule' for business rates in England**. In addition, the government is committing to **improved communication to raise awareness of "rogue" business rates agents**.

1.7 Further detail on these measures and the wider government response is included below, alongside a summary of the responses received.

Chapter 2

Government Response

Reforms to EPR: extending the 'reset period'

2.1 Empty Property Relief (EPR) operates by providing owners of empty non-domestic properties with 100 percent relief for the first three months (or six months for industrial properties) after a property becomes empty. If the property remains empty once the relief period ends, the owner must pay the property's full business rates liability.

2.2 Should the empty property be occupied again for a period of six weeks or more, it becomes eligible for another period of EPR when it falls empty again. The six-week period of occupation required to be eligible for another period of EPR is known as the 'reset period'.

2.3 Local authorities reported that abuse of EPR through repeated artificial occupation had become pervasive and stressed the need to urgently implement measures to address this practice. There was a clear consensus amongst respondents that this is the most common method of business rates avoidance. Many also felt that recent legal judgments on what constitutes occupation had legitimatised the practice.

2.4 Responses highlighted 'box-shifting' as a particular issue; a method of artificial occupation which involves moving items into a building, solely to satisfy the six-week occupation condition. Items are then removed once the reset period is complete, rendering the building unoccupied and eligible for another period of EPR.

2.5 58% of respondents argued that extending the reset period to three or six months would be the most effective means of reducing losses from rates avoidance. Respondents also highlighted the precedent set by similar reforms in Scotland and Wales.

2.6 **The government is acting to extend the 'reset period' to three months.** This will reduce the financial incentive to avoid business rates on empty property while still supporting landlords whose tenants have recently vacated.

2.7 The government will legislate so that, from 1 April 2024, properties that have already benefited from EPR will be required to be occupied for a minimum period of three months (thirteen weeks) before they can benefit from a further period of relief.

2.8 Respondents favoured a change to the EPR 'reset period' over the other EPR reforms that were put forward. The consultation also considered abuse of the 'next in use' exemption for empty properties likely to be used by charities in the future, but no clear consensus

emerged on how to tackle this type of avoidance. The government will however keep the treatment of empty properties under review and consider further changes should abuse of reliefs or exemptions persist.

Addressing wider avoidance: consultation on a 'general anti-avoidance rule'

2.9 Respondents reported a broad range of other methods, besides abuse of EPR, that are used to avoid rates. Many local authorities also argued that they do not have the ability to effectively tackle avoidance due to its evolving nature, noting that tackling issues individually leads to a 'whack-a-mole' situation.

2.10 To ensure against future exploitation of the rates system, the government is therefore announcing a consultation on a 'general anti-avoidance rule' for business rates in England. This could enable local and central government to tackle avoidance in a more agile manner and address new threats as they emerge.

2.11 This consultation will explore how such a rule could work in practice. It will also consider the merits and the viability of such an approach to counteracting rates avoidance in England to ensure a level playing field for all ratepayers.

2.12 The consultation will seek views from local authorities, businesses, representative bodies, and agents on the potential merits of taking such an approach. Further information will be provided in a separate consultation document, to be published in due course.

Combatting evasion: information sharing

2.13 Respondents to the consultation generally regarded evasion as an issue of secondary importance in the business rates system, with avoidance considered to be much more widespread.

2.14 Local authorities however consistently report encountering evasion involving certain reliefs being claimed illegally across different local authority areas. Authorities cited a lack of information about business activity beyond their own authority areas as a key issue preventing them from acting where they suspect evasion is taking place.

2.15 Two significant reliefs concern authorities: Small Business Rates Relief (SBRR), which in most circumstances should only benefit businesses occupying a single property; and Retail, Hospitality and Leisure Relief (RHL), which should only benefit a business up to a £110,000 cash limit. As local authorities generally only have access to information about reliefs provided within their own area, it can be challenging to verify if businesses are genuinely eligible for SBRR, or if a business has benefitted from RHL in excess of the cash limit.

2.16 Local authorities will gain greater access to information on businesses and relief claims through the government's Digitalising

Business Rates (DBR) programme, which will link property data held by local authorities and the Valuation Office Agency (VOA) with business tax data held by HMRC. DBR will provide a “relief checker” for local authorities to look at a business’ rates liability across multiple local authority areas, to support authorities in assessing whether a business is eligible for SBRR or RHL.

2.17 DBR will be made possible by the VOA information duty introduced by the Non-Domestic Rating Act 2023 and the provision of a tax reference number by ratepayers. This will enable the matching of accurate and up-to-date property data with HMRC business information.

2.18 HMRC have held regular engagement with authorities during the design of the relief checker and will continue to work with interested stakeholders as DBR is delivered.

2.19 Local authority responses to the consultation often mentioned a desire to know exactly what information would be shared with them to aid with compliance. HMRC will seek input from authorities on the proposed information as part of future stakeholder engagement.

“Rogue” agents: effective government communication

2.20 Respondents to the consultation consistently reported being aware of “rogue” agents acting within the business rates system. Respondents identified the complexity, and businesses’ lack of understanding, of the system as a primary reason for the prevalence of this activity.

2.21 The actions of “rogue” agents, including publicising avoidance or evasion schemes and locking businesses into long, unfavourable contracts, negatively affects the business rates system as a whole and damages the public perception of the agent sector, the vast majority of which are reliable and reputable.

2.22 To address this issue, the government will improve communications to ratepayers to allow them to make a more informed decision when selecting a business rates agent. This activity will be focused on supporting small business owners, who are most at risk of poor agent behaviour.

2.23 The government is committing to sharing advice with local authorities and small business representative organisations for use on their websites and social media channels. Working in tandem with the central government-issued advice published on gov.uk, this will publicise the potential risks of “rogue” agents to businesses and advertise the availability of and eligibility for reliefs. This will increase the reach of the government’s communications, facilitating engagement with ratepayers who may not engage directly with central government.

2.24 HM Treasury and the Department for Levelling Up, Housing and Communities are working closely with the VOA on this campaign. The

VOA published their “standard for agents” on 30 January. The standards set out how agents must act in:

- their behaviour
- their professional practice

They also set out the level of service agents should provide to their customers, such as providing clear communications and responding in a timely manner. All agents should maintain high standards that promote compliance.

2.25 The publication of the new standard has been accompanied by a social media communications campaign, and guidance for ratepayers and agents has been published on [gov.uk](https://www.gov.uk). This material has been shared directly with stakeholders, including professional bodies and local authorities, to increase their reach.

2.26 Respondents to the consultation were unable to provide a clear sense of the scope and scale of poor agent behaviour. For this reason, the government will continue to keep the situation under review and will carefully consider the case for further action in future if necessary.

Chapter 3

Summary of Responses

Measures to reform rates on unoccupied properties

3.1 Chapter two of the Business Rates Avoidance and Evasion Consultation set out options to reform Empty Property Relief (EPR). These options included proposals to change the 'reset period' (the period during which a property must be occupied before qualifying for a further period of EPR), in addition to proposals to introduce more stringent tests for occupation or devolve the relief to local authorities. This chapter also looked at removing or changing the next in use exemption for unoccupied properties held by charities.

Questions 1-4: Changes to the Empty Property Relief (EPR) 'reset period'

Questions:

1. **Would increasing the required duration of occupation during the 'reset period' from 6-weeks to 3- or 6-months, in your view, be effective in reducing avoidance through empty property rates?**
2. **What potential issues may arise from requiring occupation for 3- or 6-months during the 'reset period'?**
3. **Would introducing a limit on the number of times EPR could be claimed in a given time period, in your view, be effective in reducing avoidance?**
4. **What potential issues may arise from limiting the number of times properties can benefit from EPR within a given period?**

3.2 Local government respondents highlighted the widespread scale of business rates avoidance. Many suggested that EPR is the primary avenue for avoidance activity.

3.3 More specifically, respondents were generally aware of abuse of the EPR 'reset period'. A large proportion of local authorities referenced 'box shifting', a practice where boxes are moved in and out of vacant

properties to secure new rate free periods. Some authorities recognised that this practice had increased recently and cited recent High Court judgments upholding the right to ‘box shift’ as a reason. One local authority suggested that abuse of the EPR ‘reset period’ accounted for around £35 million per annum in losses to the public purse in their authority alone.

3.4 All local authorities supported the proposal to increase the six-week ‘reset period’ and considered it would be an effective deterrent to box shifting as it would limit the financial incentive to avoid. Of the options proposed, authorities favoured extending the duration of the ‘reset period’ rather than limiting the number of times relief could be claimed in a given period.

3.5 A total of 37% of respondents, including local authorities, businesses and agents suggested that changing the reset period alone would not tackle avoidance and could result in ratepayers using different avoidance schemes such as artificial insolvency arrangements and abuse of charitable rate reliefs to reduce their liability.

3.6 Businesses, business representatives and agents who responded to questions 1-4 were less supportive of changes to the current EPR scheme. 41% of agents and 20% of businesses agreed that extending the duration of the ‘reset period’ would be an effective way of limiting the impacts of avoidance through the EPR scheme.

3.7 Table 3.A below summarises the responses to question 1.

Table 3.A Summary of responses to Question 1

	For	Against	Neither for nor against
Local Authorities	100%	0%	0%
Agents	41%	47%	24%
Businesses/BROs	20%	56%	24%
Charities	25%	13%	63%
Other	32%	18%	50%
Total	58%	24%	18%

3.8 The proposal to limit the number of times EPR could be claimed in a given period was less popular. Some did note that such a system could be more flexible, allowing for several genuine short-term occupations to take place in short succession. Local authorities also noted that this system could be harder to administer.

3.9 Table 3.B summarises the responses to question 3.

Table 3.B Summary of responses to Question 3

	For	Against	Neither for nor against
Local Authorities	88%	6%	6%
Agents	37%	49%	16%
Businesses/BROs	20%	47%	32%
Charities	13%	13%	75%
Other	27%	27%	45%
Total	27%	27%	45%

Questions 5-8: Introduction of tests on occupation and devolution of EPR to local government

Questions:

- 5. What are your views on adding additional conditions to the meaning of occupation for the purposes of determining whether a property should benefit from a further rate free period?**
- 6. How could the additional occupation conditions be effectively defined to reduce avoidance?**
- 7. What are your views on reforming the current arrangements for empty property rates relief and replacing them with a local, discretionary scheme?**
- 8. Are there any other additional criteria which, in your view, should be met for a property to qualify for EPR?**

3.10 A majority—55%—of local authorities were in favour of including new statutory requirements to the meaning of occupation to help determine eligibility for relief. A common suggestion was to use a percentage of floorspace or to introduce a “wholly or mainly occupied” test to tackle minimal and artificial occupation. However, some authorities believed this would be circumvented and could lead to alternative methods of minimal occupation. An example given was that a definition based on floorspace could be circumvented through laying a carpet down, rather than moving boxes into a property. Other authorities raised concerns about their ability to resource and police this system and suggested statutory guidance would be required to ensure consistency.

3.11 62% of businesses and business representative bodies and 82% of agents were opposed to changing the definition of occupation, raising concerns that adding additional conditions or tests for occupation risked cutting across established caselaw, which in turn could lead to varying definitions of occupation within the business rates system.

3.12 These groups also suggested that any statutory definition or new tests for occupation would still be vulnerable to loopholes and new avoidance schemes.

3.13 Table 3.B summarises the responses to question 5.

Table 3.C Summary of responses to Question 5

	For	Against	Neither for nor against
Local Authorities	55%	13%	32%
Agents	0%	82%	18%
Businesses/BROs	0%	62%	38%
Charities	22%	11%	67%
Other	24%	43%	33%
Total	31%	35%	34%

3.14 Replacing the existing EPR scheme with a devolved local relief scheme was opposed by 63% of respondents. The chief concern was that each local authority would operate their scheme differently, resulting in an inconsistent approach and a “post-code lottery”. Businesses, business representative organisations and agents were particularly concerned with this, stating the need for businesses to operate in a certain and consistent environment.

3.15 Local authority respondents were slightly more supportive of greater discretion with 31% in favour, largely on the grounds that this would allow them to better tackle avoidance and account for local needs. However, local authorities were similarly concerned with an inconsistent environment for businesses, and with the additional administrative burden associated with operating a discretionary scheme.

3.16 Table C below summarises the responses to question 7.

Table 3.D Summary of responses to Question 7

	For	Against	Neither for nor against
Local Authorities	31%	60%	10%
Agents	11%	74%	16%

Businesses/BROs	3%	66%	31%
Charities	0%	50%	50%
Other	0%	59%	41%
Total	16%	63%	22%

Questions 9-11: Options to reform the 'next in use' exemption

Questions:

- 9. Would removing the 'next in use' exemption, in your view, be effective in tackling avoidance of EPR?**
- 10. What issues may be caused by the removing the 'next in use' exemption?**
- 11. What are your views on how the 'next in use' exemption may be improved to minimize the opportunities for rates avoidance, including (but not limited to) introducing additional criteria or devolving the award of the exemption to local authorities?**

3.17 Respondents reported having encountered abuse of the 'next in use' rule for charitable relief, although the degree of avoidance activity varied. A total of 39% of respondents supported the removal of the 'next in use' relief, with 33% arguing against its removal.

3.18 Some respondents also warned that removing the relief would penalise charities taking empty properties for genuine reasons and could disincentivise landlords from letting to charities. Examples of genuine charitable use included disaster relief charities taking warehouse space, and charities who have taken space but were delayed moving in.

3.19 Respondents offered various alternative ways to tackle avoidance while retaining the relief, including tightening eligibility criteria and ensuring better policing of charities. This would be supported by improved data and engagement from the charity commission, Companies House and the Valuation Office Agency. Respondents also argued that this could be augmented by improved best practice guidance, and stronger powers to retrospectively remove relief where relief schemes had been abused.

3.20 No clear consensus emerged regarding how to effectively tackle this type of avoidance.

Wider business rates avoidance and evasion

Questions 12-13: Avoidance

Questions:

- 12. What methods of avoidance have you encountered in the business rates system, in addition to those outlined in Chapter 1? Please include any information you have relating to the potential scale of any such activity in your answer.**
- 13. Do you have any suggestions for what action could be taken to effectively mitigate against, discourage or prevent this behaviour?**

3.21 Respondents gave evidence of a wide variety of avoidance methods. While the most impactful remains using artificial occupation to gain repeated access to EPR, other avoidance methods exploit different aspects of the system, including:

- Landlords renting to companies which immediately file for liquidation, exempting the landlord from rates until the lease is disclaimed;
- Ratepayers delaying completion of building projects in order to avoid being readded to the rating list;
- Ratepayers stripping down or dismantling part of their property in order to remove it from the rating list; or,
- Landlords approaching charities to occupy their properties in order to avoid paying business rates.

3.22 The majority regarded these as outside of the spirit of the law.

3.23 Respondents were far less likely to make estimations on scale, citing a lack of reliable data. However, some agents suggested that these methods of avoidance were relatively commonplace, reporting that these methods had even been advertised in trade magazines, alongside promises to reduce rates liabilities.

3.24 Local authorities were almost universally in favour of taking action to prevent the listed behaviours. Businesses, agents, and representative organisations were generally less receptive to taking anti-avoidance action, some respondents suggesting instead that empty property rates should be reset to pre-2008 levels to reduce avoidance or suggesting that local authorities should be more transparent about how rates are being spent.

3.25 Many mitigation strategies suggested by ratepayers were focussed on EPR. The most suggested methods of mitigating abuse of EPR included codifying a definition of “occupation” in law (as explored in questions 5 and 6) and increasing the generosity of EPR.

3.26 Other methods to mitigate other forms of avoidance included:

- Legislating for business rates liability to transfer to landlords in the event of a tenant becoming insolvent;
- Introducing a statutory duty to notify billing authorities of changes to occupier or property;
- More frequent and rigorous property checks by the VOA and billing authorities;
- Imposing various restrictions on companies and company directors, including how many times directors can claim SBRR for different companies, tweaking liquidation rules and preventing companies being set up by people overseas.

Questions 14-17: Evasion

Questions:

14. Are you aware of any of the forms of evasion listed above? Please include any information you have relating to the potential scale of any such activity in your answer.

15. Are you aware of any other examples of evasion which are not listed here? Again, please include any information you have relating to the potential scale of any such activity in your answer.

16. Do you have any suggestions on what further action could be taken to prevent evasion?

17. Do you think billing authorities have sufficient powers to effectively combat evasion in the business rates system? If not, how do you think they should be strengthened or expanded?

3.27 Only around half of respondents answered these questions, of which the majority were local authorities. All respondents believed that evasion should be prevented wherever possible.

3.28 Local authorities were far more likely to identify evasion methods than agents, businesses or representative bodies. A large majority of 79% of local authorities who answered the questions had experienced the forms of evasion listed in the consultation: these were abuse of SBRR and abuse of the Retail, Hospitality and Leisure (RHL) relief cash caps. A

smaller number gave evidence of other evasion measures they had encountered.

3.29 Fraudulent SBRR claims were the most frequently acknowledged by respondents. The most prevalent method was claiming SBRR in two different billing authority areas. Respondents also noted SBRR claims made by companies set up by family members or through shell companies, and properties being artificially split up to dip below the SBRR rateable value threshold.

3.30 Other methods of evasion included:

- Abuse of the RHL cash caps;
- Submission of false occupier or company information, or false lease/tenancy agreements;
- Artificial insolvency arrangements.

3.31 Local authority respondents frequently argued that it was difficult to tell whether incorrect claims were made through ignorance or malice. Businesses and agents generally suggested that the scale of evasion was small, and that incorrect claims were more likely to be mistakes.

3.32 No local authorities felt able to give a sense of the scale of evasion. Local authorities repeatedly argued that it was difficult to identify evasion, especially when it spanned different billing authority areas. Some local authorities used third-party data gathering firms to aid with their compliance work, though this data is usually limited to incorporated businesses. Some argued that the government should provide new burdens funding to pay for this software, whilst others were aware of the government's Digitalising Business Rates (DBR) project and were confident that this would aid their compliance activity.

3.33 A significant number of respondents believed that the future legal requirement for ratepayers to share data with the VOA should be extended to local authorities to allow them to combat evasion and improve billing. Some respondents emphasised that this power already exists within the council tax system.

3.34 Many local authorities also asked for a power to enter and inspect premises. Other suggestions included establishing a central government team to help counter evasion.

3.35 Respondents from all sectors commented on local authorities' inability to effectively prosecute due to lack of resourcing. This was generally regarded as a more important factor than additional anti-evasion powers. Similarly, respondents noted a lack of incentive to prosecute, as in many cases the local authority would be unable to recover even if they were successful in court.

Questions 18-20: Information sharing

Questions:

- 18. Will the new information that will be made available to billing authorities allow them to better combat business rates avoidance and evasion? What kind of compliance activity will it allow billing authorities to carry out?**
- 19. Do you think there is any other information held by HMRC or the VOA which would be useful for billing authorities to have to help them to combat avoidance and evasion?**
- 20. Do you have specific views on how we can best ensure effective information sharing between billing authorities and the VOA/HMRC, once DBR and the VOA duty are in place?**

3.36 These questions were typically only responded to by Local Authorities.

3.37 The majority of Local Authorities believed that DBR and the new VOA duty will allow billing authorities to better combat business rates avoidance and evasion by:

- Facilitating the prompt communication of changes to occupier information to support accurate billing; and
- Supporting billing authorities to better assess eligibility for business rates relief, for example SBRR and RHL. In particular, through preventing businesses from claiming relief from two different agencies

3.38 Responses from local authorities requested more clarity about how the duties will operate in practice. For example, respondents wanted to understand exactly what information will be shared and how it will be shared.

3.39 To facilitate effective information sharing between billing authorities and the VOA/HMRC, once DBR and the VOA duty are in place, respondents called for:

- A centralised remote access database
- High quality data
- Exchange of data in real-time

3.40 A handful of authorities were concerned that poor communication from the VOA with local authorities would limit the benefits of new information for tackling avoidance and evasion. Some respondents suggested ways to improve this communication, including appointment of a designated contact in the VOA and HMRC to aid with information sharing queries, and the introduction of a data sharing platform to support authorities.

3.41 From the VOA, local authorities asked that information relevant to billing functions, such as details about the occupier received by the VOA, is shared with billing authorities. Many respondents picked out lease information as particularly useful for establishing an accurate picture of how the property is used.

“Rogue” Agents

Questions 21-23: Scope of rogue agent behaviour and mitigation options

Questions:

- 21. Are you aware of any of the “rogue” rating agent activity listed above? Please include any information you have relating to the potential scale of any such activity in your answer.**
- 22. Are you aware of any other examples of poor rating agent behaviour which are not listed here?**
- 23. Do you have any suggestions for what action could be taken to mitigate effectively against, discourage or prevent this behaviour?**

3.42 Over half of the respondents to answer questions 21-23 were local authorities, with other responses coming from a variety of stakeholders, including agents and business representative organisations.

3.43 Rating agents generally stated that engaging in rates mitigation strategies was a necessary aspect of their business, but that this stopped far short of the “rogue” behaviour detailed in the consultation. Some agents asserted that “rogue” behaviour is undertaken by the minority of agents, and the majority of agents do not partake in activities listed.

3.44 The vast majority of respondents were aware of the “rogue” agent activity we listed in the consultation document, and many respondents highlighted other examples of poor rating agent behaviour which had not originally been listed.

3.45 Overall, the most commonly raised examples of poor behaviours were:

- Misleading ratepayers, such as charging a fee for relief which is free of charge
- Coercion or bullying tactics to force ratepayers into unfavourable contracts

- Charging upfront fees in return for a promised reduction in rates, and then making no attempt to reduce rates

3.46 Generally, respondents agreed that it was not possible to get a sense of the scale of the activity. Of those that did provide comment on potential scale, a roughly equal number suggested the scale was increasing or staying the same, with a few suggesting it was decreasing.

3.47 All respondents were in favour of actions to mitigate genuine “rogue” agent behaviour. However, a small minority felt the current definition of “rogue” was not sufficiently thought through, and needed to be developed before mitigations could be put in place.

3.48 Many respondents suggested specific actions which could be taken to mitigate, prevent and discourage poor behaviour. The most common suggestion respondents raised was ensuring all agents are regulated. Suggestions on how to do this varied, including:

- Establishing a new, independent body for business rates agents
- A requirement for all agents to be a member of either RICS, IRRV or RSA
- Introducing standardised fees for agents to prevent ratepayers being overcharged

3.49 Respondents also suggested that raising awareness of the relief schemes available, including how to apply for them, as well as the existence of “rogue” agents, would help ratepayers make informed decisions.

HM Treasury contacts

This document can be downloaded from www.gov.uk

If you require this information in an alternative format or have general enquiries about HM Treasury and its work, contact:

Correspondence Team
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

Tel: 020 7270 5000

Email: public.enquiries@hmtreasury.gov.uk