



**FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)**

Case reference : LON/00BG/HLP/2025/0001

Property : Aegon House, Lanark Square, London
E14 9QD

Applicant : Peoples Property Management Limited

Representative : Kevin Peoples (Director)

Respondent : London Borough of Tower Hamlets

Representative : Nicola Tudor (Senior Trading Standards
Officer)

Type of application : **Appeal against a monetary penalty -**
Redress Schemes for Lettings Agency Work and
Property Management Work (Requirement to
Belong to a Scheme etc) (England) Order 2014

Tribunal : **Judge N Carr**
Mr S Mason BSc FRICS

Date of Decision : **6 February 2026**

DECISION AND REASONS

DECISION

(1) The final notice dated 6 December 2024 is confirmed.

REASONS

1. The Tribunal received an appeal from the Applicant against a monetary penalty ('the penalty') imposed under article 8 of the Redress Schemes for Lettings Agency Work and Property Management Work (Requirement to Belong to a Scheme etc) (England) Order 2014 ('the Order').

2. By a final notice dated 6 December 2024 the Respondent imposed a penalty on the Applicant in the sum of £4,250.
3. The penalty was imposed due to the asserted breach by the Applicant of the requirements of article 5 (requirement to belong to a redress scheme: property management work) of the Order.
4. By its appeal form, the Applicant appeared to accept that it was not a member of the appropriate redress scheme. It asserted that it was unable to or delayed in obtaining membership, due to difficulties caused by a third party dispute with a co-working space it had formerly used as its address for Companies House, resulting in it having no registered office at Companies House.
5. The Applicant also submitted in that appeal form that the penalty is disproportionate. It asserts that it does not currently manage residential tenancies or hold any client monies.
6. Directions were given to a hearing that was originally due to take place on 16 May 2025. Due to various difficulties obtaining the Applicant's compliance with the requirement for a bundle of documents, the hearing instead took place on 30 January 2026. In attendance were Mr Kevin Peoples, director of the Applicant, and Ms Nicola Tudor, Senior Trading Standards Officer for the Respondent.
7. The parties had agreed the day before the hearing that none of the Respondent's witnesses were required to attend.

Law

8. Section 83 of the Enterprise and Regulatory Reform Act 2013 ('the 2013 Act') sets out that the Secretary of State may by order require persons who engage in "lettings agency work" to be members of a relevant "redress scheme". A redress scheme is a scheme that provides a route of independent investigation and resolution of complaints against its members.
9. Section 84 of the 2013 Act makes further provision that the Secretary of State may by order require persons who engage in "property management work" to be members of a relevant "redress scheme", which bears the same meaning as in section 83.
10. Section 84(6) – (7) defines property management work as:
 - (6) ... things done by a person ('A') in the course of a business in response to instructions received another person ('C') where -
 - (a) C wishes A to arrange services, repairs, maintenance, improvements or insurance to deal with any other aspect of the management of premises in England on C's behalf, and

- (b) The premises consist of or include a dwelling house let under a relevant tenancy.
- (8) However, “property management work” does not include –
- (a) things done by a person who is a social landlord for the purposes of Schedule 2 to the Housing Act 1996;
 - (b) things of a description, or things done by a person of a description, specified for the purposes of this section in an order made by the Secretary of State.
11. A “relevant tenancy” means an assured or regulated tenancy, or a long lease that is not a business tenancy (unless otherwise specified by the Secretary of State).
12. Section 85 of the 2013 Act makes provision that any order of the Secretary of State under section 83 or 84 may make provision for sanctions to be imposed for breach of the relevant requirements, including imposition of civil penalties, orders prohibiting persons from engaging in letting agency or property management work, and the creation of criminal offences.
13. The Redress Schemes for Lettings Agency Work and Property Management Work (Requirement to Belong to a Scheme etc) (England) Order 2014 (‘the Order’) was made in exercise of those powers, and came into force on 2 October 2014.
14. So far as relevant for present purposes, article 5 of the Order provides as follows:
- (1) A person who engages in property management work must be a member of a redress scheme for dealing with complaints in connection with that work.
 - (2) The redress scheme must be one that is –
 - (a) approved by the Secretary of State; or
 - (b) designated by the Secretary of State as a government administered redress scheme.
15. Article 6 excludes from the scope of the definition of property management work the following:
- “things done in relation to premises which consist of or include more than one dwelling house where the land is commonhold land (whether or not there is a relevant tenancy in relation to any of the commonhold units)”
- (6(2))

“things done in relation to premises which are used wholly or mainly for the accommodation of students” where certain conditions are met (6(3) – (6))

“things done in relation to a dwelling house occupied by students who have been nominated to occupy the dwelling house by an institution” meeting the definitions in 6(4) (6(7))

“things done in relation to premises” which are not operated on a commercial basis as defined, or are managed by a voluntary organisation or charity, and which used for the accommodation of vulnerable persons as identified (6(8) – (10))

“things done by a person (‘A’) in the course of a business” who is a receiver on behalf of a mortgagee, or other identified authority or body (6(11)) or person receiving instructions from an authority to which Part 3 of the Local Government Act 1974 applies or which is a social landlord for the purposes of schedule 2 to the Housing Act 1996.

16. Article 7 of the Order makes it the duty of every enforcement authority to enforce the Order in its area.
17. Article 8 sets out the consequences of breach:
 - (1) Where an enforcement authority is satisfied on the balance of probabilities that a person has failed to comply with the requirement to belong to a redress scheme under article 3... or 5..., the authority may by notice require the person to pay the authority a monetary penalty... of such an amount as the authority may determine.
 - (2) The amount of the monetary penalty may not exceed £5,000.
18. The schedule to the Order provides the procedure which the authority must follow:

Notice of intent

1.—(1) Where an enforcement authority proposes to impose a monetary penalty on a person, the authority must serve on that person a notice of what is proposed (a “notice of intent”).

(2) The notice of intent must be served within 6 months of the date on which the enforcement authority is first satisfied that the person has failed to comply with article 3 (requirement to belong to a redress scheme: lettings agency work) or article 5 (requirement to belong to a redress scheme: property management work).

(3) The notice of intent must include—

- (a) the reasons for imposing the monetary penalty;

- (b) the amount of the penalty;
- (c) information as to the right to make representations and objections within 28 days beginning with the day after the date on which the notice of intent was sent.

Making representations and objections

2. A person on whom a notice of intent is served may within 28 days beginning with the day after the date on which the notice was sent make written representations and objections to the enforcement authority in relation to the proposed imposition of a monetary penalty.

Final notice

3.—(1) After the end of the period for making representations and objections, the enforcement authority must decide whether to impose the monetary penalty, with or without modifications.

(2) Where an enforcement authority decides to impose a monetary penalty on a person, the authority must serve on that person a final notice imposing that penalty.

(3) The final notice must include—

- (a) the reasons for imposing the monetary penalty;
- (b) information about the amount to be paid;
- (c) information about how payment may be paid;
- (d) information about the period in which the payment must be made, which must not be less than 28 days;
- (e) information about rights of appeal; and
- (f) information about the consequences of failing to comply with the notice.

19. Article 9 contains the right of a person served with a final notice to appeal to the Tribunal. The permitted grounds of appeal are that:

- (a) The decision to impose the monetary penalty was based on an error of fact;
- (b) The decision was wrong in law;
- (c) The amount of the monetary penalty is unreasonable;

- (d) The decision was unreasonable for any other reason.
20. The Tribunal may confirm, quash or vary the final notice.

Evidence

Mr Peoples

21. By directions dated 23 April 2025, the Tribunal observed that the Applicant's grounds of appeal were unclear, as follows:

E. By its appeal, the Applicant appears to accept that it was not a member of the appropriate address scheme, but asserts that it was unable to/delayed in obtaining membership due to difficulties caused by a third party dispute resulting in its removal from and having no registered office at Companies House. It is unclear in what respect it asserts that there was a consequent error of law or fact.

F. The Applicant also submits that the penalty is disproportionate. It asserts that it does not currently manage residential tenancies or hold any client monies. It is unclear whether or how that is relevant to the definition of 'property management work' in section 84(6) Enterprise and Regulatory Reform Act 2013.

22. The directions provided for the Applicant to clarify its grounds of appeal by an expanded statement of reasons for the appeal.
23. By statement of case prepared by its director, Kevin Peoples, dated 19 May 2025, the Applicant accepts:
- (a) That Aegon House, in connection with investigations into which the Respondent issued the penalty, is a residential apartment block;
 - (b) That the Applicant is a 'consultant' at Aegon House;
 - (c) That his company is retained to carry out specific services in connection with the block as instructed by Glengall Bridge Management Limited ('Glengall'), said to be a management company;
 - (d) That there is a "limited breach" in respect of article 5 of the Order as the Applicant manages around 20 other properties from Liverpool to London.
24. Mr Peoples admitted that the Applicant is required to be a member of a relevant redress scheme, though he maintained that is not so in respect of Aegon House.
25. No copy of any agreement with Glengall is provided by Mr Peoples. He asserted that someone else had put the bundle together and that he would have put it in if he had known. When asked to clarify what the Applicant does for Glengall, Mr Peoples stated that he advised regarding service charges (but that invoices for them were prepared and given by Glengall), breaches of tenancy, agreements under the leases, dealt with conveyancing

packs and so forth. He invoices for the services the Applicant provides to Glengall, which he states is a small “commission” of £500 per month (regardless of the tasks carried out that month). It was not clear how this commission worked, but commission certainly implies some kind of service procurement. He stated that Glengall profits as a consequence. Although Mr Peoples described this as a ‘commission’, the description provided by Mr Peoples is more like a *fixed fee or retainer of £500 per month, given it does not carry in accordance with the services provided and there is no evidence that the Applicant is a broker on commission.*

26. Mr Peoples continued to contend that Glengall administer the service charges and are wholly responsible for client monies. He also stated that he was not responsible for fire safety at Aegon House. When we asked him to explain how this was relevant, he said it was because that was where the complaint had come from to the Respondent and it shouldn't have been about the Applicant. He was nevertheless involved in fire safety and cladding schemes elsewhere.
27. Mr Peoples stated that he does arrange fire door services. He provides LBI forms and brought in specialists who then charged Glengall for their services. He did arrange those services.
28. In his initial appeal form to the Tribunal, and in the representations Mr Peoples made to the Respondent on receiving the notice of intent during the period 2 – 17 September 2024, Mr Peoples said that due to a dispute with Regus co-working space, he considered he was unable to apply for the relevant redress scheme as the Applicant's registered address on Companies House had defaulted to the Companies House 'holding' address. He represented that he could not make an application to the redress scheme until that matter was resolved.
29. The email evidence shows that the reason that the address had reverted to Companies House was that the co-working desk at which the Applicant operated with Regus had been unused, and that company required to carry out compliance checks to carry on with its mail handling service. The Applicant had failed to respond to Regus's correspondence in that regard so that they could no longer certify compliance. It appears that the Applicant was also in arrears of payment for use of that coworking space, which were subsequently settled.
30. On 4 October 2024, the Applicant rejoined the Property Redress Scheme. The Applicant remained registered at the default address at Companies House. On 6 December 2024, it reported to the Respondent it remained in dispute with Regus.
31. The Companies House entries for the Applicant demonstrate that the company address had been defaulted from December 2023. Regus was re-registered as the company address from 8 January 2025, until on 19 February 2025 corrected details for it were given for it. Mr Peoples told us that the Applicant no longer works from that address.

32. No expanded grounds were set out in the statement of case addressing the contention by Mr Peoples that the penalty was disproportionate. We invited Mr Peoples to make his case orally.
33. In summary he said that the penalty was very high. He thought a smaller amount was appropriate. He did not know what that amount should be, and said he would leave it to the Tribunal. If the initial amount was smaller, he said he would never have appealed.
34. He told us that at the time, the Applicant had been under a lot of pressure at other developments. He himself had been dealing with another property in Liverpool and there had been a rotation of various staff. Someone else had been looking after the admin, but she had been off sick.
35. The difficulties with the Regus office had meant that the Respondent had not received all of its post. The membership had just lapsed. The Applicant had been very busy as the responsible officer on various other schemes.
36. Mr Peoples reiterated that the Applicant had only been a consultant at Aegon House. While he accepted that it needed membership nationwide, that wasn't for this borough, in which he maintained he had no relevant business. He'd been dealing with unprecedented work and some matters in the family court. The company had probably expanded too much too quickly.
37. We asked him about the forewarning that the Respondent had given him about the lack of membership in May 2024. He summarised that due to unprecedented levels of work, he had asked someone else to deal with it. They hadn't. Membership had not been obtained until 4 October 2024 (expiring on 3 October 2025).
38. Ms Tudor stated that membership once again hadn't been renewed since that date. Mr Peoples stated he would take it up with staff. The auto-renew must not have worked.
39. We asked him what systems he had put in place so that such breaches will not occur again. Mr Peoples' honest answer was that there had been none. He would be taking it up with his staff, and get the renewal in place 'today'. He confessed to admin errors and complacency, and that he should have taken responsibility.
40. Mr Peoples stated that £4,250 was a high amount. He was not familiar with the structure of fines, but that was his position. He hadn't handled things well, and didn't know that membership had lapsed again. Moving office had meant that lots of mail had gone missing. If the sum had been half of what it was, he would just have paid it.

Ms Tudor

41. Ms Tudor submitted that it was a requirement for a property manager to be a member of a relevant redress scheme. The definition of property management work was broad – almost anything that a property manager did was caught by the terms. This was not just about one property. The Respondent’s enquiries were triggered by a report of the Applicant’s failure to respond to enquiries connected with the fire safety notices received at Aegon House. However, the breach was not in relation to Aegon House specifically. Mr Peoples had admitted requiring membership and not having it.
42. The Respondent’s enquiries showed that on 8 May 2024 the Applicant’s website, peoplesblockmanagement.com, demonstrated that the company (a) provided wide ranging residential property management services, and (b) did not indicate membership of a relevant redress scheme.
43. Checks demonstrated that the Applicant had formerly been registered in 2021, but that the registration had expired on 7 March 2022 on the basis that card details given for payment for auto-renew had expired. Chasing emails made by the scheme had received no response. The Applicant was unregistered with the scheme throughout the period of two and a half years.
44. The Respondent recorded its reasons for imposing the penalty of £4,250 in a document dated 10 September 2024. The Team Leader, Sean Rovai, set out the considerations of the Respondent:
 - There was *prima facie* evidence of breach of article 5
 - There were a number of aggravating factors to be taken into account: previous lapsed membership; failure to act on advice/warning given on 9 May 2024; breach of Companies House requirements regarding a registered office address (presenting problems for anyone wishing to take legal or enforcement action); potential exposure of leaseholders to significant financial risk; a high degree of culpability evidence suggestive of deliberate or flagrant disregard of the law).
 - That any penalty should be proportionate and reflect the severity of the breach and previous track record of the business.
 - That the breach was not a criminal offence.
 - That the penalty should be proportionate but also be set high enough to deter further breaches by the Applicant, deter others from similar breaches and remove any financial benefit the business may have obtained.
45. Mr Rovai concluded that there were no compelling mitigating factors to justify a lower monetary penalty, so that the just and proportionate sum was £4,250. He also recorded that he was not aware of any material

suggesting that the penalty would have a disproportionate impact on the ability of the Applicant to comply with the law, or on the Applicant's means/turnover/the scale of the business with the result it would go out of business.

46. Ms Tudor relied on the "Guidance for Local Authorities on The Redress Schemes for Lettings Agency Work and Property Management Work (Requirement to Belong to a Scheme etc) (England) Order 2014" issued by MHCLG ('the Guidance'), in which Section 3: Enforcement sets out the following guidance in respect of a breach of the requirement to belong to a redress scheme:

The expectation is that a £5,000 should be considered the norm and that a lower fine should only be charged if the enforcement authority is satisfied that there are extenuating circumstances. It will be up to the enforcement authority to decide what such circumstances might be, taking into account any representations the lettings agent or property manager makes during the 28 day period following the authority's notice of intention to issue a fine. In the early days of the requirement coming into force, lack of awareness could be considered; nevertheless an authority could raise awareness of the requirement and include the advice that non-compliance will be dealt with by immediate sanction. Another issue which could be considered is whether a £5,000 fine would be disproportionate to the turnover/scale of the business or would lead to an organisation going out of business. It is open to the authority to give the lettings agent or property manager a grace period in which to join one of the redress schemes rather than impose a fine.

The enforcement authority can impose further penalties if a lettings agent or property manager continues to fail to join a redress scheme despite having previously had a penalty imposed. There is no limit on the number of penalties that may be imposed on an individual lettings agent or property manager, so further penalties can be applied if they continue to be in breach of the legislation.

47. Ms Tudor said that the consequence of the guidance was that the maximum fine was to be treated as the 'norm'. It was no longer the early days – the provisions have been in force for ten years. No representations had been made about the financial circumstances of the company. She had spoken to Mr Peoples on the telephone in May 2024 and alerted him to the fact that the Applicant was not a member. She had told him the ins and outs of the various redress schemes, and emailed to him the details for the Redress Scheme (which was cheaper than the Ombudsman scheme) including its website address. Five months later when the notice of intent was given the Applicant was still not a member of the scheme, and had not been for 2 and a half years by that point.
48. In terms of the process of renewal, Ms Tudor relied on Mr Pumfrey's witness statement. On failure of an autorenewal due to expired card details, the system automatically sent an email notification to the party

requiring membership. There was then a grace period and a follow-up, again by email, to allow rejoining. Non-receipt of post was a red herring.

49. As to the representations made in the application form that the company had not been able to join due to the lack of registered address because of its dispute with Regus, Ms Tudor pointed out that the new membership had been applied for and granted on 4 October 2024, long before the default address at Companies House was changed. Moreover, the default address had been in place since March 2023, and the Applicant had been without membership since March 2022.
50. Ms Tudor did not feel that anything Mr Peoples had presented would impact on the level of the fine if the Respondent were making the decision again today.

Decision

51. Although Mr Peoples endeavoured to draw a distinction between the Applicant's role as a 'consultant' at Aegon House and elsewhere, he failed to satisfy us on the balance of probabilities that the Applicant's responsibilities at Aegon House fall outside of the broad ambit of section 84 of the 2013 Act. *Prima facie* what the Applicant was doing was "dealing with any other aspect of the management of premises" if the service he was offering, for payment, related to breaches of covenant and agreements under the leases.
52. The Applicant had the burden to show that the services offered and conducted in the course of the Applicant's business, for a retainer, did not amount to those that could fall within the definition. All Mr Peoples made in that regard was an assertion, unsupported by any evidence (including the contract), of his relationship with Glengall.
53. Nor do any of the exceptions in the Order apply.
54. We are satisfied, on the balance of probabilities, that the Applicant's activities at Aegon House met the definition of property management work, and that the Respondent was therefore entitled and obliged to enforce the Order.
55. In any event, despite Mr Peoples' focus on the conduct at Aegon House, neither the 2013 Act nor the Order require that there be an identified property for breach of the Order. The only requirement is that a person carrying out property management activities is registered with a redress scheme. Mr Peoples admits that the Applicant carries out such activities, and admits that it is required to be a member of the scheme and was not. He admits that the Applicant manages around 20 properties. He does not identify where they are, save for one in Liverpool. He asserts, without evidence, that there are no others in Tower Hamlets. He has provided no

evidence of his portfolio or locations. It is for him to establish on the balance of probabilities that the Respondent was not entitled to take the action it did, if that is what he was asserting. He has not come near to meeting that burden.

56. There is no mitigation available in the assertion that the requirements did not relate to Aegon House in particular, in those circumstances. Nor is it a justification for the Applicant's position that the failure to belong to a scheme is a 'minor' breach.
57. The evidence demonstrates that the Applicant was previously a member of the redress scheme. That membership lapsed in March 2022. On the balance of probabilities, he or his administrative staff ignored the scheme's own emails stating firstly that the payment card had been declined (because expired), and secondly reminding the Applicant that membership was required. That continued for over two years, during which time the membership should have been renewed twice.
58. The breach was discovered by the Respondent in May 2024. Mr Peoples ignored the opportunity afforded to him by Ms Tudor to resolve the breach by following up with the appropriate steps after the telephone conversation and email details she sent to him notifying him of how to rejoin the scheme.
59. On receiving the notice of intent, we find that Mr Peoples was not telling the Respondent the truth when he stated he could not rejoin the scheme because of the position of the Companies House address. He was able to rejoin the scheme in October 2024, long before his dispute with Regus was resolved and the address at Companies House re-registered.
60. It nevertheless took him a further two months to rejoin the scheme from the date the notice of intent was given.
61. We find that Mr Peoples has not provided anything but generic excuses for the Applicant's failure to comply with its legal obligations, choosing to blame third parties (his staff, Regus, Glengall) instead of taking responsibility. He admitted complacency. We find that the fact that, despite this 'big fine', nothing has apparently changed in the Applicant's working practices (leading to its once again ceasing to be a member of a redress scheme as required by law) is either incompetence or intention, rather than complacency.
62. We are satisfied that the Respondent's decision to impose the monetary penalty is neither wrong in law or in fact, nor unreasonable in those circumstances.
63. We invited Mr Peoples to explain to us why the sum of the penalty was unreasonable. He relied on the above matters, and said he would have paid if the penalty was half that imposed. He stated he relied on the Tribunal to

decide what the appropriate level of penalty is. The essence of his complaint was simply that the penalty was too high.

64. Mr Peoples did not address the Guidance, as set out in the bundle. We are satisfied that the Respondent carefully applied the Guidance, as demonstrated in Mr Rovai's recommendation. Mr Rovai did not impose the maximum penalty, bearing in mind the civil nature of the breach and proportionality. Mr Peoples did not explain what Mr Rovai did not take into account or got wrong. The Respondent did not demonstrate that the penalty was unreasonable in amount.
65. We are not satisfied on the balance of probabilities that we should interfere with the penalty. Mr Rovai has applied some mitigation to the sum. We find that incompetence or carelessness is not a good reason to mitigate the sum.
66. We find that the Applicant knew full-well that the breach had been committed, despite its grounds of appeal to the Tribunal, which Mr Peoples later distanced himself from. We find that failing to obtain the membership required in May 2024, over two years after expiry of the previous membership, and when given all the required information by Ms Tudor, was an active choice made by the Applicant in flagrant breach of those legal requirements.
67. The level of the penalty clearly has not had the required deterrent effect on the Applicant, who has recommitted the same breach on an ongoing basis since 3 October 2025 despite these proceedings being live. If this is not a case in which it was appropriate to impose the full penalty, as indicated by the Guidance, we find it hard to imagine what is. Nevertheless, the Applicant has benefitted from a 15% reduction in the penalty and now a total period of nearly three years (March 2022 – October 2024; October 2025 – February 2026) in which the relevant membership subs have not been paid (that sum adding up to, we understand, about £1,200).
68. On that basis we are satisfied that the final notice should be confirmed, and we do so.

Name: Judge N Carr

Date: 6 February 2026

Rights of appeal

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 First-tier Tribunal at the regional office which has been dealing with the case.

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).