FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case reference	:	**LON/00BG/HMF/2025/0727**
Property	:	**Flat 5, Paris House, Old Bethnal Green Road, London E2 6QT**
Applicants	:	**(1) Phillipa May Toye** **(2) Shigemitsu Chihiro** **(3) Alexandra Marin** **(4) Nicoll Zachary** **(5) Ioanna Argypro Angelou**
Representative	:	**Mr. Muhammad Williams, London Borough of Tower Hamlets**
Respondent	:	**Mio Real Estate Ltd.**
Representative	:	**Mr. Marco Scanu**
Type of application	:	**Application for a rent repayment order by tenant** Sections 40, 41, 43, & 44 of the Housing and Planning Act 2016
Tribunal	:	**Judge S.J. Walker** **Tribunal Member Mr. R. Waterhouse MA LLM FRICS**
Date and place of Hearing	:	**10 Alfred Place, London WC1E 7LR** **11 February 2026**
Date of Decision	:	**6 March 2026**

DECISION

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(1) The Tribunal makes Rent Repayment Orders under section 43 of the Housing and Planning Act 2016 requiring the Respondent to pay the sums set out below

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(a) to the First Applicant the sum of £6,442.10
(b) to the Second Applicant the sum of £6,111.27
(c) to the Third Applicant the sum of £5,540.16
(d) to the Fourth Applicant the sum of £6,824.30
(e) to the Fifth Applicant the sum of £6,518.40

(2) The application for an order under rule 13(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013 for the re-imbursement by the Respondent of the fees of £777 paid by the Applicants in bringing this application is granted. Payment is to be made within 28 days.

Reasons

The Application

1. The Applicants seek rent repayment orders pursuant to sections 43 and 44 of the Housing and Planning Act 2016 ("the Act"). They seek orders in respect of rent paid during the following periods;
   Ms. Toye 18 August 2023 to 18 July 2024
   Mrs. Chihido 29 September 2023 to 23 September 2024
   Ms. Marin 27 September 2023 to 23 September 2024
   Mr. Zachary 28 August 2023 to 23 July 2024
   Ms. Angelou 30 August 2023 to 26 July 2024

2. The application was received by the Tribunal on 13 March 2025 and is in time. It alleges that the Respondent has committed an offence contrary to section 72(1) of the Housing Act 2004 ("the 2004 Act") - having control or management of an unlicensed House in Multiple Occupation ("HMO").

Procedural Background

3. This application was originally made against a company known as Forever Accommodation Ltd. Directions were made by Judge Shepherd on 28 May 2025 and the application first came before the Tribunal on 20 October 2025.

4. In the course of that hearing two things became clear. Firstly, that Forever Accommodation Ltd. had been dissolved and, secondly, that in their bundle served on 9 July 2025 the Applicants had applied for Mio Real Estate Ltd. to be added as a Respondent to the application but that that application had not yet been decided.

5. At the hearing on 20 October 2025 the Tribunal adjourned the application and directed that Mio Real Estate should be joined as Respondent. A more detailed explanation of that hearing is set out in the Tribunal's directions issued on 20 October 2025.

The Hearing

6. The hearing was conducted face-to-face. All the Applicants apart from Mr. Nicholl attended and were represented by Mr. Williams from the London

Borough of Tower Hamlets. The Respondent was represented by Mr. Scanu, their sole director. They were not legally represented. All the Applicants present gave oral evidence as did Mr. Scanu.

Documents

7. The Tribunal had before it a bundle of documents prepared on behalf of the Applicants which comprised 197 numbered pages. It also had an unnumbered bundle of documents from the Respondent comprising 97 pages, including a skeleton argument and a witness statement from Mr. Scanu. There was also a 2-page reply from the Applicants. References to pages in the Applicant's bundle are to the numbers printed on the pages in that bundle and have the prefix A. References to pages in the Respondent's bundle are to the electronic page number and have the prefix R.

8. In the course of the hearing reference was also made to two tenancy agreements which were sent to the Tribunal by the freeholder of the property, Mr. Boshir Miah, under cover of an e-mail dated 8 August 2025 at a time when there was a possibility that they themselves may be joined as a Respondent. Mr. Scanu was aware of these documents and accepted that they were genuine.

The Legal Background

9. The Tribunal may make a rent repayment order when a landlord has committed one or more of a number of offences listed in section 40(3) of the Act. This list includes an offence contrary to section 72(1) of the 2004 Act. Such an offence is committed if a person has control of or manages an HMO which is required to be licensed but is not. By section 61(1) of the 2004 Act every HMO to which Part 2 of that Act applies must be licensed save in prescribed circumstances which do not apply in this case.

10. Section 55 of the 2004 Act explains which HMOs are subject to the terms of Part 2 of that Act. An HMO falls within the scope of Part 2 if it is of a prescribed description (a mandatory licence) or if it is in an area for the time being designated by a local housing authority under section 56 of the 2004 Act as subject to additional licensing, and it falls within any description of HMO specified in that designation (an additional licence).

11. To be an HMO of any description the property must meet one of the tests set out in section 254(1) of the 2004 Act. In this case the relevant test is that in section 254(3) the self-contained flat test. A flat meets this test if it;

> "*(a) is a self-contained flat;*
> *(b) the living accommodation is occupied by persons who do not form a single household …;*
> *(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;*
> *(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 the 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.*"

12. By virtue of section 258 of the 2004 Act persons are to be regarded as not forming a single household unless they are all members of the same family. To be members of the same family they must be related, a couple, or related to the other member of a couple.

13. An offence under section 72(1) can only be committed by a person who has control of or manages the property in question. The meaning of these terms is set out in section 263 of the 2004 Act as follows;

"(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.

14. It is a defence to a charge of an offence under section 72(1) of the 2004 Act that a person had a reasonable excuse for committing it (section 72(5)). Any such defence must be established by the defendant on the balance of probabilities.

15. By virtue of the decision of the Supreme Court in the case of Rakusen -v- Jepsen and others [2023] UKSC 9 an order may only be made against the immediate landlord of a tenant.

16. An order may only be made under section 43 of the Act if the Tribunal is satisfied beyond reasonable doubt that an offence has been committed.

17. By section 44(2) of the Act the amount ordered to be paid under a rent repayment order must relate to rent paid in a period during which the landlord was committing the offence, subject to a maximum of 12 months. By section 44(3) the amount that a landlord may be required to repay must not exceed the total rent paid in respect of that period.

18. Section 44(4) of the Act requires the Tribunal to have regard to the conduct of the landlord and tenant, the financial circumstances of the landlord and whether or not the landlord has been convicted of a relevant offence when determining the amount to be paid under a rent repayment order.

Has an Offence Been Committed by the Respondent?

19. The Applicants' case, as set out in their statement of case at pages A29 to 32 and their witness statements at pages A153 to 158, is simple and is as follows. The property is a self-contained ground-floor flat which has 6 bedrooms, one bathroom, two toilets and a kitchen. It is in the London Borough of Tower Hamlets. The bedrooms were let separately to different occupiers, and the bathroom and kitchen were shared. There were at least 5 occupants at all times during the relevant period in two or more separate households. The Applicants each entered into assured shorthold tenancy agreements with the Respondent, all lived in the property as their only or main residence, and the property was only used as a dwelling. Rent was paid to the Respondent. An additional licensing scheme was introduced in Tower Hamlets on 1 April 2019. It required properties where 3 or more people are living in 2 or more households and who share basic amenities to be licensed. It also required flats in purpose-built blocks with 5 or more tenants living in two or more households to be licensed. Throughout the period in question the occupiers formed at least 2 households. The property was, therefore, an HMO requiring an additional licence. No such licence was in place nor had one been applied for. The Respondent was a person managing the property and/or a person in control of it so had committed an offence contrary to section 72(1) of the 2004 Act. The Respondent was the Applicants' immediate landlord.

20. Much of the Applicants' case was accepted by the Respondent. At the beginning of the hearing Mr. Scanu, on behalf of the Respondent, accepted the following;
    (a) that the Applicants were all living at the property at the times they said they were living there;
    (b) that the Applicants were all occupying the property as their only or main residence;
    (c) that this was their only use of the accommodation;
    (d) that the property needed an HMO licence

(e) that during the period in question the property did not have such a licence;
(f) that during the period in question no licence had been applied for;
(g) that the tenancy agreements included in the Applicants' bundle were the ones under which each of the Applicants were in occupation; and
(h) that the schedule of rent payments at pages A148 to 152 was accurate.

21. The Respondent's case, as set out in the skeleton argument at pages R1 to 4 and Mr. Scanu's witness statement at pages R4 to 7, was as follows. It was argued that the Respondent was not a person managing or in control of the property and was not the Applicants' immediate landlord. Secondly, it was argued that, in any event, the Respondent could rely on the reasonable excuse defence.

<u>Findings</u>

22. On the basis of the witness statements and oral evidence provided by the Applicants and the admissions made by the Respondent during the hearing the Tribunal was satisfied of the following.

23. The First Applicant, Ms. Toye, entered into a tenancy agreement on 18 August 2022. The landlord named in that agreement was Forever Accommodation Ltd. ("FAL") (page A33). Despite this, at a time before the relevant period began, Ms. Toye was told by Mr. Scanu to pay her rent in future to Forever Accommodation Real Estate Ltd. ("FAREL"). The rent she paid is set out at page A148. This was all paid to FAREL as shown in the bank statements at pages A70 to 91. The total amount paid during and in respect of the period in question was £9,503.

24. The Second Applicant, Mrs. Chihido, entered into a tenancy agreement on 27 September 2023 with FAREL (page A47). The rent was £866 per month. The rent she paid is set out at page A152. This was all paid to FAREL as shown in the bank statements at pages A96 to 110. The schedule at page A152 includes a figure of £1,016 for the first month's rent. This appears to be partly comprised of an initial deposit (see the statement at page A97). The Tribunal therefore took the total rent paid for the first month to be £866, reducing the overall total rent paid during and in respect of the period in question by £150 to £9,030.38.

25. The Third Applicant Ms. Marin entered into a tenancy agreement on 1 March 2021. The landlord named in that agreement was FAL (page A41). As with the First Applicant, at some time before the relevant period began, Ms. Marin was contacted by Mr. Scanu and told to pay her rent in future to FAREL. The rent during the relevant period was £700 per month (see the statement at page A158). All rent was paid to FAREL as is shown at pages A92 to 95. However, the figures do not quite tally with the table at page A151. The amount paid on 27 March 2024 was £680 and that on 2 February 2024 was £690. Unlike in the table in respect of Ms. Angelou (at

page A149) there was no explanation for the shortfall. The Tribunal therefore calculated the total rent paid during the relevant period to be £30 less than stated, a figure of £8,214.51.

26. The Fourth Applicant, Mr. Zachary, entered into a tenancy agreement on 29 July 2023. The landlord named in that agreement was FAL (page A61). The rent he paid is set out at page A150. This was all paid to FAREL as shown in the bank statements at pages A111 to 122. The total amount paid during and in respect of the period in question was £10,049.

27. The Fifth Applicant, Ms. Angelou, entered into a tenancy agreement on 14 July 2023. The landlord named in that agreement was FAL (page A54). The rent she paid is set out at page A149. This she paid to FAREL as shown in the bank statements at pages A123 to 147. The total amount paid during and in respect of the period in question was £9,385.

28. Although in each case the tenancy agreement is silent about utilities, it was accepted by all parties that all utilities were included in the rent save that, as the electricity was paid by means of a key meter, there were some occasions when the Applicants had to top up the meter. These additional payments are identified in the schedule of payments for Ms. Angelou (page A149).

29. Throughout the period from 18 August 2023 to 23 September 2024 there were always 6 people in occupation, as confirmed in the witness statements of each applicant. In her oral evidence the First Applicant confirmed that there had been other tenants in the property during the period apart from the Applicants themselves. All the occupants were single. It also follows that at all times there were also at least 2 households in occupation.

30. The occupants of the property shared the kitchen and bathroom. All the people living in the property were occupying it as their only or main residence and the property was not used for any other purpose.

31. On the basis of the evidence and the Respondent's admissions, the property needed an HMO licence and did not have one and none was applied for in that period.

32. The remaining question is the extent of the Respondent, Mio Real Estate Ltd.'s involvement with the property as, on the face of it, the landlord was expressed to be FAL or FAREL and rent was paid to FAREL.

33. The first link in the chain is the fact that the Respondent and FAREL are the same corporate body. This is shown by the information obtained by the Applicants from Companies House (pages A181 to 182). This shows that the Respondent was known as FA Real Estate Ltd between 15 July 2022 and 6 March 2024 (page A182). It follows, therefore, that in the case of every applicant the rent they paid was paid to the Respondent.

34. The next evidence to consider is the documentation provided by the freeholder. The most important is a tenancy agreement dated 7 September 2020 entered into between the freeholder Mr. Miah and FAL. Under this agreement FAL obtained an interest in the property as a tenant. Although the agreement was to last for a year, by clause 7 it continued as a monthly periodic tenancy thereafter. Then on 6 July 2025 the freeholder granted a new tenancy agreement, this time to the Respondent. This document expressly states that the Respondent is appointed as both manager and tenant and has power to sublet.

35. Finally, there is Mr. Scanu's oral evidence. This was as follows. He was a sole director of both FAL and FAREL. Initially he was making use of FAL for his letting business but by the relevant period he had stopped using this company and was using FAREL instead, though under its current name, Mio Real Estate Ltd. ("Mio"). He said that back in July or August 2022 the freeholder knew that they were now dealing with Mio and that the rent payable by FAL under the agreement from 2020 was now being paid by Mio. He readily accepted that whilst the 2020 agreement with the freeholder had been with FAL, Mio had taken over all FAL's responsibilities under that agreement and Mio was paying the contracted £2,800 per month to the owner. This had started in August 2022.

36. It was common ground that on 24 September 2024 the Respondent applied for an additional licence and so any offence ceased to be committed.

<u>Conclusions</u>

37. On the basis of the facts set out above, the Tribunal was satisfied that, subject to any issue of reasonable excuse, the Respondent was committing an offence contrary to section 72(1) of the 2004 Act continuously for at least the period from 18 August 2023 until 24 September 2024 and, indeed, was probably committing such an offence from August 2022 when they took over FAL's obligations under the agreement with the owner.

38. The property was an HMO which required an additional licence but which did not have one. There was no doubt that the Respondent was a person having control of the premises as they, under their previous name FA Real Estate Ltd, received the rack-rent of the premises or would have done so if the premises were let at a rack-rent. (This would be the case even if the Respondent were only acting as agent for FAL, but, as explained above, on Mr. Scanu's own account the Respondent had, in fact, taken over from FAL.)

39. Thus, when considering whether the Respondent has committed an offence or not, the only remaining question is whether or not they have a reasonable excuse.

40. In his skeleton argument Mr. Scanu argues that he has a reasonable excuse as he acted throughout on the instructions of the owner, who retained responsibility for the property. He argues that he encouraged compliance

but did not have the authority to act independently, and that he had no intention to breach regulations (page R3).

41. Obviously, as a body corporate, the Respondent has no personal knowledge. However, the knowledge and experience of Mr. Scanu, their sole director, can be imputed to them. The Tribunal had no doubt that Mr. Scanu knew, or at the very least, ought to have known, about the existence of the HMO licensing regime. He told the Tribunal that he had worked as an employed letting agent and then decided, in about 2018, to set up his own letting agency business. This was FAL. Thereafter he set up FAREL, which is the Respondent's previous name. Although he only managed very few HMOs, nevertheless, he is a person who has decided to set up a business letting properties and should be expected to know about the relevant legislative requirements.

42. The Tribunal would expect a person in Mr. Scanu's situation to make himself aware of the relevant statutory requirements in order to operate his business lawfully.

43. The Tribunal did not place any weight on Mr. Scanu's argument that he was unable to act independently of the freeholder. The evidence showed that FAL had acquired a tenancy of the property which, by clause 16 of that agreement, gave it exclusive possession. Whilst the agreement with the owner only permitted subletting with the owner's consent, it does not follow from this that Mr. Scanu was prevented from obtaining the necessary licence if and when a subletting in fact took place.

44. Taking all this together the Tribunal concluded that there was insufficient evidence before it successfully to raise a defence of reasonable excuse. Whilst the Respondent may well have acted neither deliberately nor with reckless disregard of the legislation, this in itself does not amount to a defence.

45. The Tribunal was, therefore, satisfied that the offence had been committed.

Jurisdiction to Make an Order

46. The next question, therefore, is whether the Tribunal has jurisdiction to make an order. This requires deciding who was the Applicants' landlord during the period in question. Mr. Scanu argued that the landlord was, in fact, the owner, Mr. Miah.

47. The Tribunal rejected that argument. Firstly, there is no mention of Mr. Miah in any of the tenancy agreements with the Applicants. In each and every agreement either FAL or FAREL are described as the owner and landlord of the property. Secondly, it was obvious that FAL and FAREL were not acting merely as the owner's agents. FAL had acquired a tenancy of the property and the Respondent, under its previous name, had voluntarily taken on FAL's responsibilities under that agreement in about August 2022. Although subletting was only permitted with the written

permission of the owner (see clause 31 of the 2020 agreement) it was, nevertheless, contemplated and, clearly, subletting was taking place.

48. Mr. Scanu argued that it was the owner who still had control of the property through the owner's daughter, Ms. Khanom. Clearly, under the tenancy agreement between Mr. Miah and FAL, Mr. Miah had certain rights. However, by clause 16 FAL had exclusive possession. Mr. Scanu argued that Ms. Khanom visited the property 2 or 3 times a week and gave instructions directly to the tenants. However, when this was suggested to the Applicants in cross examination, it was denied. The oral evidence of the Applicants was that they dealt with Mr. Scanu. Ms. Marin's oral evidence was that she did not know who the owner was, though Ms. Angelou said that on one occasion someone came to the property and said that they were the owner. The Tribunal preferred the evidence of the Applicants as they were the people in occupation and would know what was going on at the property. In his oral evidence Mr. Scanu also accepted that the owner did not know who was in fact living at the property.

49. Mr. Scanu also argued that he himself could not authorise repairs or instruct contractors, however, under the terms of the 2020 agreement FAL was obliged to keep the property in good condition and repair at its own expense, though responsibility for major maintenance and repair remained with the owner (see clauses 33 to 35).

50. Mr. Scanu further argued that he was passing on the rent paid by the Applicants to Mr. Miah, and so was merely an agent. These payments are at pages R8 to 25. However, the 2020 agreement expressly required FAL itself to pay rent of £2,800 per month to Mr. Miah. It is obvious that these payments are the rent payable under that agreement.

51. Mr. Scanu's bundle included numerous messages between himself and Ms. Khanom which clearly show she had some involvement with arranging works at the property, and also shows liaison between Mr. Scanu and her with regard to the HMO licence application which was eventually made. However, much of this evidence relates to the period after 24 September 2024 and clearly shows that Mr. Scanu and Ms. Khanom were liaising about works which would be relevant to that application. This evidence is not inconsistent with the Respondent being the Applicants' landlord.

52. Taking the evidence as a whole the Tribunal concluded that the immediate landlord of the Applicants was certainly not Mr. Miah.

53. It was not argued by Mr. Scanu that, despite what is said on all but one of the Applicants' tenancy agreements, the landlord was FAL and not the Respondent. In any event, the Tribunal was satisfied, on the basis of Mr. Scanu's oral evidence, that the Respondent had taken over all of FAL's responsibilities from, at the latest, August 2022. Whilst this clearly included FAL's responsibilities under the 2020 agreement with Mr. Miah, the Tribunal was satisfied that it must also include FAL's responsibilities to the existing subtenants. This is shown by the unchallenged evidence of

the Applicants that at some time before the relevant period Mr. Scanu asked them all to start paying rent to FAREL instead of FAL.

54. It follows from all of this that the Tribunal was satisfied that the Respondent was, at the relevant time, the Applicants' immediate landlord. It follows that the Tribunal has jurisdiction to make an order against them.

Amount of Order

55. The Tribunal therefore went on to consider the amount, if any, which it should order the Respondent to pay. In doing this it had regard to the approach recommended by UT Judge Cooke in the decision of Acheampong -v- Roman and others [2022] UKUT 239 (LC) @ para 20. The first step is to ascertain the whole of the rent for the relevant period.

Rent

56. The rent payments made by the Applicants are dealt with above. None were in receipt of Universal Credit. The total paid by each during and in respect of which each is claiming an order is as follows;

Ms. Toye £9,503
Mrs. Chihido £9,030.38
Ms. Marin £8,214.51
Mr. Zachary £10,049
Ms. Angelou £9,385

Utilities

57. The rent paid by the Applicants included the cost of utilities. None of the parties have provided any evidence of the cost of those utilities. Again following the approach in Acheampong, the Tribunal therefore set out to make an informed estimate of the amount of the utilities based on the evidence available to it.

58. Ms. Toye in particular was asked by the Tribunal about utilities. Her evidence, which the Tribunal accepted, was that the flat had gas-fired central heating and hot water, and there was also a gas cooker. Everything else was powered by electricity. The flat was on the ground floor of a purpose-bult block, and its windows were double glazed. There were radiators in most of the bedrooms. Electricity was provided through a top-up meter. Sometimes this was topped up by Mr. Scanu but at other times this was done by the Applicants. In the table of rent payments made by Ms. Angelou (page A149) a total of £227 was deducted from the rent for electricity costs.

59. Doing the best it could and making use of its expert knowledge the Tribunal estimated the cost of gas and electricity combined for the whole property to be about £1,800 per year. The Tribunal accepted that there were in fact 6 rooms available to rent at the property and the Applicants' evidence was that there were always 6 people in occupation. It therefore decided that the total cost of utilities per person in occupation was £300 per year.

60. In the case of each Applicant an order was sought for a period of approximately a year. The Tribunal decided to deduct the sum of £300 per person in respect of utilities from the amount of rent paid by each Applicant to produce a figure for the maximum possible award. However, in the case of the Fifth Applicant, Ms. Angelou, the evidence showed that she had herself contributed £227 towards the electricity for the whole property. The Tribunal therefore, decided that in her case the reduction should take account of this and her maximum amount should be reduced by £300 - £227 = £73.

61. It follows, therefore, that the maximum possible award in each case is as follows.
Ms. Toye £9,503 - £300 = £9,203
Mrs. Chihido £9,030.38 - £300 = £8,730.38
Ms. Marin £8,214.51 - £300 = £7,914.51
Mr. Zachary £10,049 - £300 = £9,749
Ms. Angelou £9,385 - £73 = £9,312

Seriousness of Offence

62. As required by the approach recommended in the case of Acheampong the Tribunal then considered the seriousness of the offence both as compared to other types of offence and then as compared with other examples of offences of the same type. From that it determined what proportion of the rent was a fair reflection of the seriousness of the offence.

63. The offence in question is one contrary to section 72(1) of the 2004 Act. This is, when compared with offences such as unlawful eviction, a more minor offence. This alone would justify a reduction of 25%.

64. The Tribunal also concluded that this was not a serious offence of its kind. Firstly, it considered the impact on the tenants of the absence of a licence. This was not a case where the Applicants had shown that there were numerous serious and widespread safety risks at the property. There were, though, some defects which the Tribunal needed to consider. Mr. Scanu was asked about the subsequent application for an HMO licence. He explained that initially a temporary exemption notice was granted. As part of the process the property was inspected. There were still 6 people in occupation. The local authority required fire alarms, emergency lighting and a smoke detector to be installed.

65. Whilst these are important failings, the Tribunal also bore in mind that the property is on the ground floor and so escape in the event of fire is likely to be relatively easy. This, in its view, mitigated the seriousness somewhat.

66. The Tribunal also considered the matters put forward by the Respondent. Whilst not accepting that these were sufficient to give rise to a reasonable excuse, the Tribunal considered that Mr. Scanu had shown himself to be somewhat naïve in his dealings with the owner of the property. Also, the Respondent was only concerned in the management of very few HMOs.

67. Bearing these factors in mind the Tribunal concluded that the total amount payable should be reduced further. It considered that the reduction should be of a further 10%, meaning a reduction to 65% of the maximum.

Section 44(4)

68. The Tribunal then considered whether any decrease – or increase – was appropriate by virtue of the factors set out in section 44(4) of the Act.

69. In this case there were some allegations that the property was in poor condition, with complaints of mould in the bathroom, an ant infestation, and problems with windows, among other things. Full details are set out in the Applicants' witness statements (pages A153 to 158). Overall, these complaints relate more to the condition of the property rather than the way in which the Respondent behaved and would not in themselves, justify any further change in the amount ordered to be paid.

70. However, a common complaint from the Applicants was that the deposits paid by them were not held in a deposit protection scheme and/or were not returned. This complaint was not challenged by Mr. Scanu. The Tribunal considered this to be poor conduct by the Respondent.

71. Bearing this in mind together with the other matters referred to above the Tribunal decided that the Respondent's poor conduct justified an increase of 5% to the proportion of the maximum amount payable, making the total deduction 70%.

72. There was no suggestion that the Respondent was not in a financial position to pay any sum ordered to be paid and certainly no documentation had been provided to support such a contention. In the absence of clear evidence to the contrary, the Tribunal was satisfied that the Respondent would be able to pay any sum ordered by it.

73. It follows, therefore, that the amount of the orders payable by the Respondent to the Applicants is as follows;
Ms. Toye £9,203 x 70% = £6,442.10
Mrs. Chihido £8,730.38 x 70% = £6,111.27
Ms. Marin £7,914.51 x 70% = £5,540.16
Mr. Zachary £9,749 x 70% = £6,824.30
Ms. Angelou £9,312 x 70% = £6,518.40

74. The Applicants also sought an order under rule 13(2) of the Rules for the re-imbursement of the fees paid for bringing the Application. The Tribunal concluded that, given that the Applicants had succeeded in their application, it was just and equitable to make such an order.

Name: Judge S.J. Walker **Date:** 6 March 2026

ANNEX - RIGHTS OF APPEAL

- The Tribunal is required to set out rights of appeal against its decisions by virtue of the rule 36 (2)(c) of the Tribunal Procedure (First-tier Tribunal)(Property Chamber) Rules 2013 and these are set out below.

- If a party wishes to appeal against 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.