FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case Reference	**:**	**LON/00BB/HMF/2024/0708**
Property	**:**	**146 Osborne Road, London E7 0PN**
Applicants	**:**	**Joshua Largent, Daire Cumiskey, Tomas Tengley-Evans, and Jeandre Coetser**
Representative	**:**	**Julian Bild**
Respondent	**:**	**Faqrudin Musa Vali and Tasneem Intiaz Valli**
Representative	**:**	**Vikesh Bharakhda, Crown Law Solicitors**
Type of Application	**:**	**Application for a rent repayment order**
Tribunal Member	**:**	**Judge Robert Latham** **Louise Crane MCIEH**
Date and Venue of Hearing	**:**	**21 July 2025 at** **10 Alfred Place, London WC1E 7LR**
Date of Decision	**:**	**28 July 2025**

DECISION

Decision of the Tribunal

1. The Tribunal makes a Rent Repayment Orders against the Respondent in the sum of £17,640 which is to be paid by 15 August 2025

2. The Tribunal determines that the Respondent shall also pay the Applicants £330 by 15 August 2025 respect of the tribunal fees which the Applicants have paid.

The Application

1. On 14 October 2024, the Applicant tenants issued this application against the Respondent landlord seeking a Rent Repayment Order ("RRO") pursuant to section 41 of the Housing and Planning Act 2016 ("the 2016 Act"). The application relates to their tenancy at 146 Osborne Road, London, E7 0PN ("the house"). The Applicants sought a RRO in the sum of £25,200 in respect of the rent which they paid between 28 September 2023 and 27 September 2024.

2. On 13 February 2025, the Tribunal gave Directions. These explained how the parties should prepare for the hearing. The parties were directed that their documents should be in a single bundle in Adobe PDF format which should be paginated and indexed. Any witness would be expected to attend the hearing.

3. The parties have filed the following:

   (i) The Applicants have filed a Skeleton Case and a number of zip files which included further files. It is extremely difficult to navigate these documents.

   (ii) The Respondents have filed a bundle of 46 pages. This includes witness statements from three witnesses. For the first time, the Respondent identified the substance of their defence. No HMO licence was required because the applicants were a single household who were "related by blood". Further, all the tenants had affirmed that they were so related before they were granted a tenancy. For reasons stated in this decision, we find this defence to be incredible.

   (iii) The Applicants were permitted to file a Reply. Mr Cumiskey filed a witness statement stating that there was no blood relationship between the parties. Neither had the landlord asked the tenants whether there was such a relationship. A number of documents were filed to support this.

The Hearing

4. Mr Daire Cumiskey, Mr Tomas Tengley-Evans, and Mr Joshua Largent attended the hearing. They were represented by Mr Julian Bild. Ms Jeandre Coetser was unable to attend. All the tenants work for Sherborne Publications. Mr Cumiskey works in circulation department; Mr Tengley-Evans is a senior editor; Mr Joshua Largent is a staff manager; and Ms Coetser works in logistics. Mr Cumiskey was cross-examined on his detailed witness statement. Mr Tengley-Evans and Mr Largent gave evidence to confirm that they were unrelated to each other or any of the other tenants. The landlord had not asked any of the tenants whether they were related to each other. They had been asked to prove their identity. Mr Largent had provided his British passport whilst Mr Largent had provided

his Slovak passport. He is the son of Welsh and Slovakian parents. It was quite apparent that there is no blood relationship between them. Mr Cumiskey describes himself as white Irish; Mr Largent as white British (he was born in Wakefield); and Ms Coetser was born in South Africa with British and South African parents. We accept their evidence without hesitation.

5. Mr Vikesh Bharahkda, a Solicitor with Crown Law Solicitors LLP, appeared for the Respondent. Mr Sajid Vali attended and gave evidence. He manages Claremont Estates ("Claremont"), a firm of letting agents who have managed the house. He is the brother of Faqrudin Musa Vali who owns the porperty together with his wife Tasneem Intiaz Valli. They have owned the house since 24 February 2021 when they acquired it from Mr Vali's father. Mr Sajid Vali was uncertaint as to whether this had been a gift or whether a payment of £530k had been made as recorded by the Land Registry.

6. Mr Sajid Vali gave evidence. He was not a satisfactory witness. It was apparent that he had only had limited involvement with the house. We cannot accept his evidence that Claremont had asked each tenant to confirm that they were related to each other by blood and were members of a single household. It was only too apparent that the tenants were young professionals who were unrelated. They had a common need for shared accommodation. This would have been only too apparent from the proof of identity that they were required to provide.

7. There were also a number of serious inaccuracies in Mr Vali's witness statement. He stated that Clarmont had been managing the house since 1 May 2021; the first tenancy had been granted in 2019. Indeed, Claremont had first registered the house under Newham's Selective Licencing Scheme as managing the house on 9 August 2018. Mr Vali failed to correctly identify the original tenants. He stated that the landlords had determined the tenancy because the house was being occupied by "unpermitted occupiers". We are satisfied that the tenants notified Claremont when there was any change of tenant. On each occasion, the new tenant provided proof of their identity.

8. The Respondent had also served statements from Faqrudin Musa Vali (the landlord) and Mr Majinder Singh (an employee of Claremont). Neither attended to give evidence. Mr Vali stated that he wanted possession of the house and had thefore served the Section 21 Notice in July 2024. He stated that he had been residing at the house since October 2024. This was contradicted by his brother who stated that the house was currently vacant and was being refurbished.

9. Mr Singh made serious complaints about the conduct of the tenants. This was denied by the tenants. Mr Singh did not produce any evidence to support these allegations. Mr Cumiskey stated that they had a good relationship with their neighbours. They permitted one neighbour to park

their car in their forecourt. He admitted that there had been one complaint when cannabis was consummed at a party. In response to these allegations, Mr Cumiskey responded that there had been problems of disrepair. The Respondent has failed to satisfy us of any antisocial behaviour by the tenants. Equally, we are not satisfied that there were any serious porblems of disrepair. Had the Applciants sought to rely on this, they should have provided details in their Statement of Case.

10. Mr Sajid Vali described himself as an experienced house manager with 25 years experience. He was aware of the Additional Licencing Scheme introduced by the London Borough of Newham ("Newham"). His preference was to grant tenancies to single households.

11. This is an unusual case. The Respondent had licenced the house under Newham's Selective Licensing Scheme. However, Claremont had let it to four unrelated tenants. The Respondent could have argued that they were unaware of the technical statutory definition of "a single household" (see [18] below). They had granted a joint tenancy to four individuals who they believed were living together as a single unit, sharing living accommodation and housekeeping arrangements such as meals, bills and chores. In such circumstances, they might have had a reasonable excuse for not obtaining an HMO licence.

12. However, this is not how the Respondents have put their case. Mr Sajid Vali described himself as an experienced house manager who was familiar with the legislation. Claremont had sought to comply with the legislation by ensuring that the house was let to a single household who were blood related. They had sought assurances from the tenants that they were blood related.

13. The Tribunal rejects the Respondents' evidence that such assurances had been sought. Further, it was only too apparent from the backgrounds of the tenants and the proof of identity that they provided, that they were not blood related. The only inference that the Tribunal can draw is that the Respondents have fabricated this version of events because they knew that they were in breach of the law. The Respondents recognised that they could secure a higher rent by letting the house to four young professionals than by letting it to a family. However, they were not willing to pay the additional costs that would arise were they to register it as an HMO.

14. In such circumstances no issue of reasonable excuse can arise. We note that it is probable that such ignorance of the law would not have provided a defence; it could rather have been relevant to the issue of mitigation.

The Housing Act 2004 ("the 2004 Act")

15. The 2004 Act introduced a new system of assessing housing conditions and enforcing housing standards. Part 2 of the 2004 Act relates to the

licensing of HMOs. Section 61 provides for every prescribed HMO to be licensed. HMOs are defined by section 254 which includes a number of "tests". Section 254(2) provides that a building or a part of a building meets the "standard test" if:

> "(a) it consists of one or more units of living accommodation not consisting of a self-contained flat or flats;
>
> (b) the living accommodation is occupied by persons who do not form a single household (see section 258);
>
> (c) the living accommodation is occupied by those persons as their only or main residence or they are to be treated as so occupying it (see section 259);
>
> (d) their occupation of the living accommodation constitutes the only use of that accommodation;
>
> (e) rents are payable or other consideration is to be provided in respect of at least one of those persons' occupation of the living accommodation; and
>
> (f) two or more of the households who occupy the living accommodation share one or more basic amenities or the living accommodation is lacking in one or more basic amenities."

16. The Licensing of Houses in Multiple Occupation (Prescribed Description) (England) Order 2018 prescribes those HMOs that require a licence. Article 4 provides that an HMO is of a prescribed description if it (a) is occupied by five or more persons; (b) is occupied by persons living in two or more separate households; and (c) meets the standard test under section 254(2) of the 2004 Act.

17. Section 56 permits a local housing authority ("LHA") to designate an area to be subject to an additional licencing scheme. On 1 January 2023, the London Borough of Newham introduced an additional licencing scheme which applies to all HMOs in the borough shared by three or more people forming two or more households. This replaced a previous scheme that Newham had introduced on 1 January 2018.

18. Section 58 defines the concept of "a single household" (emphasis added):

> (1) This section sets out when persons are to be regarded as not forming a single household for the purposes of section 254.
>
> (2) Persons are to be regarded as not forming a single household unless–

(a) they are all members of the same family, or
(b) their circumstances are circumstances of a description specified for the purposes of this section in regulations made by the appropriate national authority.

(3) For the purposes of subsection (2)(a) a person is a member of the same family as another person if–

(a) those persons are married to, or civil partners of, each other or live together as if they were a married couple or civil partner ;
(b) one of them is a relative of the other; or
(c) one of them is, or is a relative of, one member of a couple and the other is a relative of the other member of the couple.

(4) For those purposes–

(a) a "couple" means two persons who fall within subsection (3)(a);
(b) "relative" means parent, grandparent, child, grandchild, brother, sister, uncle, aunt, nephew, niece or cousin;
(c) a relationship of the half-blood shall be treated as a relationship of the whole blood; and
(d) the stepchild of a person shall be treated as his child.

(5) Regulations under subsection (2)(b) may, in particular, secure that a group of persons are to be regarded as forming a single household only where (as the regulations may require) each member of the group has a prescribed relationship, or at least one of a number of prescribed relationships, to any one or more of the others.

(6) In subsection (5) "prescribed relationship" means any relationship of a description specified in the regulations.

19. Section 263 provides:

"(1) In this Act "person having control", in relation to premises, means (unless the context otherwise requires) the person who receives the rack-rent of the premises (whether on his own account or as agent or trustee of another person), or who would so receive it if the premises were let at a rack-rent.

(2) In subsection (1) "rack-rent" means a rent which is not less than two-thirds of the full net annual value of the premises.

(3) In this Act "person managing" means, in relation to premises, the person who, being an owner or lessee of the premises–

(a) receives (whether directly or through an agent or trustee) rents or other payments from–

(i) in the case of a house in multiple occupation, persons who are in occupation as tenants or licensees of parts of the premises; and

(ii) in the case of a house to which Part 3 applies (see section 79(2)), persons who are in occupation as tenants or licensees of parts of the premises, or of the whole of the premises; or

(b) would so receive those rents or other payments but for having entered into an arrangement (whether in pursuance of a court order or otherwise) with another person who is not an owner or lessee of the premises by virtue of which that other person receives the rents or other payments;

and includes, where those rents or other payments are received through another person as agent or trustee, that other person."

20. Section 72 specifies a number of offences in relation to the licencing of HMOs. The material parts provide:

"(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.

The Housing and Planning Act 2016 ("the 2016 Act")

21. Part 2 of the 2016 Act introduced a raft of new measures to deal with "rogue landlords and property agents in England". Chapter 2 allows a banning order to be made against a landlord who has been convicted of a banning order offence and Chapter 3 for a data base of rogue landlords and property agents to be established. Section 126 amended the 2004 Act by adding new provisions permitting LHAs to impose Financial Penalties of up to £30,000 for a number of offences as an alternative to prosecution.

22. Chapter 4 introduces a new set of provisions relating to RROs. An additional five offences have been added in respect of which a RRO may now be sought. In the decision of *Kowelek v Hassanein [2022] EWCA Civ 1041; [2022] 1 WLR 4558,* Newey LJ summarised the legislative intent in these terms (at [23]):

"It appears to me, moreover, that the Deputy President's interpretation of section 44 is in keeping with the policy underlying the legislation. Consistently with the heading to part 2, chapter 4 of part 2 of the 2016 Act, in which section 44 is found, has in mind "rogue landlords" and, as was recognised in *Jepsen v Rakusen* [2021] EWCA Civ 1150, [2022] 1 WLR 324, "is intended to deter

landlords from committing the specified offences" and reflects a "policy of requiring landlords to comply with their obligations or leave the sector": see paragraphs 36, 39 and 40. "[T]he main object of the provisions", as the Deputy President had observed in the UT (*Rakusen v Jepsen* [2020] UKUT 298 (LC), [2021] HLR 18, at paragraph 64; reversed on other grounds), "is deterrence rather than compensation". In fact, the offence for which a rent repayment order is made need not have occasioned the tenant any loss or even inconvenience (as the Deputy President said in *Rakusen v Jepsen*, at paragraph 64, "an unlicensed HMO may be a perfectly satisfactory place to live") and, supposing damage to have been caused in some way (for example, as a result of a failure to repair), the tenant may be able to recover compensation for it in other proceedings. Parliament's principal concern was thus not to ensure that a tenant could recoup any particular amount of rent by way of recompense, but to incentivise landlords. The 2016 Act serves that objective as construed by the Deputy President. It conveys the message, "a landlord who commits one of the offences listed in section 40(3) is liable to forfeit every penny he receives for a 12-month period". Further, a landlord is encouraged to put matters right since he will know that, once he does so, there will be no danger of his being ordered to repay future rental payments."

23. Section 40 provides:

> "(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, or
> >
> > (b) pay a local housing authority an amount in respect of a relevant award of universal credit paid (to any person) in respect of rent under the tenancy."

24. Section 40(3) lists seven offences "committed by a landlord in relation to housing in England let by that landlord". The seven offences include the offence of "control or management of unlicenced HMO" contrary to section 72(1) of the 2004 Act.

25. Section 41 deals with applications for RROs. The material parts provide:

> "(1) A tenant or a local housing authority may apply to the First-tier Tribunal for a rent repayment order against a person who has committed an offence to which this Chapter applies.

(2) A tenant may apply for a rent repayment order only if —

(a) the offence relates to housing that, at the time of the offence, was let to the tenant, and

(b) the offence was committed in the period of 12 months ending with the day on which the application is made.

26. Section 43 provides for the making of RROs:

"(1) The First-tier Tribunal may make a rent repayment order if satisfied, beyond reasonable doubt, that a landlord has committed an offence to which this Chapter applies (whether or not the landlord has been convicted)."

27. Section 44 is concerned with the amount payable under a RRO made in favour of tenants. By section 44(2) that amount "must relate to rent paid during the period mentioned" in a table which then follows. The table provides for repayment of rent paid by the tenant in respect of a maximum period of 12 months. Section 44(3) provides (emphasis added):

"(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.

28. Section 44(4) provides:

"(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."

29. Section 47(1) provides that an amount payable to a tenant under a RRO is recoverable as a debt.

30. In *Acheapong v Roman* [2022] UKUT 239 (LC); [2022] HLR 44, Judge Elizabeth Cooke gave guidance on the approach that should be adopted by Tribunals:

> "20. 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).
>
> 21. I would add 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? I have set it out as a separate step because it is the matter that has most frequently been overlooked."

31. These guidelines have recently been affirmed by the Deputy President in *Newell v Abbott* [2024] UKUT 181 (LC). He reviewed the RROs which have been assessed in a number of cases. The range is reflected by the decisions of *Simpson House 3 Ltd v Osserman* [2022] UKUT 164 (LC) and *Hallett v Parker* [2022] UKUT 165 (LC), in which the Deputy President distinguished between the professional "rogue" landlord, against whom a RRO should be made at the higher end of the scale (80%) and the landlord whose failure was to take sufficient steps to inform himself of the regulatory requirements (25%).

32. The Deputy President provided the following guidance (at [57]):

> "This brief review of recent decisions of this Tribunal in appeals involving licensing offences illustrates that the level of rent repayment orders varies widely depending on the circumstances of the case. Awards of up to 85% or 90% of the rent paid (net of services) are not unknown but are not the norm. Factors which

> have tended to result in higher penalties include that the offence was committed deliberately, or by a commercial landlord or an individual with a larger property portfolio, or where tenants have been exposed to poor or dangerous conditions which have been prolonged by the failure to licence. Factors tending to justify lower penalties include inadvertence on the part of a smaller landlord, property in good condition such that a licence would have been granted without additional work being required, and mitigating factors which go some way to explaining the offence, without excusing it, such as the failure of a letting agent to warn of the need for a licence, or personal incapacity due to poor health."

33. The Deputy President added (at [61]):

> "When Parliament enacted Part 2 of the 2016 Act it cannot have intended tribunals to conduct an audit of the occasional defaults and inconsequential lapses which are typical of most landlord and tenant relationships. The purpose of rent repayment orders is to punish and deter criminal behaviour. They are a blunt instrument, not susceptible to fine tuning to take account of relatively trivial matters. Yet, increasingly, the evidence in rent repayment cases (especially those prepared with professional or semi-professional assistance) has come to focus disproportionately on allegations of misconduct. Tribunals should not feel that they are required to treat every such allegation with equal seriousness, or to make findings of fact on them all. The focus should be on conduct with serious or potentially serious consequences, in keeping with the objectives of the legislation. Conduct which, even if proven, would not be sufficiently serious to move the dial one way or the other, can be dealt with summarily and disposed of in a sentence or two."

The Background

34. 146 Osborne Road is a four bedroom terraced house. Claremont have been managing it on behalf of the landlord since at least 9 August 2018, when Claremont first obtained a licence under Newham's Selective Licencing Scheme (see R.10).

35. In March 2019, Simon Guy, Sophie Squire, Nadia Sayed and Daire Cumiskey were looking for accommodation. They worked together at Sherborne Publications. Mr Guy saw that the house was being advertised on the Claremont website. They viewed the house and decided that it was the best available option for them. They were required to provide identification. None of them were related to each other. Ms Nadia Sayed is black and is of Eritrean origin. Mr Guy is white British, Mr Cumiskey denied the suggestion that they had been asked to confirm that they were blood related. It was quite apparent that they were not. They were granted a tenancy at £2,000 per month. They were shown round the house by Mr Singh. It was let unfurnished. It had been advertsied as having four

bedrooms. There were three bedrooms on the first floor, but the ground floor front room was also used as a bedroom. This would originally have been a living room.

36. In December 2019, Mr Guy left the house. In January 2020, he was replaced by Mr Largent. Claremont provided a "Maras Form" which Mr Largent completed. This was a referencing form. He provided his passport as proof of his identity. He was not asked whether he was related to the other tenants. After Mr Guy left, Mr Cumiskey arranged for the house finances, paying the monthly rent to the landlord and collecting contributions from the other tenants. In October 2020, Ms Sayed left. She was replaced by Mr Harkan Kirk-Karakaya. Claremont required him to provide proof of his identity and complete a "Maras Form"

37. On 24 February 2021 the Respondents acquired the freehold interest in the house from Mr Vali's father. It is unclear whether any consideration was paid, albeit that the land Registry record a payment of £530k. The tenants were not notified of the change of landlord.

38. In March 2021, Ms Squires left and was replaced by Mr Samuel Ord who was also required by Claremont to provide proof of identity. In April 2021, Mr Claffey was added to the tenancy. He provided his passport as proof of identity.

39. On 1 May 2021, Claremont required the tenants to sign a new tenancy (at R.30-44). By this date, the rent had been increased to £2,100 per month. The Assured Shorthold Tenancy was for a term of 12 months from 1 May 2021. The tenants named on the agreement were Daire Cumiskey, Joshua Largent, Brian Claffey and Samuel Ord. We are satisfied that Claremont wanted to regularise the situation, given the changes that had occurred.

40. In December 2021, Mr Claffey left and was replaced by Mr Tengley-Evans. On 10 December 2021 (at R44), all the tenants completed a "Deed of Assignment" form to confirm the assignment to the new tenant. This was provided to Claremont. Mr Cumiskey stated that the tenants had downloaded this form from the internet. Mr Tengley-Evans provided Claremont with his Slovakian passport as proof of identity.

41. In April 2021, Ms Coetser replaced Mr Ord. Ms Coetser completed a Maras Form and provided proof of her identity. She was born in South Africa. She is unrelated to the other tenants and this would have been quite apparent to Claremont.

42. On 3 February 2023, Newham inspected the house (see R.10). Newham confirmed that the house conditions were found to be acceptable and generally compliant with the conditions of the licence granted under their Selective Licencing Scheme. The tenants were unaware of this inspection. Claremont retained a key to the house. Mr Bharakhda argued that this was

evidence that Newham had satisfied themselves that the house was being occupied by a single household. We do not accept this. Had Newham inspected the four bedrooms, the evidence would have suggested that the house was occupied by four adults. There is no evidence that Newham inquired as to any blood relationship between the occupants. We have found that there was none.

43. On 8 July 2024, Regency Solicitors served a Section 21 Notice on Daire Cumiskey, Joshua Largent, Brian Claffey and Samuel Ord. Mr Sajid Vali stated that the notice was served because the house was being occupied by "unpermitted occupiers". We do not accept this evidence. We are satisfied that Claremont were aware that Mr Cumiskey, Mr Largent, Mr Tengley-Evans and Ms Coetser were occupying the house and contributing to the rent. At each stage that there was a change of tenant, Claremont checked the immigration status of the new tenant. We are satisfied that the Respondent's served the Section 21 Notice because they required vacant possession either to sell or so that they could occupy the house.

44. On 8 October 2024, the tenants vacated the house. They had taken legal advice and been advised that they might have a good defence to any claim for possession. Mr Cumiskey stated that they did not want the stress of a legal dispute. It was only at this stage that the tenants were advised that the house had been let as an HMO which required an HMO licence.

45. In his witness statement, Mr Faqrudin Vali states that he had served the Section 21 Notice because he wanted to move into the house. He added that he had been residing at the house since October 2024. This was contradicted by his brother in his evidence to us; he stated that the house is currently empty and is being refurbished.

46. The tenants stated that they had only become aware of the suggestion that they were blood related when the Respondent filed their Statement of Case in response to the current application. They had had limited contact with Mr Sajid Vali. They had rather dealt with Mr Majinder Singh and Mr Shah Rahman at Claremont.

47. Our impression is that until the Section 21 Notice was served, there was a good relationship between landlord and tenant. It is only after this application was issued, that the Respondents felt that it was necessary to put forward their entirely bogus defence that the tenants were blood related and asserted that they were bad tenants. It is significant that the Respondent did not call Mr Singh to justify the allegations against the tenants that he had made in his witness statement.

Our Determination

48. The Tribunal is satisfied beyond reasonable doubt of the following:

(i) The house was an HMO that required a licence under Newham's additional licencing scheme at all material times. There was no HMO licence.

(ii) The Applicants were not occupying the house as a single household.

(iii) The Respondents were the persons "managing" the house as they were the freehold owners who received the rent.

(iv) The Respondens have not established any defence of "reasonable excuse".

The Tribunal is therefore satisfied beyond reasonable doubt that the Respondents have committed an offence under section 72(1) of the 2004 Act, of managing an HMO which is required to be licensed under but was not so licensed. The offence was committed over the period 24 February 2021 (when they acquired the freehold interest from Mr Vali's father) until 8 October 2024, (when the tenants vacated the house).

49. The Applicants claim a RRO over the twelve month period 28 September 2023 to 27 September 2024. The Tribunal must first determine the whole of the rent of the relevant period. It is agreed that the Applicants paid a total of £25,200. None of the tenants were in receipt of universal credit. There are no deductions to be made for utility bills as these were paid by the tenants.

50. We are then required to consider the seriousness of the offence. The Upper Tribunal considers licencing offences to be less serious than other offences for which RROs can be imposed. However, this is a case in which the Respondents knew that an HMO licence was required. They have fabricated a defence that the tenants were blood related because they knew that they were in breach of the law. This was a deliberate breach.

51. We are finally required to have regard to the following:

(a) The conduct of the landlord. Newham were satisfied with the conditions at the house when they inspected on 3 February 2023. However, they would have required additional fire precautions had they been aware that this was let as an HMO. The fact that we have found that Mr Sajid Vali has lied to us, is not a matter that we consider that we should take into account in assessing the RRO.

(b) The conduct of the tenant. We are satisfied that these were good tenants who informed Claremont whenever there was a change of tenant. The tenants paid their rent promptly.

(c) The financial circumstances of the landlord. There is no evidence of this.

(d) Whether the landlord has at any time been convicted of an offence to which this Chapter applies. There is no evidence of any relevant conviction.

52. Taking these factors into account, we make a RRO in the sum of £17,640, namely 70% of the rent of £25,200 which was paid by the Applicants. We also order the Respondent to reimburse to the Applicant the tribunal fees of £330 which she has paid. These sums shall be paid 15 August 2025.

Robert Latham
28 July 2025

RIGHTS OF APPEAL

1. 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.

2. 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.

3. 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.

4. 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.