FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case Reference	**:**	**LON/00BH/HMF/2025/0712**
Property	**:**	**1 Belvedere Road, London, E10 7NW**
Applicant	**:**	**Federico Baltazar Oliva Crespo**
Representative	**:**	**In person**
Respondent	**:**	**Filey Properties Limited**
Representative	**:**	**Alex Sevinc (Head of Operations)**
Type of Application	**:**	**Application for a rent repayment order**
Tribunal Member	**:**	**Judge Robert Latham** **John Stead BSc Hons MSc**
Date and Venue of Hearing	**:**	**27 October 2025 at** **10 Alfred Place, London WC1E 7LR**
Date of Decision	**:**	**30 October 2025**

DECISION

Decision of the Tribunal

1. The Tribunal makes a Rent Repayment Orders against the Respondent in the sum of £3,853.42 which is to be paid by 22 November 2025.

2. The Tribunal determines that the Respondent shall also pay the Applicant £330 by 22 November 2025 respect of the tribunal fees which the Applicant has paid.

The Application

1. On 18 February 2025, the Applicant tenant 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 his tenancy at 1 Belvedere Road, London, E10 7NW ("the house"). This is a four bedroom terrace house. He seeks a RRO in the sum of £6,675, namely the rent which he paid between 1 May 2023 to 30 April 2024.

2. On 23 May 2025, the Tribunal gave Directions pursuant to which the Applicant has filed a Bundle of 60 pages, the Respondent has filed a Bundle of 21 pages and the Applicant has filed a Bundle in Response of 14 pages. References to these Bundles will be prefixed by "A1.__"; "R.__" and "A2.__" respectively.

The Hearing

3. The Applicant, Mr Crespo, appeared in person. He is Argentinian and has been in the UK for 11 years. He is an actor, stunt person, singer and song writer. The Respondent was represented by Mr Aledx Sevinc, its Head of Operations. He had had no direct involvement with the Applicant. The Respondent adduced no evidence from either Macid Hattatoglu or Tamer Gode, the staff members with whom the Applicant had primarily engaged. Both Mr Crespo and Mr Sevinc gave evidence.

4. The Respondent accepted that at all material times, the house had required an HMO licenced under the Additional Licensing Scheme introduced by the London Borough of Waltham Forest. Mr Sevinc apologised for the Respondent's failure to obtain a licence. He stated that it had been an oversight. The sole issues for the Tribunal to determine are therefore whether to make a RRO and, if so, the size of that order.

The Housing Act 2004 ("the 2004 Act")

5. 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."

6. 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.

7. Section 56 permits a local housing authority ("LHA") to designate an area to be subject to an additional licencing scheme. Waltham Forest has done so.

8. 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."

9. 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")

10. 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.

11. 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."

12. 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."

13. 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.

14. 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.

15. 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)."

16. 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.

17. 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."

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

19. 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."

20. 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%).

21. 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."

22. 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

23. On 18 October 2019, Mr Crespo moved into the house pursuant to an Assured Shorthold Tenancy ("AST") for a term of 12 months from 18 October 2019 at a monthly rent of £2,000. The tenancy agreement is at R.10-20. Mr Crespo had seen the house advertised on Zoopla, He moved in with two friends, Brigita Mozeikaite and Martin Sharenkov. They were all named on the tenancy agreement. They paid a deposit which was placed in a rent deposit scheme. The Respondent provided the tenants with the appropriate documentation (see R.19).

24. The property is owned by Mr Kerim Simsek. Mr Simsek entered into a Rent to Rent agreement with the Respondent, and was paid £1,650 per month. Mr Simsek was responsible for any repairs. In about 2018, Mr Simsek had refurbished the house and upgraded the kitchen and bathroom facilities. Mr Simsek had previously lived in the house.

25. Mr Sevinc stated that the Respondent managed some 380 properties. Some 20 to 30 of these are in Waltham Forest. However, most are let to families. The business is based in Hackney where most of its properties are situated.

26. The letting was arranged by Mr Harun Yeliki, the Respondent's Lettings Negotiator. He has filed a witness statement (at R.8-9) in which he states

that he was aware that there was an Additional Licencing Scheme in Waltham Forest which was due to expire on 30 March 2020, He was unaware what was to happen when the scheme expired. He states that he did make some inquiries, but did not contact the local authority directly. On 1 May 2020, Waltham Forest introduced a further Additional Licencing Scheme which will apply for five years. Thus, Mr Yeliki accepts that he was aware that there was a Scheme when the tenancy was granted. It seems that no licence was obtained because of the cost of obtaining one.

27. Over the subsequent years, further ASTs were granted. In 2020, the tenancy was granted to four tenants, the small box room at the front of the house being used as a fourth bedroom. The bedrooms at the front on the ground and first floors were the best rooms and these tenants contributed more to the rent. Mr Crespo occupied the bedroom at the rear of the first floor.

28. The final AST was granted on 3 February 2022 (at A1.28-38). This was for a term of 12 months from 3 February 2022. The rent remained at £2,000 a month. The three other tenants were now Samia Chougrani, Natasha Zuend and Henriette Laursen. There was an informal agreement whereby if one tenant left, the tenants would find a replacement. The name of the new tenant would be added when the next AST was granted.

29. The tenants paid all the outgoings such as council tax, water rates and internet. They set up a separate bank account. Mr Crespo was the purse holder who ensured that the tenants paid their appropriate contributions and that the rent was paid to the Respondent. The Applicant has provided bank statement details (at A1.41-45). The Applicant is claiming a RRO for the period 1 May 2023 to 30 April 2024. In May 2023, the tenants three other tenants were Natasha Zuend, Tammy Ham and Jevgeni Passetsnik. The total rent was £2,000 pm. Mr Crespo contributed £525pm, whilst the other tenants contributed £575, £575 and £325.

30. In November 2023, the Respondent telephoned the tenants to inform them that the landlord wanted to increase the rent. There was an exchange of emails dated 17 November and 22 November (at A2.9). The parties agreed to increase the rent to £1,300 per month. In March 2024, the three other tenants were Natasha Zuend, Tammy Ham, and E Kettell. Mr Crespo contributed £600 pm, whilst the other tenants contributed £650, £650 and £400. Mr Sevinc suggested that Mr Crespo was seeking to make a profit from his role as purse holder. However, there is no evidenced to support this suggestion.

31. In February 2024, Mr Crespo decided to leave the house. He stated that he left with a bitter taste. The chicken shop on the opposite side of the road was being used for drugs. There is a carpark at the back of the house with a gate which had been locked, but the lock had been broken. This area was also used by drug users. There was a structure at the end of the garden which Mr Crespo had wanted to soundproof and use as a sound studio.

However, then roof leaked. During 2023, the landlord had erected scaffolding around the house for some 4 to 5 months. Ladders were left giving access to the scaffolding. The CCTV camera at the rear of the property was vandalised. Mr Crespo felt vulnerable. He had invested a lot of his time in the house. The front garden had been a "graveyard". He cleared it and planted vegetables. He had established an excellent relationship with his neighbour, Frank, These used to exchange vegetables. However, it is apparent that Mr Crespo had decided that it was time to leave. He no longer wanted to share with three other tenants. Mr Sevinc suggested that he left because of the increase in the rent. This may also have been a factor.

32. On 12 February 2024 (A2.6), Mr Crespo informed the Respondent that he would be leaving on 12 April. The three other tenants would be staying and he would find a replacement. He would put the new tenant in contact with the Respondent "for referencing and contract paperwork". His new landlord would be requesting a reference. On 13 February, Mr Hattatoglu responded, stating that he had just completed Mr Crespo's reference and asked the new tenant to email their reference.

33. Mr Crespo paid rent up to the end of April. He left on 12 April and was refunded the last two weeks rent by his replacement. The other tenants left on 2 March 2025. There were no rent arrears.

34. Mr Crespo complained of disrepair. There was dampness affecting the downstairs living room. The landlord eventually took the floor up and installed a damp proof course. The front door handle broke and this was not replaced for some three weeks. Scaffold was erected for some 4 to 5 works whilst works were executed to the roof and the rendering. We are satisfied that there was some disrepair, but this was not substantial.

35. Mr Crespo described how in February 2025, he had vented his frustrations about the problems that he had faced at the house. His friend advised him of his right to apply for an HMO. He contacted Waltham Forest. On 17 February (A1.26), Shazia Bee informed him that there had been no licence, Next day, Mr Crespo issued his application for a RRO.

36. On 17 February (R.6), Ms Bee also wrote to the Respondent about the need for a licence. On 21 February, the Respondent (Mr Hattatoglu) applied for a licence. Mr Sevinc states that since becoming aware of their oversight, they have strengthened their internal compliance procedures. They have sought to settle this case through mediation and have made some "without prejudice" offers. However, these were not acceptable to Mr Crespo.

Our Determination

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

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

(ii) The Respondent was both the person “having control” and "managing" the HMO as they received the rack rent from the tenants.

(iii) The Respondent have not established any defence of “reasonable excuse”.

The Tribunal is therefore satisfied beyond reasonable doubt that the Respondent has committed an offence under section 72(1) of the 2004 Act, of having control of or managing an HMO which is required to be licensed under but was not so licensed. The offence was committed over the periods of 18 October 2019 and 30 March 2020 and 1 May 2020 to 12 April 2024.

38. The Applicant claims a RRO over the twelve month period 1 May 2023 to 30 April 2024. However, although he paid the rent for April 2024, he left on 12 April. His replacement refunded him the rent for the end of April. We are therefore satisfied that the relevant 12 month period is 13 April 2023 to 12 April 2024.

39. The Tribunal must first determine the whole of the rent of the relevant period. He paid £525 pm for 7.5 months and £600 for 4.5 months, a total of £6,637.50. The Applicant must give credit for the universal credit that he received in respect of his housing costs. Mr Crespo stated that over this period, he received universal credit of £545.51. His earnings were sporadic and these payments topped up his income. He was unable to produce any evidence from the DWP as to the proportion of these payments which were attributable to his housing costs. We estimate that some 33% of his universal credit related to housing costs and we make a deduction of £215.13. There are no further deductions that we are required to make.

40. 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.

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

(a) The conduct of the landlord: We accept that the failure to licence the house was an oversight. However, we note that Mr Yeliki was aware of the existence of the Additional Licensing Scheme when the tenancy was granted. There was some disrepair, but this was not substantial.

(b) The conduct of the tenant: There is no criticism of the conduct of Mr Crespo. We accept his evidence that he took a pride in maintaining the garden.

(c) The financial circumstances of the landlord: The Respondent is an established firm of managing agents which manage some 380 properties.

(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.

42. Taking these factors into account, we make a RRO in the sum of £3,853.42, namely 60% of the relevant rent of £6,422.37. We also order the Respondent to reimburse to the Applicant the tribunal fees of £330 which the Applicant has paid. These sums shall be paid 22 November 2025.

Robert Latham
30 October 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.