

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case reference	:	LON/00AP/HMF/2024/0240
Property	:	88 Lealand Road, London N15 6JT
Applicants	:	 (1) Anthony Ing (2) Eleanor McDowall (3) Jack Rhodes-Worden (4) Nancy Hughes
Representative	:	Mr Josh Channon
Respondent	:	(1) Longhall Eastates Limited (2) Bintons Property Service
Representative	:	No appearance by (1) or (2)
Type of application	:	Rent Repayment Order
Tribunal member(s)	:	Judge Tagliavini Ms Susan Coughlin MCIEH
Venue	:	10 Alfred Place, London WC1E 7LR
Date of hearing Date of decision	:	13 May 2025 12 June 2025

DECISION

The tribunal's decision

- (1) The tribunal makes a rent repayment order against the first respondent in the sum of $\pounds 23,220$. This sum is to be paid within 14 days of this decision being sent to the parties.
- (2) The tribunal also makes an order requiring the first respondent to reimburse the applicants application and hearing fees of $\pounds 640$ to be paid within 14 days of this decision being sent to the parties.

Background

1. The applicants were the assured shorthold tenants of the subject property at 88 Lealand Road, London N15 6JT ('the property') which comprised a four-bedroom flat occupying the upper three floors of a converted four storey property with shared use of living room, kitchen and bathrooms/w.c.'s The ground floor of the property was under reconstruction at the start of the tenancy and was later occupied for commercial use. The tenancy agreement is dated 29/11/2024 and made between Bintons Property Services Ltd (holding itself as ' the landlord) and Mr Anthony Edward Ing at a rent of £2,400 per month,

The Application

2. On 23 June 2024, an application for a rent repayment order was submitted to the tribunal alleging an offence under s.72(1) of the Housing Act 2004 (failure to licence a house in multiple occupation). The applicants seek rent repayment order in the following amounts:

Eleanor McDowall (EM), occupant 22/11/2019- 31/05/2024, 12 months during 2023 @ £760/ month = £9,120

Anthony Ing (AI), occupant 22/11/2019- 31/05/2024, 12 months during 2023 @ £640/ month = £7,680

Jack Rhodes-Worden (JR), occupant 20/5/22- 31/05/2024, 12 months during 2023 @ £635/ month = £7,620

Nancy Hughes (NH), occupant 20/08/2021- 31/05/2024, 12 months during 2023 @ £545/ month = £6,540

Total: £30,960

The applicants also seek reimbursement of the application and hearing fees in a total sum of £640

Litigation history

- 3. The applicants made an application to join the second respondent to the application which was granted by Judge N Hawkes on 17 December 2024. Subsequently, the second respondent sought to strike out the application made against it, but this was refused by Judge McQueen and notified to the parties in a letter in a dated 6 March 2025. The applicants also sought and were granted permission to rely on the evidence of two former tenants Georgia John-Charles and Oskar Pimlott.
- 4. A final face-to-face hearing was held at which the applicants attended and were represented. The first respondent's solicitors Freemans subsequently notified the tribunal they were no longer instructed and did not intend to attend the hearing. Neither respondent attended nor were represented and the hearing proceeded in their absence.

The Law

- 4. The applicants assert the first and/or second respondent were the landlord of the subject premises during the relevant period of their occupation. The property required an Additional Licence under a scheme which came into effect on 27 May 2019 and expired on 26 May 2024 operated by the London Borough of Haringey but was not so licensed. The applicants rely on s.41 of the Housing and Planning Act 2016 alleging an offence has been committed pursuant to s.72(12) of the Housing Act 2004.
- 5. Therefore, the first and or second respondents committed an offence under s.72(1) of the Housing Act 2004 until an application for a licence was made in February 2024, thereby stopping the commission of the alleged offence.

Parties' contentions

- 6. The tribunal was provided with a 95 digital bundle; a 55 page digital bundle in reply and a 103 page digital bundle from the first respondent.
- 7. The applicants provided evidence of the Additional Licensing Scheme; the lack of a licence and relied on the written and oral evidence of the applicants. In submission it was asserted the first respondent was at all material times the landlord of the subject property and the second respondent the managing agents who received the rent initially then passed it on to the first respondent.

- 8. It was submitted that the tribunal should make a rent repayment order with only a 10% reduction to reflect the prolonged and deliberate non-compliance of the first respondent with the licensing requirements and the absence of fire safety measure.
- 9. The first respondent asserted in its reply that the flat was let only to Mr Ing and that the occupiers were all members of one household and therefore a licence was not required. In the alternative, the first respondent had no knowledge of it being let as an HMO and relies upon this fact as a 'reasonable excuse.'
- 10. The first respondent asserted that in the event a RRO was made by the tribunal it should not amount to more than 25% of the maximum sum claimed.
- 11. In a witness statement of David Bineth Director of the first respondent dated 18 November 2024, it was admitted Longhall Estates Ltd received the rent and the second respondent was its managing agents. No previous criminal sanctions have been made against the first respondent. Originally a selective licence had been applied for in November 2022 and was granted in August 2023 but when it became known that the property was being used as an HMO an Additional Licence was applied for in 2024.
- 12. A witness statement dated 18 November 2024 of Simon Franke director of the second respondent asserted it had instructed Hawkes Property Group to let the property to a single family and did not become aware of the true situation until January 2024.

Reasons for decision

13. In reaching its decision the tribunal had regard to s.72 of the Housing Act 2004 which states:

(1)A person commits an offence if he is a person having control of or managing an HMO which is required to be licensed under this Part (see section 61(1)) but is not so licensed.

14. The tribunal is satisfied beyond all reasonable doubt that the first respondent was a person in control of the property since it was in receipt of the rack rent of the property and was also a person managing the property meeting the definitions in s.263 of the Housing Act 2004. The first respondent is also the landlord of the subject property through the period(s) for which a rent repayment order is claimed. The tribunal accepts the first respondent's admission that it received the rent for the subject property and that the second respondent acted as its agent despite the second respondent having named itself as the landlord in the written tenancy agreement.

- 15. The tribunal finds the first respondent has failed to successfully raise any defence of reasonable excuse. The tribunal finds the respondents were aware that the property was occupied throughout by four unrelated tenants forming four separate households. The tribunal accepts the applicants' evidence on this issue and the various correspondence including an email dated 30 October 2019 which set out the names of the 'four clean and tidy professional sharers...' and other correspondence in which the applicants requested separate tenancy agreements thereby making it known from an early stage who was in occupation of the property. Therefore, the tribunal rejects the respondents submissions on this issue having not attended the hearing to challenge the applicants' evidence.
- 16. The tribunal finds the first and second respondents chose to ignore the applicants' requests for separate tenancy agreements, in order to avoid having to make an application for an Additional Licence.

Quantum

17. In considering the issue of quantum the tribunal has regard to s.44 of the Housing and Planning Act 2016 which states:

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

(2)The amount must relate to rent paid during the period mentioned in the table.

(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, less

(b)any relevant award of universal credit paid (to any person) in respect of rent under the tenancy during 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.

- 18. In determining the quantum of any rent repayment order, the tribunal also had regard to the case law relied upon by applicants. This included the cases of included *Chan v Bilkhu & Anor* [2020 UKUT 0289 (LC) and *Hallet v Parker & ORS* [2022] UKUT 165 (LC) and *Acheampong v Roman & Ors and Choudhury v Razak & Ors* [2022] UKUT 239 (LC). The applicants asserted that in this case:
 - (i) the landlord is a professional landlord;
 - (ii) the landlord was aware of the licensing requirements;
 - (iii) the landlord failed to comply with the fire safety requirements;
 - (iv) the landlord failed to provide a Electrical Installation condition Report a Fire Risk Assessment; failed to provide details of its managing agent.
- 19. In the absence of any challenge to the applicants' evidence the tribunal considers it appropriate to consider its starting point as the full amount of the RRO claimed However, the tribunal considers, that although a serious offence in all the circumstances, the tribunal finds this is not on the highest end of the scale.

The applicants all gave verbal evidence that they were not in receipt of Universal Credit and that they were responsible for payment of all utility bills save for 255 of the Council Tax bill which the landlord refunded to the tenants in respect of the ground floor of the premises (which was in commercial use),

- 20. The tribunal accepts the first respondent has no or no similar previous criminal convictions, did obtain an Electrical Installation Condition Report dated 27/06/2023; did obtain an EPC dated 4/6/2019; did obtain a selective licence (revoked on 09/02/2024). However, the tribunal finds the first and second respondents were aware of the nature of the occupiers of the subject property and that the issue of a tenancy agreement in the sole name of Mr Ing was a device used to circumvent the licensing requirements. The Tribunal does not consider the possession of the Selective licence to mitigate to any extent the culpability of the landlord but rather suggests a further level of obfuscation in having a selective licence which covers the whole of the property including the commercial part.
- 21. The tribunal finds there is no evidence of other similar criminal offences having been committed by the landlord. Therefore, in the circumstances, the tribunal makes an award of 75% of the full amount claimed, which amounts to £23,220. The tribunal also makes an order requiring the first respondent to reimburse applicants' application and hearing fees of £640. The Tribunal makes no order against the second respondent as it was not the landlord of the property. All sums are payable within 14 days of this decision being sent to the parties.

<u>Rights of appeal</u>

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the Tribunal is required to notify the parties about any right of appeal they may have.

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 Firsttier Tribunal at the Regional Office which has been dealing with the case. The application should be made on Form RP PTA available at <u>https://www.gov.uk/government/publications/form-rp-pta-application-for-permission-to-appeal-a-decision-to-the-upper-tribunal-lands-chamber</u>

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.

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.

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.

If the Tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).