FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case reference	:	**(1) LON/00BH/HNA/2024/0036 (x2)** **(2) LON/00BH/HNA/2025/0611 (x3)** **(3) LON/00BH/HNA/2025/0615 (x2)** **(4) LON/00BH/HNA/2025/0624 (x2)** **(5) LON/00BH/HNA/2025/0644 (x3)** **(6) LON/00BH/HNA/2025/0653 (x2)**
Properties	:	**(1) 764b Lea Bridge Road, E17 9DH** **(2) Flat 4, 266 – 268 High Road, E11 3HS** **(3) Flat 6, 479a High Road, E11 4JU** **(4) Flat 7, 479a High Road, E11 4JU** **(5) Flat C, 56 St Mary Road, E17 9RE** **(6) 15 Exeter Road, E17 7QJ**
Applicants	:	**Mr Asad Chaudhary** **Zas Ventures Limited (Director Mr Asad Chaudhary)** **Interface Properties Limited (Director Mr Asad Chaudhary)** **Let's Move Properties Limited** **Marlborough Homes Limited**
Representative	:	**Mr Gabriel Nelson (counsel)** Instructed by Shahzads Solicitors (Mr Anjum Shahzad)
Respondent	:	**London Borough of Waltham Forest**
Representative	:	**Mr Riccardo Calzavera (counsel)** Instructed by Litigation and Public Law Legal Services (Kim Travis)
Type of application	:	**Appeal against a financial penalties** - Section 249A & Schedule 13A to the Housing Act 2004
Tribunal	:	**Deputy Regional Judge N Carr – Chair** **Deputy Regional Judge N Purcell** **Mr D Jagger MRICS**
Date of hearing	:	**19 & 20 January 2026**
Date of decision	:	**20 May 2026**

DECISION

DECISION

(1) The Financial Penalties imposed by the Respondent on various dates and as reduced by the Respondent on 6 May 2025 (as applicable) in respect of

(a) 764b Lea Bridge Road, E17 9DH in the sum of £15,600 (Zas Ventures Limited and Let's Move Properties Limited)

(b) Flat 4, 266 – 268 High Road, E11 3HS in the sum of £15,600 (Asad Chaudhary and Interface Properties Limited) and £19,500 (Marlborough Homes Limited)

(c) Flat 6, 479a High Road, E11 4JU in the sum of £15,600 (Asad Chaudhary and Zas Ventures Limited)

(d) Flat 7, 479a High Road, E11 4JU in the sum of £15,600 (Asad Chaudhary and Zas Ventures Limited)

(e) Flat C, 56 St Mary Road, E17 9RE in the sum of £11,700 (Asad Chaudhary, Interface Properties Limited and Let's Move Properties Limited)

(f) 15 Exeter Road, E17 7QJ in the sum of £11,700 (Asad Chaudhary and Interface Properties Limited)

are, in each case and against each Appellant, **confirmed**.

(2) By no later than **19 June 2026** the parties (via the Applicant's solicitors) must confirm whether and to what extent there are any issues that remain for resolution amongst the appeals in Annexe 1 below, and the course of action the Tribunal is invited to take on those appeals.

REASONS

Introduction

1. This decision involves 6 test cases selected from 78 appeals against the imposition and quantum of financial penalties ('FPs') on the owners (and their director) and agents of properties being operated in the London Borough of Waltham Forest without the required licences.

2. The primary question of principle that requires determination is whether, if a contractual arrangement requires an owner to obtain a licence in respect of a property, the agent has a reasonable excuse for operating that same property without a licence if the owner does not obtain the licence.

Factual Background

3. Since 1 April 2015 the Respondent has been operating a selective licensing scheme in all but two of its wards, pursuant to section 80 of the Housing Act

2004 ('the Act'). The first scheme expired on 31 March 2020 ('the First Scheme'). Following the First Scheme the Respondent received approval for a further selective licensing scheme which came into effect on 1 May 2020 and expired on 30 April 2025 ('the Second Scheme'). The Secretary of State approved a further, third scheme which took effect on 1 May 2025, and which will expire on 30 April 2030 ('the Third Scheme') (collectively 'the Schemes').

4. At a case management hearing on 3 April 2025, the Tribunal and parties selected the appeals in respect of the six addresses with which this decision is concerned as 'test' cases for the resolution of the (now) 78 appeals the Tribunal has received from the Applicants. The list of remaining appeals is set out at Annexe 1 to this decision.

5. The Applicants are: Mr Asad Chaudhary; Zas Ventures Limited ('Zas') and Interface Properties Limited ('Interface') of which Mr Chaudhary is the director (collectively 'the Companies'); Let's Move Properties Limited ('Let's Move') of which Mrs Mehwish Ahmed is the director; and Marlborough Homes Limited ('Marlborough') of which Mr Matthew Grainger is the director (collectively 'the Agents'). It is admitted by them that they owned or managed, and therefore were in control or management, of privately rented properties which were operated without the necessary licences while the Second Scheme continued in force.

6. Except for in respect of 764b Lea Bridge Road, licences had been previously in place for the test properties. In each case a licence extension was given, free of charge, when the Respondent moved to implementation of a policy of granting licences for a period of a full 5 years rather than co-terminus with a particular scheme, and that Mr Chaudhary/the Companies benefitted from that *gratis* extension as a consequence. In each case on expiry, Notices of Intent and Final Notices were given.

7. The Respondent has, throughout the duration of its various schemes, sent out communications to landlords and property agents in the borough alerting them to the seriousness of operating unlicensed licensable residential properties. As early as 13 July 2018, the Respondent sent to Let's Move a reminder of the responsibility of a person in control or management to ensure a licensable property is licensed, and the potential liability for a £30,000 penalty or prosecution for managing an unlicensed property. The warning was reiterated in March 2021.

8. It was revealed in evidence that Let's Move has previously been given FPs for section 72 and section 95 licensing offences in the Respondent's area, of £20,000 in November 2017, and £55,000 in July 2018 (the latter included breaches of management regulations).

9. The Schemes' requirements are set out on the Respondent's website. Mr Chaudhary is also a subscriber to the Respondent's e-newsletter, where the requirements of the Schemes are routinely published.

10. The Respondent, throughout the period during which the test properties became and remained unlicensed, sent a number of letters to Mr Chaudhary, the Companies and the Letting Agents, and also corresponded by email. During the period in which the properties were unlicensed, Mr

Chaudhary sent a series of correspondence indicating his firm opposition to paying the required £700 to renew the licences to the Respondent, an excerpt from one of which (copied to a selection of people including Suella Braverman, a solicitor at Lester Dominic not now instructed in this matter, and Channel 4, Sky and BBC news desks) dated 15 May 2023 is as follows:

…

We have been bullied by LBWF to complete 51 applications for new selective licences for a new 5 year term at £750.00 [sic] *each which is clearly illegal and amounts to demanding money on false pretence with malice, as now they decided to punish us by visiting all our properties and serving us with notices of defective works at these properties (see attached notice of 2 properties), which were all recently inspected and approved by other council officers from the same department, to make matters even worse, we was approached by the concerned officer Tasha Reid prior to the inspection of this notice dated 12th April 2023, and she clearly stated that if we was to complete and submit a new selective licence application form with the cost of £750.00* [sic] *than the inspection visit would be cancelled, but we was confidant* [sic] *that the property was in a good state of health as it recently was all approved by other council officers, but the agenda is now different, it is not to control anti-social behaviour and nuisance, but to arm lock landlords into paying money for something that is illegal and under malice, as the fear of being prosecuted, and this can be seen very clearly in the attached document dated 12th April 2023.*

We have tried to explain to the council officers that they do not have legal powers to issue licences beyond 2025, and it is illegal to demand £750.00 [sic] *for this new licence, but being the mafia style of operation that they have adopted, they are not prepared to listed nor reason at any level, clearly this is an abuse of public office powers and demanding money with malice for something (selective licence) for which they have no legal powers, this clearly amounts to fraud and criminal prosecutions of the officers and the local authority to be charged with corporate fraud and other breaches of the law.*

In comparison, london [sic] *Borough of Newham (LBN), who also ran a selective landlord licence scheme for 10 years now and again applied to your office for a third term extension, have obliged the law and respected the position of landlords by putting on public notice that the new selective licence scheme would commence in June 2023 for a term of 5 years with an early bird discount of £400 per license, thus costing £300 per licence for 5 years to the landlord, and whilst LBN took Cabinet approval they waived all conditions of the licence so that every landlord could legally operate in the managing their respective properties, and whilst LBN sough* [sic] *approval for their delegated powers from your office to grant and issue the new 5 year licence at a reasonable cost for prompt and responsible landlords (see attached letter from LBN dated 21 February 2023), LBWF have clearly gone the other way and proved that they are unfit and not a proper authority to be granted delegated powers from your office to run such a selective licence scheme in their Borough, and I now demand that your office fully investigate the poor and criminal*

conduct of LBWF and to name and shame them with immediate effect to cancel their legal delegated powers to operate the selective licence scheme within LBWF, as how can a rouge council team of officers eliminate the nuisance and anti-social behaviour within the borough when they are themselves operating like a legal mafia and gangsters robbing landlords out of millions of pounds.

I being a professional landlord and operating such licences in other London boroughs over the past 10 years, have never been prosecuted or found doing wrong at any level, I manage and run a healthy property portfolio within the East End of London, and to preserve my status and reputation I have reached out to yourself to seek justice and fairness, not just for myself but many other landlords that are being abused by LBWF, who might not be aware of the correct legal position and it is my duty to bring this matter out into the open and public domain, I look forward to your urgent consideration of the above abuse of public office powers, and if I do not hear from your self [sic] by the close of business by the 18 May 2023, than [sic] *I will have no other option but to instruct my legal team to apply to the High Court for in interim injunction order and we will bring this correspondence to the knowledge of the acting Judge, so that it could be demonstrated that I took every possible course of action before knocking at the doors of the High court.*

Once again I am deeply sorry to burden yourself with this matter, but I feel that it is totally wrong and that you are the correct legal entity who could deal with this corrupt and rotten section of the civil service, to protect individuals and members of the public who own properties within LBWF, and your urgent consideration and action would protect the interest of many individuals, who might be going through abuse and malice by a public authority, and they must be punished for their unlawful actions as mentioned above.

Looking forward to a prompt and conclusive response from yourself on this matter.

11. On the 20 October 2023, Mr Chaudhary sent an email to the same people but this time copying in the Agents and omitting Leicester Dominic, as follows:

Morning All,

I have promised all my managing agents that I will forward a copy of the letter that would be sent to LBWF in reply to their Notice of intention to impose a fine for not having the selective licences for my properties within the LBWF selected zones, as I believe the LA is at present illegally demanding monies by false pretence in demanding the said fee, and in my view this amounts to FRAUD! And being a public body they cannot behave as in this criminal like manner and behave like organised gangsters.

I understand that LBWF officers are now targeting all properties manged by your respective agencies, and properties that also do not have any affiliation with my companies, trust me we are getting it hard from LBWF officers at the moment, as they are now behaving like MAD DOGS and turning up randomly at my properties, they are also advising tenants to lodge false disrepair complaints, not to pay their rental obligations and also not to increase their rents which have been negotiated to cover the companies increased cost of loan repayments, the list goes on!!

As previously stated, I will cover all legal costs for my managing agents in these related properties, and if needed I have already instructed Shahzad's Solicitors to seek an Injunction from the High Court if the LA does not behave and operate within their legal framework and respect their own published Charter.

I have in the past reported this complaint to Suella Braverman, the current Secretary of State who is the responsible authority which grants the legal capacity to the LA in order to operate the selective landlord licence within their respective boroughs, and the grounds upon which the LA propose to the Secretary of State to achieve by running the said scheme, is a total sham and in fact it is more the contrary and the scheme is more harmful to the industry as it has deterred many small landlords to exit the market and causing a shortfall in rental accommodation within the areas where the scheme has been implemented. In my view the LA has other existing tools and powers to do the same job, but the LA has failed to reduce or deal with the nuisance and anti-social behaviour coming from the tenants!!

Finally, I hope that everyone would agree that the LA has levied this unnecessary cost of the Selective License, and on a more serious note the LA has consistently abused their legal powers granted to them by the Secretary of State, and in my opinion any future renewal applications submitted my LA's should consider the progress achieved in the previous term, and why the LA needs a further extension and how they could complete the job which they failed to do in the previous term, and from their the Secretary of State should consider and conclude whether the LA is fit and able to run the said scheme, just in the same manner in which us landlord's are considered as Fit and Able person to be granted the Land lord License.

I have copied all parties into this email, just to assure you all that I will stand and fight the corner, as I am fully satisfied that I am within my legal grounds to take this stance.

12. Mr Chaudhary's approach appears to have been adopted by new representatives, Shahzad's Solicitors, on Mr Chaudhary's instructions from 30 October 2023.

13. By December 2023, the Respondent began to issue Notices of Intent, and the first of the Final Notices imposing FPs with which we are concerned in this decision was given on 5 February 2024.

14. Mr Chaudhary told both Marlborough and Let's Move not to pay the FPs made against them, and that he would pay their penalties if the appeals were unsuccessful. He confirmed at the hearing before us that continued to be the case.

15. By a claim sealed on 15 March 2024, Mr Chaudhary pursued an application in the High Court for permission to bring a Judicial Review ('JR') of what he said was the Respondent's policy to require a fee of £700 for an application for a five-year licence, which he said the Respondent could not lawfully grant as the five years would "extend beyond the end of the approved designation".

16. The Respondent agreed it would not issue any further Final Notices until the JR permission application was decided. On 27 September 2024 the High Court refused permission and certified the application "totally without merit".

17. Despite frequent correspondence, explaining the Respondent's position, on Mr Chaudhary's own admission to us it was only after the Respondent stated it would be applying to obtain interim management orders in respect of the 33 properties involved in these appeals if licenses were not applied for, that he finally applied for licences for the properties concerned on 10 October 2024.

18. In his own words, he made those applications "under protest", his position continuing to be that it was unlawful for the Respondent to demand a £700 fee for a five year licence when the Second Scheme would expire on 30 April 2025. He considered that the threat of management orders was, in effect, blackmail to force him to do so.

19. Those applications were made around eighteen months after each of the properties with which we are concerned had become unlicensed (save for 764b Lea Bridge Road, which had never been licensed).

20. The Respondent continued to issue Final Notices after the JR permission application was refused and the applications for licences made. In those cases in which Notices of Intent and Final Notices were given after the applications for licences were made, this was considered a mitigating factor.

21. So far as the properties with which these test cases are concerned, the following are the dates and sums in question:

Property	**Party**	**Licence**	**Notice of Intent**	**Final Notice**
764b Leigh Bridge Road	Zas	None	11 December 2023 (£19,500)	5 February 2024 (£19,500)
	Let's Move	None	11 December 2023 (£19,500)	5 February 2024 (£19,500)
Flat 4, 266 – 268 High Road	Chaudhary	Applied: 14 June 2015 Granted: 11 April 2018	10 May 2024 (£19,500)	24 October 2024 (£19,500)

		Extended: 19 February 2020 Expired: 11 April 2023		
	Interface		10 May 2024 (£19,500)	24 October 2024 (£19,500)
	Marlborough		10 May 2024 (£19,500)	4 October 2024 (£19,500)
Flat 6, 479a High Road	Chaudhary	Applied: 15 June 2015 Granted: 9 March 2018 Extended: 12 February 2020 Expired: 9 March 2023	18 June 2024 (£19,500)	12 December 2024 (£19,500)
	Zas		18 June 2024 (£19,500)	12 December 2024 £19,500
Flat 7, 479a High Road	Chaudhary	Applied: 15 June 2015 Granted: 9 March 2018 Extended: 18 February 2020 Expired: 9 March 2023	19 June 2024 (£19,500)	7 January 2025 (£19,500)
	Zas		19 June 2024 (£19,500)	7 January 2025 (£19,500)
Flat C, 56 St Mary Road	Chaudhary	Applied: 15 June 2015 Granted: 8 March 2018 Extended: 26 February 2020	9 January 2025 (£15,600)	21 February 2025 (£15,600)

		Expired: 8 March 2023		
	Interface		9 January 2025 (£15,600)	21 February 2025 (£15,600)
	Let's Move		9 January 2025 (£15,600)	21 February 2025 (£15,600)
15 Exeter Road	Chaudhary	Applied: 15 June 2015 Granted: 8 March 2018 Extended: 19 February 2020 Expired: 8 March 2023	18 December 2024 (£15,600)	19 February 2025 (£15,600)
	Interface		18 December 2024 (£15,600)	19 February 2025 (£15,600)

22. After the appeals were brought and directions given for this hearing, on 6 May 2025 the Respondent reviewed the FPs against Mr Chaudhary, the Companies and Let's Move and issued revised FPs as permitted by paragraph 9(1) of Schedule 13A to the Act. So far as relevant to the test appeals, the penalties were reduced, either from £19,500 to £15,600, or from £15,600 to £11,700 depending on the starting point. No reduction was given for Marlborough (and no argument was made that one should have been given).

23. The contents of the notification letter in each case were as follows:

> *Please find enclosed Notices of the Council's decision to reduce the amount of the financial penalties imposed on you in respect of the addresses detailed below. This covering letter should be read in conjunction with the attached Notices of reduction in the amount of the financial penalty…*
>
> *While the Authority remains of the view that it was right that multiple individual penalties should be imposed, reflecting the multiple evidenced licensing offense, it did consider that the overall quantum of the penalties imposed on you ought to be reduced to take account of Totality. In this regard, and whilst not expressly stated in the enforcement policies in place at the time it was decided to impose the penalties on you, the Authority does consider Totality when determining the level of the multiple penalties imposed in respect of offences committed at or around*

the same time and/or in situations in which penalties have been imposed on both a company that has committed an offence and one or more of its shareholding directors…

24. The FPs imposed on Mr Chaudhary, the Companies and Let's Move were all reduced by 20% "to account for the Authority's consideration of Totality". 20% was said to be the maximum reduction available under the policy, as represented in the letter as follows:

Number of penalties payable	**Reduction of penalty under Totality (%)**
Less than 4	0
4 or 5	5
6 or 7	10
8 or 9	15
10 or more	20

25. Each of them was also offered the opportunity to further reduce the sum imposed by an additional 20%, on the basis of payment of the penalties within 28 days (and withdrawal of the appeals), as would have been available had the reduced penalties been the first imposed. The early payment option was not exercised by Mr Chaudhary on his own or the Companies' behalf, nor by Let's Move.

Relevant Law

26. Section 79 – 94 of the Act set out the general principles applicable to licensing of Part 3 houses by selective licensing designations. Of particular relevance to these appeals are the following sections:

84 Duration, review and revocation of designations

(1) Unless previously revoked under subsection (4), a designation ceases to have effect at the time that is specified for this purpose in the designation.

(2) That time must be no later than five years after the date on which the designation comes into force.

(3) A local housing authority must from time to time review the operation of any designation made by them.

(4) If following a review they consider it appropriate to do so, the authority may revoke the designation.

(5) If they do revoke the designation, the designation ceases to have effect on the date that is specified by the authority for this purpose.

(6) On revoking a designation, the authority must publish notice of the revocation in such manner as is prescribed by regulations made by the appropriate national authority.

85 Requirement for Part 3 houses to be licensed

(1) Every Part 3 house must be licensed under this Part unless—

(a) it is an HMO to which Part 2 applies (see section 55(2)), or

(b) a temporary exemption notice is in force in relation to it under section 86, or

(c) a management order is in force in relation to it under Chapter 1 or 2 of Part 4.

(2) A licence under this Part is a licence authorising occupation of the house concerned under one or more tenancies or licences within section 79(2)(b).

(3) Sections 87 to 90 deal with applications for licences, the granting or refusal of licences and the imposition of licence conditions.

(4) The local housing authority must take all reasonable steps to secure that applications for licences are made to them in respect of houses in their area which are required to be licensed under this Part but are not so licensed.

(5) In this Part, unless the context otherwise requires—

(a) references to a Part 3 house are to a house to which this Part applies (see section 79(2)),

(b) references to a licence are to a licence under this Part,

(c) references to a licence holder are to be read accordingly, and

(d) references to a house being (or not being) licensed under this Part are to its being (or not being) a house in respect of which a licence is in force under this Part.

...

87 Applications for licences

(1) An application for a licence must be made to the local housing authority.

(2) The application must be made in accordance with such requirements as the authority may specify.

(3) The authority may, in particular, require the application to be accompanied by a fee fixed by the authority.

(4) The power of the authority to specify requirements under this section is subject to any regulations made under subsection (5).

(5) The appropriate national authority may by regulations make provision about the making of applications under this section.

(6) Such regulations may, in particular—

(a) specify the manner and form in which applications are to be made;

(b) require the applicant to give copies of the application, or information about it, to particular persons;

(c) specify the information which is to be supplied in connection with applications;

(d) specify the maximum fees which may be charged (whether by specifying amounts or methods for calculating amounts);

(e) specify cases in which no fees are to be charged or fees are to be refunded.

(7) When fixing fees under this section, the local housing authority may (subject to any regulations made under subsection (5)) take into account—

(a) all costs incurred by the authority in carrying out their functions under this Part, and

(b) all costs incurred by them in carrying out their functions under Chapter 1 of Part 4 in relation to Part 3 houses (so far as they are not recoverable under or by virtue of any provision of that Chapter).

...

91 Licences: general requirements and duration

(1) A licence may not relate to more than one Part 3 house.

(2) A licence may be granted before the time when it is required by virtue of this Part but, if so, the licence cannot come into force until that time.

(3) A licence—

(a) comes into force at the time that is specified in or determined under the licence for this purpose, and

(b) unless previously terminated by subsection (7) or revoked under section 93 or 93A, continues in force for the period that is so specified or determined.

(4) That period must not end more than 5 years after—

(a) the date on which the licence was granted, or

(b) if the licence was granted as mentioned in subsection (2), the date when the licence comes into force.

(5) Subsection (3)(b) applies even if, at any time during that period, the house concerned subsequently ceases to be a Part 3 house or becomes an HMO to which Part 2 applies (see section 55(2))…

27. Section 95 provides that a person commits a criminal offence, punishable on summary conviction by an unlimited fine, if he operates (because he has control or management of) a house required to be licensed under Part 3 but which is not so licensed.

28. Section 95(4) provides that it is a defence to the offence that a person has a "reasonable excuse" for having control or management of a house required to be licensed that is not so licensed.

29. By section 249A of the Act, a local authority is empowered to impose an FP on a person who has committed the section 95(1) offence, subject to the following limitations:

(3) Only one financial penalty under this section may be imposed on a person in respect of the same conduct.

(4) The amount of a financial penalty imposed under this section is to be determined by the local housing authority, but must not be more than £30,000.

(5) The local housing authority may not impose a financial penalty in respect of any conduct amounting to a relevant housing offence if—

(a) the person has been convicted of the offence in respect of that conduct, or

(b) criminal proceedings for the offence have been instituted against the person in respect of the conduct and the proceedings have not been concluded.

(6) Schedule 13A deals with—

(a) the procedure for imposing financial penalties,

(b) appeals against financial penalties,

(c) enforcement of financial penalties, and

(d) guidance in respect of financial penalties.

(7) The Secretary of State may by regulations make provision about how local housing authorities are to deal with financial penalties recovered.

(8) The Secretary of State may by regulations amend the amount specified in subsection (4) to reflect changes in the value of money.

(9) For the purposes of this section a person's conduct includes a failure to act.

30. Section 251 of the Act provides that a director of a company is liable personally where the company's conduct has been committed with his "consent, connivance or neglect".

31. Section 263 sets out the meaning of "control or management":

263 Meaning of "person having control" and "person managing" etc.

(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—

...

(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.

(4) In its application to Part 1, subsection (3) has effect with the omission of paragraph (a)(ii).

(5) References in this Act to any person involved in the management of a house in multiple occupation or a house to which Part 3 applies (see section 79(2)) include references to the person managing it.

32. Finally, Schedule 13A to the Act sets out the following process (so far as relevant) for an appeal against an FP:

FINANCIAL PENALTIES UNDER SECTION 249A

Notice of intent

1. Before imposing a financial penalty on a person under section 249A the local housing authority must give the person notice of the authority's proposal to do so (a "notice of intent").

2. (1) The notice of intent must be given before the end of the period of 6 months beginning with the first day on which the authority has sufficient evidence of the conduct to which the financial penalty relates.

(2) But if the person is continuing to engage in the conduct on that day, and the conduct continues beyond the end of that day, the notice of intent may be given—

(a) at any time when the conduct is continuing, or

(b) within the period of 6 months beginning with the last day on which the conduct occurs.

(3) For the purposes of this paragraph a person's conduct includes a failure to act.

3. The notice of intent must set out—

(a) the amount of the proposed financial penalty,

(b) the reasons for proposing to impose the financial penalty, and

(c) information about the right to make representations under paragraph 4.

Right to make representations

4. (1) A person who is given a notice of intent may make written representations to the local housing authority about the proposal to impose a financial penalty.

(2) Any representations must be made within the period of 28 days beginning with the day after that on which the notice was given ("the period for representations").

Final notice

5. After the end of the period for representations the local housing authority must—

(a) decide whether to impose a financial penalty on the person, and

(b) if it decides to impose a financial penalty, decide the amount of the penalty.

6. If the authority decides to impose a financial penalty on the person, it must give the person a notice (a "final notice") imposing that penalty.

7. The final notice must require the penalty to be paid within the period of 28 days beginning with the day after that on which the notice was given.

8. The final notice must set out—

(a) the amount of the financial penalty,

(b) the reasons for imposing the penalty,

(c) information about how to pay the penalty,

(d) the period for payment of the penalty,

(e) information about rights of appeal, and

(f) the consequences of failure to comply with the notice.

Withdrawal or amendment of notice

9. (1) A local housing authority may at any time—

(a) withdraw a notice of intent or final notice, or

(b) reduce the amount specified in a notice of intent or final notice.

(2) The power in sub-paragraph (1) is to be exercised by giving notice in writing to the person to whom the notice was given.

Appeals

10. (1) A person to whom a final notice is given may appeal to the First-tier Tribunal against—

(a) the decision to impose the penalty, or

(b) the amount of the penalty.

(2) If a person appeals under this paragraph, the final notice is suspended until the appeal is finally determined or withdrawn.

(3) An appeal under this paragraph—

(a) is to be a re-hearing of the local housing authority's decision,

but

(b) may be determined having regard to matters of which the authority was unaware.

(4) On an appeal under this paragraph the First-tier Tribunal may confirm, vary or cancel the final notice.

(5) The final notice may not be varied under sub-paragraph (4) so as to make it impose a financial penalty of more than the local housing authority could have imposed.

...

Guidance

12. A local housing authority must have regard to any guidance given by the Secretary of State about the exercise of its functions under this Schedule or section 249A.

33. In *Sutton v Norwich City Council* [2020] UKUT 90 (LC), in a decision upheld by the Court of Appeal ([2021] EWCA Civ 20), Deputy President of the Upper Tribunal (Lands Chamber), Martin Rodger KC and Mr Peter D McCrea (FRICS) considered an appeal in respect of various matters, and found:

(i) that the burden of proving a reasonable excuse falls on the party asserting it, to the civil standard (paragraph 215);

(ii) no separate defence of reasonable excuse is available to a director who has been penalised for the same offence, unless he can establish that the offence was not committed with his consent or connivance (paragraph 213);

(iii) any reasonable excuse relied on must be founded on an "honest belief", and that the grounds for holding that belief must also be reasonable (paragraph 216);

(iv) An appeal against an FP is a rehearing, in respect of which the Tribunal must make its own determination of the appropriate penalty to be imposed (paragraph 236);

(v) When considering the question of 'double punishment' for a company and its director, the correct approach was to ascertain the appropriate penalties merited by the offences, then "the level that corporate and personal defendants could reasonably be expected to meet" (paragraph 249). "A corporate or individual appellant who wishes the Tribunal to have regard to their own financial standing when considering the appropriate financial penalty to impose,

should provide up-to-date evidence of their assets and liabilities." (paragraph 256).

34. In *Palmview Estates Limited v Thurrock Council* [2021] EWCA Civ 1871, giving the judgment of the Court, Lady Justice Asplin identified that the reasonable excuse defence is seated in the offence – i.e. having control or management of an unlicensed residential property requiring to be licensed – and not in whether or not a person has applied for a licence. The reasonable excuse must relate to the commission of the offence, of which applying for a licence is part of the factual matrix (paragraphs 32 – 40).

35. In *Aytan v Moore* [2022] UKUT 27 (LC), Judge Elizabeth Cooke and Judge Siobhan McGrath considered an appeal in the question of reasonable excuse (in the context of a rent repayment order sought by the former tenants of an unlicensed residential property). In considering whether a landlord's reliance on a letting agent to obtain ensure that the property was licensed provided it with a reasonable excuse, the UT found as follows:

> *…a landlord's reliance on an agent*['s knowledge of a licensing regime] *will rarely give rise to a defence of reasonable excuse. At the very least the landlord would need to show that there was a contractual obligation on the part of the agent to keep the landlord informed of licensing requirements; there would need to be evidence that the landlord had good reason to rely on the competence and experience of the agent; and in addition there would generally be a need to show that there was a reason why the landlord could not inform himself of the licensing requirements without relying upon an agent, for example because the landlord lived abroad.*

36. In *Gill v Greenwich Royal London Borough Council* [2022] UKUT 26 (LC), Judge Rodger KC considered the question of penalties imposed on joint landlords. In finding each of the two landlords were persons having control of the property concerned, each was liable to a separate FP, he was caused to note, at the end of his decision the importance of considering the actions, responsibilities and circumstances of each landlord separately in order to fix the amount of each FP.

37. In *Welwyn Hatfield Borough Council v Wang* [2024] UKUT 24 (LC), Judge Rodger KC held that the question to be asked, when it is asserted that a notice of intent is invalid, is whether it provides the recipient with sufficient information to answer the charge against them. The recipient's knowledge and previously provided documents might, in an appropriate case, provide sufficient information to cure a want of detail in the notice itself.

38. In *R v Wicks* [1998] AC 92 (HL), their Lordships were seized with an appeal regarding the validity of an enforcement notice given under the Town and Country Planning Acts 1971 and 1990. In determining that it was open to a Defendant in criminal proceedings to pursue public law grounds of invalidity of the notice before the criminal court, their Lordships concluded thus (per Lord Hoffman):

> *I do not think that in practice hardship will be caused by requiring the residual grounds to be raised in judicial review proceedings. The statutory grounds of appeal are so wide that they include every aspect of*

the merits of the decision to serve an enforcement notice. The residual grounds will in practice be needed only for the rare case in which enforcement is objectively justifiable but the decision that service of the notice is "expedient" (section 172(1)(b)) is vitiated by some impropriety. As Keene J. said in the Court of Appeal, the owner has been served with the notice and knows that he has to challenge it or comply with it. His position is quite different from that of a person who has contravened a byelaw, who may not have heard of the byelaw until he contravened it.

All these reasons lead me to conclude that "enforcement notice" in section 179(1) means a notice issued by a planning authority which on its face complies with the requirements of the Act and has not been quashed on appeal or by judicial review. There was no dispute that Mr. Wicks had failed to comply with such an enforcement notice and he was therefore guilty of the offence. The matters which he proposed to raise at his trial were irrelevant.

The Court of Appeal certified the following points as being of general public importance:

> *"(1) Is a defendant, who is prosecuted for an offence contrary to section 179(1) of the Town and Country Planning Act 1990, entitled as a matter of right to put forward in such proceedings the defence that the enforcement notice relied upon by the prosecution is invalid on the grounds that the decision to issue it was ultra vires? (2) If a defendant is not permitted to raise such a defence as of right in criminal proceedings and can only challenge the validity of such notice on such grounds in proceedings for judicial review, are there any exceptions to such a rule, such as where it is contended by the defendant that the invalidity arises as a result of mala fides on the part of the authority issuing the enforcement notice? (3) If it is open to a defendant to raise such a defence in criminal proceedings on indictment, is the validity of the enforcement notice to be determined by the judge as a matter of law, having heard evidence in the absence of the jury, or is the jury to decide relevant issues of fact in the light of a direction as to the law by the judge, the burden being on the defendant to prove such invalidity on the balance of probabilities?"*

I would answer them (1) No; (2) No: (3) Does not arise; and dismiss the appeal.

39. To this, Mr Nelson submitted an exception applies, derived from *O'Reilly v Mackman* [1983] 2 AC 273 (HL). We assume the passage to which he is referring is at the bottom of this part of the judgment (per Lord Diplock):

The position of applicants for judicial review has been drastically ameliorated by the new Order 53. It has removed all those disadvantages, particularly in relation to discovery, that were manifestly unfair to them and had, in many cases, made applications for prerogative orders an inadequate remedy if justice was to be done. This

it was that justified the courts in not treating as an abuse of their powers resort to an alternative procedure by way of action for a declaration or injunction (not then obtainable on an application under Order 53), despite the fact that this procedure had the effect of depriving the defendants of the protection to statutory tribunals and public authorities for which for public policy reasons Order 53 provided.

Now that those disadvantages to applicants have been removed and all remedies for infringements of rights protected by public law can be obtained upon an application for judicial review, as can also remedies for infringements of rights under private law if such infringements should also be involved, it would in my view as a general rule be contrary to public policy, and as such an abuse of the process of the court, to permit a person seeking to establish that a decision of a public authority infringed rights to which he was entitled to protection under public law to proceed by way of an ordinary action and by this means to evade the provisions of Order 53 for the protection of such authorities.

*My Lords, I have described this as a general rule; for though it may normally be appropriate to apply it by the summary process of striking out the action, there may be exceptions, particularly where the invalidity of the decision arises as a collateral issue in a claim for infringement of a right of the plaintiff arising under private law, or where none of the parties objects to the adoption of the procedure by writ or originating summons. Whether there should be other exceptions should, in my view, at this stage in the development of procedural public law, be left to be decided on a case to case basis—a process that your Lordships will be continuing in the next case in which judgment is to be delivered today [*Cocks v. Thanet District Council *[1983] 2 A.C. 286].*

In the instant cases where the only relief sought is a declaration of nullity of the decisions of a statutory tribunal, the Board of Visitors of Hull Prison, as in any other case in which a similar declaration of nullity in public law is the only relief claimed, I have no hesitation, in agreement with the Court of Appeal, in holding that to allow the actions to proceed would be an abuse of the process of the court. They are blatant attempts to avoid the protections for the defendants for which Order 53 provides.

40. In *City of Bradford Metropolitan Council v Kazi* [2024] EWCA Civ 1037, one of the grounds of appeal was that the Upper Tribunal (Judge Cooke) had wrongly determined the local authority's FP policy to be 'irrational' (in the public law sense). Finding that factually the policy had not fettered the local authority's discretion in the way described by the Judge, the Court did not resolve the public law ground, commenting only as follows (paragraph 47, Birss LJ):

That is sufficient to dispose of the appeal to this court. It is not necessary to examine the first ground of appeal. The issue, which the judge clearly recognised at [11] to [13], involves examining the relationship between two principles. The first is the principle identified in Judge Cooke's own decision in Marshall v Waltham Forest *(aspects of which were approved in passing by the Court of Appeal in* Sutton v Norwich City Council *[2021] EWCA Civ 20 and in* Waltham Forest LBC v Hussain *[2024] KB 154, CA),*

which I will characterise briefly as the FTT not being the place to challenge a local authority's policy on penalties. Instead such a challenge should be brought in the Administrative Court. The second is the principle of administrative law that a public body may not adopt a policy which fetters its own discretion (the judge cited R v Port of London Authority ex p Kynoch *[1919]1 KB 176 but see also* British Oxygen Co Ltd v Minister of Technology *[1971] AC 610) such that on an appeal of this kind the FTT would be likely to depart from a policy if the policy had that effect. I prefer to leave any further consideration of that issue, while legally interesting, to a case in which it matters.*

41. In *Waltham Forest London Borough Council v Hussain & Ors* [2022] EWCA Civ 733, the Court of Appeal considered an appeal from Mr Justice Fancourt's (the then President of the UT) decision upholding an appeal from the Tribunal. Lady Justice Andrews delivered the decision of the Court in which the Tribunal's discretion was clarified, to confirm that the decision to be taken is a fresh decision on the basis of the evidence in existence to the date the decision was made (whether it was known to the Local Authority or not). However, the Tribunal may in the performance of its task take into account evidence that did not exist at the time of the Local Authority's decision if it tends to demonstrate that decision was right (or wrong) at the time it was made:

69. … the test for determining what matters the FTT can take into account under the proviso must be one of relevance to the task it is performing. Evidence that an applicant may now be a fit and proper person, for reasons that the authority could not have taken into consideration, has no bearing on the answer to the question whether the authority was wrong to conclude that they were not a fit and proper person in November 2018, unless it can legitimately shed light on the applicant's character at that time.

70. It is not impossible to conceive of scenarios in which matters arising after the decision might be relevant in that sense, though they may rarely arise. For example, suppose the authority has decided that someone is not a fit and proper person to be a licensee, and after the decision is made, that person is convicted of an offence of dishonesty committed before the decision was made. The conviction might serve to endorse the view formed by the authority about that person's fitness and propriety at the time when the licensing decision was taken, even though it could not have been part of the material that was considered at that time.

71. It would probably be more difficult to argue that the licence holder's bad behaviour after the decision to grant a licence was taken could be taken into account by the FTT on an appeal against the grant of the licence. Although much depends on the facts and circumstances of the individual case, it seems unlikely that such behaviour would be relevant to the question whether they were a fit and proper person at the time when the decision was taken, however relevant it might be to the question whether they are a fit and proper person to continue holding a licence. In those circumstances, the authority would probably have to go through the statutory procedure for revoking the licence.

42. In *Marshall v Waltham Forest LBC* [2020] UKUT 35 (LC), Judge Cooke undertook the following analysis in determining that the Tribunal (i) is not the place to challenge policy, and (ii) should start from the decision-maker's policy where relevant, and (iii) should afford great respect to the decision-maker's decision, when coming to its own decision:

> *i) the approach to policy*
>
> *…*
>
> *53. I pause to note that the equally the FTT is not the place to challenge the policy about financial penalties, nor was there any challenge to the content of the policy in either of the present appeals. Reverting to the words quoted above, I observe that the words "must accept the policy and apply it" do not mean that the court cannot depart from the policy. It is worth reiterating the words used in* [R v Chester Crown Court, ex p] Pascoe and Jones [*(1987) 151 JP 752, QB*]*, which Scott Baker quoted at his paragraph 23: the court "should normally speaking adopt the same general policy as the licensing justices" (my emphasis). Most importantly, the claim for judicial review in* Chorion *failed. There was no declaration that the policy was to be construed as a presumption, and the Crown Court's decision was upheld.*
>
> *54. These three cases, taken together with* Sagnata*, establish a consistent approach which is supportive of the policy under consideration. The court can and should depart from the policy that lies behind an administrative decision, but only in certain circumstances. The court is to start from the policy, and it must give proper consideration to arguments that it should depart from it. It is the appellant who has the burden of persuading it to do so. In considering reasons for doing so, it must look at the objectives of the policy and ask itself whether those objectives will be met if the policy is not followed. Thus far I am in agreement with the principles that Mr Underwood seeks to draw from the above cases.*
>
> *55. Nothing in these cases, or in the present appeals, detracts from the court's or a tribunal's ability to set aside a decision that was inconsistent with the decision-maker's own policy. Nor have the above cases said anything to cast doubt upon the ability of a court or tribunal on appeal to substitute its own decision for the appealed decision but without departing from the policy. Again, that was not in issue either in these cases or in the present appeals. It goes without saying that if a court or tribunal on appeal finds, for example, that there were mitigating or aggravating circumstances of which the original decision-maker was unaware, or which of which it took insufficient account, it can substitute its own decision on that basis. What the above cases contribute to the present appeals is the approach to be taken when the court or tribunal is minded to make a decision that is not compliant with the policy, which is what the FTT did in both the present appeals.*
>
> *(ii) the weight to be accorded to the decision of an elected authority*
>
> *56. In starting from the policy, and considering the appellant's arguments and the rationale for the policy as discussed above, what*

weight should be given to the decision that the local authority in fact took? Mr Underwood referred me to a trio of cases on this point.

57. In Stepney Borough Council v Joffe *[1949] 1 KB 599 a magistrate had heard, and allowed, appeals under section 25(1) of the London County Council (General Powers) Act 1947 by three street traders whose licences had been revoked by the local authority because they had 13 been convicted of offences. Before the Divisional Court it was argued that the magistrate had been wrong to substitute his own opinion for that of the borough council. Lord Goddard CJ at 602 rejected the argument that the appeal was purely on a question of law, so that the magistrate could only decide whether there was any evidence on the basis of which the council could have made its decision:*

> *"It seems to me that section 25, sub-s. 1, gives an unrestricted right of appeal, and … it is for the court of appeal to substitute its own opinion for the opinion of the borough council. That does not mean to say that the court of appeal, in this case the metropolitan magistrate, ought not to pay great attention to the fact that the duly constituted and elected local authority have come to an opinion on the matter, and it ought not lightly to reverse their opinion. It is constantly said (although I am not sure that it is always sufficiently remembered) that the function of a court of appeal is to exercise its powers when it is satisfied that the judgment below was wrong, not merely because it is not satisfied that the judgment was right."*

58. The next of Mr Underwood's trio is Sagnata*, which I have discussed above at paragraph [45], where Lord Denning made the same point, that the local authority is an elected body and that its decisions deserve respect for that reason. The Court of Appeal in* Sagnata *was of one mind on the respect to be afforded to the local authority's decision, although as we have seen that led Lord Denning to a different conclusion from that of his brethren.*

59. In Sagnata *the same question arose as in Joffe, as to the nature of the appeal. Was the recorder in* Sagnata *supposed to conduct a re-hearing* de novo*, that is, a fresh start where he heard the evidence and answered the question on a clean slate, or was he to depart from the local authority's decision only if it was wrong? Edmund Davies LJ at p.633 E and F explained that there was a half-way house between the two. At 635 E he noted that the court in* Joffe*, discussed above, rejected the contention that the courts "are bound by the decision of the local authority and their reasons unless it can be shown that they were wrong". This was a complete re-hearing; but the court was to give considerable weight to the local authority's decision. Edmund Davies LJ then quoted the words that I quoted above at paragraph 57.*

60. So there is a puzzle here, which Mr Underwood did not explore. The words quoted above say that the court will depart from the decision when it is satisfied that it was wrong. But Edmund Davies LJ said that the court in Joffe *expressly rejected the idea that the courts are bound by the decision unless it was wrong.*

61. The answer to the conundrum is that the idea "unless it is wrong" is being used in two different senses. Both in Joffe *and in* Sagnata *the court rejected the idea that the lower court was exercising a narrow jurisdiction and could assess only whether the original decision was one that could have been reached on the evidence. The idea that the original decision stands "unless it was wrong", that is, wrong in law, is expressly rejected. In both cases the court stressed that this was a re-hearing and not (to use a modern term) a review. But in both cases – in* Joffe *in the words I quoted at paragraph 57 and in* Sagnata *by reference to those quoted words - the court stressed that the original decision caries a lot of weight; and it is in this sense that it is true that the courts will not vary it unless it is wrong. Here "wrong" means a decision with which the court disagrees; the court can vary that decision where it disagrees with it, despite having given it that special weight.*

62. That is why I do not accept without qualification the proposition that Mr Underwood seeks to derive from this group of cases, which is that the court – or the FTT as Mr Underwood says – must not allow the appeal or vary the local authority's decision unless it is satisfied that it is wrong. The authorities we have looked at so far do use those words, but they make it very clear that the court uses its own judgment. It is not simply carrying out a review; the court is to afford considerable weight to the local authority's decision but may vary it if it disagrees with the local authority's conclusion. Mr Underwood did not suggest that the FTT is only to carry out a review. But to understand the cases properly it is important to appreciate the two different ways in which the word "wrong" is used. For that reason I think that it is potentially confusing to elevate, as Mr Underwood seeks to do, the idea that a court "should not depart from the decision unless satisfied that it is wrong" to the status of a separate proposition of law; it adds nothing to the fact that the court (and of course, as we shall see, a tribunal) is carrying out a rehearing not a review, but is starting from the decision-maker's policy where relevant and is affording great respect to its decision.

Guidance and Policies

43. The MHCLG Guidance states that a local housing authority is expected to develop and document its own policy on when to prosecute and when to issue a financial penalty for housing offences, and should decide which option to pursue on a case-by-case basis. It also provides that a local housing authority should develop and document its own policy on determining the appropriate level of penalty in a particular case.

44. It goes on to state:

"Generally, we would expect the maximum amount to be reserved for the very worst offenders. The actual amount levied in any particular case should reflect the severity of the offence as well as taking account of the landlord's previous record of offending."

45. The following list of factors are identified in the MHCLG Guidance as those to which a local housing authority must have regard to ensure that financial penalties are set at an appropriate level (though the list is not exclusive):

a. The severity of the offence.

b. Culpability and track record of the offender.

c. The harm caused to the tenant.

d. Punishment of the offender.

e. Deterrence of the offender from repeating the offence.

f. Deterrence of others from committing similar offences.

g. Removal of any financial benefit the offender may have obtained as a result of committing the offence.

46. Over the course of the imposition of the FPs, the applicable policy (the Standard Operating Procedure Housing and Licensing Enforcement Policy ('the Respondent's Policy')) was in its versions 8, 9 and 10. In each version, the Respondent's matrix is the same:

Severity	**Band**	**Range (£)**
Moderate	1	0 – 5,000
	2	5,000 – 10,000
Serious	3	10,000 – 15,000
	4	15,000 – 20,000
Severe	5	20,000 – 25,000
	6	25,000 – 30,000

47. Officers applying the policy are given the following guidance:

> "*The Council would view the offence of failing to ensure that a rented home was licensed under its Selective Licensing Scheme as a significant issue, meaning that the tenants and the wider community are not protected by the additional regulatory controls afforded by licensing.*
>
> *Under the Council's policy the civil penalty for a landlord controlling five or fewer dwellings, with no other relevant factors or aggravating features [see below] would be regarded as a* ***moderate*** *band 2 offence attracting a civil penalty of at least £7500 in respect of failure to obtain the necessary Selective Licence under Part 3 Housing Act 2004.*
>
> *Where a landlord or agent is owning/controlling a significant property portfolio, being three or more HMOs and/or six or more dwellings, and/or has demonstrated experience in the letting/management of property (irrespective of the size of the portfolio), the failure to obtain the necessary Selective Licence would*

*be viewed as being a **serious** matter attracting a civil penalty of £17,500 or above [a band 4 offence].*

Aggravating features/factors specific to non-licensing offences

- *The condition of the unlicensed property…*
- *Any demonstrated evidence that the landlord/agent was familiar with the need to obtain a property licence e.g. the fact that they were a named licence holder or manager in respect of already licensed premises.*

Generic aggravating features/factors

[Found in the section on Improvement Notices]

- *A previous history of non-compliance..*
- *Available information about the financial means of the offender* [not restricted to rental income]…"

48. In terms of mitigating factors, the Respondent's policy sets out the following:

"*The indicative minimum tariff will normally be reduced by up to, but not exceeding, £5000 if one or more mitigating factors is/are identified. For the avoidance of doubt, the presence of one or more mitigating factors will not of itself amount to exceptional circumstances so that the penalty may not thereby fall below the band width. The Council has not provided a list of mitigating factors in this policy because it acknowledges that there are myriad possible circumstances that might, at the officer's discretion, give rise to mitigation. The Council may, exceptionally, including for the reasons given above, increase the penalty above the band maximum or, again exceptionally, decrease it beyond the minimum "tariff". In order to meet the objectives of this policy and of financial penalties in particular, however, including the need for transparency and consistency in the use of such penalties, the Council will exercise its discretion to increase or decrease penalties beyond band limits in exceptional circumstances only [excluding any **Discounts** as set out below]…*"

49. The Respondent's Policy provides that it will consider whether exceptional circumstances exist on a case by case basis, on the basis of any information with which it is provided.

50. The Respondent's Policy' sets out the process as follows:

"*In deciding which level of penalty to impose, officers will conduct the following four stage process. First, they will consider which band within the offence (and offender) initially falls, giving the presumptive band width. Second, any aggravating and/or mitigating factors are considered, which may have the effect of increasing or decreasing the penalty <u>within</u> the relevant band. Third, if there are any exceptional*

circumstances, the penalty may be increased or decreased beyond the relevant band width. Fourth, if any ***Discounts****, as set out below, apply, the penalty will be decreased, which may result in the penalty falling below the relevant band.*

51. The Respondent's Policy versions 8, 9 and 10 did not specifically refer to double punishment/totality. It was Mr Beach's evidence that it was nevertheless considered within the policy even if not specifically identified.

52. Shortly before the Respondent's reduction of the FP sums on 6 May 2025, the Respondent adopted Policy version 11 (16 April 2025), which states the following about totality:

> ***Totality***
>
> *In deciding what level of penalty to impose, the Council will also consider Totality where it considers it appropriate and proportionate to do so. In such circumstances Totality will arise at the fourth stage of the process outlined above alongside the consideration as to whether the policy discounts apply.*
>
> *For cases where the Council has determined, having considered Totality, that the level of penalty should be reduced, a reduction of up to 20% may be applied to the original calculated financial penalty. The level of the reduction offered will in each case depend on case specific factors and circumstances. In some cases, the offered reduction will be offered subject to specified conditions.*
>
> *Any reduction against the level of financial penalty offered under Totality would be in addition to any discount that the offender was entitled to as set out under the 'Discounts' heading of this policy.*
>
> *The Council will consider Totality in the following circumstances:*
>
> 1. *Where a person has committed more than one offence at or around the same time and the Council intends, correspondingly, to impose more than one financial penalty; and/or*
>
> 2. *Where the offence is committed by a body corporate and the Council intends to impose a separate financial penalty on both the company and one or more company directors who are also shareholders in the company, pursuant to s.251 Housing Act 2004.*
>
> *In considering Totality, the overriding policy objective is to reflect all of the offending behaviour (with reference to overall harm and culpability, together with any aggravating and mitigating factors relating to the offences and those personal to the offender) to determine the level of a financial penalty that is (or penalties that are) appropriate in the circumstances.*
>
> *In applying this element of the enforcement policy:*

a) There is no automatic right to a reduction under Totality. For example, where the offender is a portfolio landlord or large property agent that has committed multiple offences resulting in multiple financial penalties, the Council may decide that no Totality reduction should be offered given the nature and scale of the offending. In this regard, it should be noted that in relation to the offences for which a local authority has the power to impose a financial penalty of up to £30,000 as an alternative to a criminal prosecution, the Magistrates' Court has the power to impose an unlimited fine for these same offences.

b) In cases where the Council has determined to impose financial penalties in respect of the same offence (including for example on a company and one or more of its directors), it may decide to offer a reduction under Totality to one person (or persons) and not the other(s) or to offer different levels of reduction to each person based upon the circumstances of the case.

c) The Council may make the offer of any reduction(s) under Totality conditional. For example, in the event that the Council has decided to impose multiple financial penalties against a person and, having considered the circumstances of the case, has determined to offer a reduction under Totality for each or any of the penalties, the reduction may be conditional on the person paying each of those penalties by a given date. In the event that fewer penalties were subsequently paid, the offered reduction would normally be withdrawn or reduced in value. Similarly, in the case of a reduction offered under Totality in relation to the situation described in b) above, the reduction would normally be withdrawn or reduced in value should it later be determined that the other party (or parties) should not pay a penalty or should pay a lesser penalty than originally imposed.

d) In cases where more than one element of the Authority's Totality policy is engaged (for example, where the Authority intends to impose multiple penalties on a person and, in respect of the same offences, on a company for which the person is a share-holding director), the single or combined reduction in the level of a penalty or penalties will not in any case exceed 20% of the original calculated penalty.

Where the Council has considered Totality in respect of 1) above and determined that the level of each penalty should be reduced, the following rates will normally be applied:

Numbers of financial penalties	*Reduction in amount of each penalty (against original calculated penalty - %)*
Less than 4	*zero*
4 or 5	*5*
6 or 7	*10*

8 or 9	*15*
10+	*20*

53. In ordinary circumstances, it is the Respondent's policy to grant a five-year licence term:

> "*In the event that there are no contra-indications [in relation to person or property], the Council will normally grant a licence that has a "full-term" duration of up to five years…*"

Grounds of the appeals

54. The pleaded grounds of appeal were as follows:

(i) In Mr Chaudhary's appeals, it was asserted that the Companies and/or Letting Agents were in control/management of the properties and therefore bound to apply for the licence, and any FP is therefore wrongly imposed on Mr Chaudhary;

(ii) For the Companies' appeals, it was asserted that Mr Chaudhary was obliged to obtain/maintain the relevant licence, so that the Companies were not in management/control and had a complete defence alternatively reasonable excuse for their respective failures to comply with the statutory requirements;

(iii) In the Letting Agents' appeals, it was said that there was an express term in the management agreement requiring Mr Chaudhary, Zas or Interface to obtain/maintain the necessary licence, so that the Letting Agents were not in management/control and had a complete defence alternatively reasonable excuse for their respective failures to comply with the statutory requirements;

(iv) In circumstances in which Mr Chaudhary/the Companies/the Letting Agents were found to be in management/control and so to have been required to obtain/maintain the relevant licence, each or all had a reasonable excuse. In the particular context that the statutory scheme was due to terminate on 30 April 2025, the Respondent's requirement that the Applicant(s) must:

(a) Apply for a licence for a five year period; and/or

(b) Pay £700 for the licence regardless of the period for which the licence is granted

was unlawful as a matter of construction of the statutory scheme.

(v) For FPs imposed after 11 October 2024, in circumstances in which:

(a) On 24 March 2024 the Respondent agreed to await the outcome of Mr Chaudhary's application for permission for judicial review

before deciding whether to issue any FPs in those cases in which they had not yet been given,

(b) that the permission to bring a Judicial Review application was refused by decision of Mr Justice Bright on 27 September 2025 and certified totally without merit, and

(c) Mr Chaudhary applied for licences on 10 October 2024,

the Respondent was wrong to impose any FPs.

(vi) The Respondent was wrong to issue FPs in circumstances in which the need for a new licence arose only in consequence of the Respondent reviewing and shortening the period of the licence without good reason (asserted in respect of Flat 6, 479a High Road, E11 4JU and Flat 7, 479a High Road, E11 4JU)

(vii) In respect of Flat 6, 479a High Road, at the date of the alleged offence, no licence was required as the property was vacant and undergoing renovation.

(viii) In respect of Flat 7, 479a High Road**,** at the date of the alleged offence, no licence was required as there were no lawful occupiers of the property (it was asserted that the people found by the Respondent in the property were squatters).

(ix) In any case, the amount of the penalties imposed was unreasonable/disproportionate, on grounds that:

(a) The MHCLG "Civil Penalties under the Housing and Planning Act 2016" (updated 2018) ('the MHCLG Guidance') either has not been or has been improperly applied, given Mr Chaudhary's willingness to apply for a licence at a reduced sum terminating at the end of the designation; and/or

(b) The Respondent failed to apply or improperly applied the Respondent's Policy, in the absence of any reasons why the offence is 'serious'.

55. At 16:58 on 15 January 2026, the Applicants filed and served a skeleton argument from counsel, Mr Gabriel Nelson, withdrawing all except the following grounds of appeal:

(i) The Agents maintain that the agreements between the Companies and them specified that the Companies had the express obligation to obtain/maintain the necessary licence. The Agents therefore had a reasonable excuse for their failure to comply with the statutory requirements;

(ii) In respect of 15 Exeter Road, E17 7QJ, Zevet Properties Limited were obliged to obtain the licence, such that Interface had a reasonable excuse for the failure to obtain/maintain the required licence; and

(iii) In any case, the amount of the penalties imposed was unreasonable/disproportionate, on grounds that:

(1) The MHCLG Guidance has not been/has been improperly applied, in particular given Mr Chaudary's expressed willingness to apply for a licence terminating at the end of the designation at a reduced fee; and/or

(2) The Respondent failed to apply or improperly applied its Standard Operating Procedure Housing and Licensing Enforcement Policy (11 February 2020) ('the Respondent's Policy'), in the absence of any reasons why the offences are 'serious'.

56. It was agreed in respect of each of the FPs that:

(1) The property concerned was in a selective licensing area;
(2) It was required to be licensed on the day of the alleged offence;
(3) It was not licensed;
(4) There was no Temporary Exclusion Notice (or application for the same), or pending application for a licence in respect of it;
(5) The Notice of Intent was valid and properly served;
(6) Where representations were made, they were properly considered;
(7) Mr Chaudhary had been 'mistaken' about the occupation of Flats 6 and 7 479a High Road as pleaded in all relevant grounds of appeal, and each had been occupied by a tenant at the material time;
(8) The Respondent was entitled to impose FPs separately on the companies and Mr Chaudhary as the Companies' director;
(9) That the Respondent had not "reviewed and shortened" the period of the previous licences for Flat 6, 479a High Road and Flat 7, 479a High Road (in fact they had been previously extended).

Discussion

(1) The points of principle

(a) Requirement to 'apply for a five year licence costing £700'

57. Despite Mr Nelson specifically confirming that the Appellants no longer relied on the grounds of the asserted unlawful policy requirement as set out in paragraph 3(iii)(a) and (b) above, and Mr Chaudhary:

(a) accepting in his oral evidence that the appeal ground had been withdrawn, and

(b) accepting in his witness statements that:

(i) there was no requirement for an application for five years, and

(ii) that the fee charged was not for the licence itself, but for administration and for wider running of the scheme,

during Mr Chaudhary's cross-examination he persisted in his argument that there was a reasonable excuse or mitigation in his holding a reasonable

belief that the requirement to obtain a licence for five years at a cost of £700 in respect of the properties was unlawful. He had withdrawn the ground on the basis, he said, that at this point he "didn't have the energy…" to pursue the point, he "just [had] to mitigate".

58. We are therefore not satisfied that he had accepted that the argument had been withdrawn, so are required to deal with that matter.

59. Mr Nelson did not argue this point. He was put in a difficult position by Mr Chaudhary's refusal to back away from the point throughout his evidence, regardless of the fact it had been dropped as a ground of appeal, presumably on instructions.

60. Mr Calzavara drew our attention to the decision of Judge Dickie and Ms Coughlin MCIEH on 10 February 2017 in respect of Flats 1, 2, 3, 4 & Basement Flat, 233 Romford Road, London E7 9H LON/00BB/HMV/2016/0004. That decision is apparently the only one in which this point has been considered.

61. We are of course aware that the decision is not binding on us. However, we find it an accurate and pithy summary of the law in terms of the 'length of the licence' element of Mr Chaudhary's position (on which the fee element of his argument relies).

62. There is no statutory limitation on the ability of a local authority to grant a licence for a period of (no longer than) five years, regardless of the outstanding life of the designation, and in fact the Act itself anticipates the situation of a licence outlasting a particular Scheme. As Judge Dickie reasoned (which reasoning we adopt):

> *6. Section 91(4) provides that the period of a licence must not end more than 5 years after the date on which it was granted (or came into force). There is nothing in the statutory provisions which restricts the power of the local housing authority to grant a licence for a period which expires after the date of expiry of the designation and the tribunal rejects the argument of the Respondent that its powers are so limited. The power to grant a licence for a period of five years is not fettered, and thus the tribunal concludes that it can make such a grant at any time during the period for which the area is designated for selective licensing. Indeed, the contrary position would be onerous for licence holders and the local housing authority, with licences granted for ever shorter periods pending approval of a new designation, and the requirement for simultaneous new applications for licences (or variation of the term of existing ones) in respect of all houses in the designated area.*
>
> *7. The statute provides furthermore that the licence will remain in force for any period of "overhang" (after the designation is revoked or not renewed on expiry). By virtue of s.91(3)(b) a licence (unless terminated owing to the death of the licence holder or revoked by the local housing authority), continues in force for the period that is so specified or determined. Section 91(5) provides that this is so even if, at any time during that period, the house concerned subsequently ceases to be a Part 3 house (defined in s.79(2)(a) to include a house in an area that is for the time being designated as subject to selective licensing).*

8. In the event that the designation is not renewed, the licence will therefore remain in force until its expiry date unless the term is varied (under s.92) or the licence revoked (under s.93).

63. We reject Mr Chaudhary's argument that the Respondent lacks the legal power to grant a five year licence and must instead grant a licence co-terminus with the Scheme.

(b) Contractual arrangements providing a 'reasonable excuse'?

64. The next reasonable excuse put forward, in particular by the Agents, for continuing to operate the unlicensed properties was that Mr Chaudhary/the Companies were contractually obliged to ensure that the properties were licensed, and the Agents had reasonably relied on his obligation to fulfil the contract.

65. In *Aytan v Moore*, the Upper Tribunal dealt with the inverse position and found that "*…a landlord's reliance on an agent*['s knowledge of a licensing regime] *will rarely give rise to a defence of reasonable excuse. At the very least the landlord would need to show that there was a contractual obligation on the part of the agent to keep the landlord informed of licensing requirements; there would need to be evidence that the landlord had good reason to rely on the competence and experience of the agent; and in addition there would generally be a need to show that there was a reason why the landlord could not inform himself of the licensing requirements without relying upon an agent, for example because the landlord lived abroad.*"

66. The question is why the Agents operated unlicensed Part 3 houses that were required to be licenced, and <u>not</u> why they did not apply for a licence themselves (*Palmview Estates*).

67. An agent is in a different position to the theoretical landlord, posited in *Aytan v Moore,* who might be able to convincingly assert a reasonable excuse defence. That theoretical landlord's very reason for engaging an Agent would be to ensure their compliance with the law, absent their own understanding of the business of letting houses.

68. Conversely, an agent acts in the course of their professional business in letting out properties (regardless of the size of their portfolio), not as a layman. They are to be held to a higher standard, therefore, than the theoretical 'lay' landlord in *Aytan v Moore* who retains an Agent to ameliorate the gap in their own knowledge, and who cannot reasonably inform themselves of the requirements. Professional agents are to be expected to understand the regime in which they operate, and to conduct themselves with the reasonable care and skill of their profession.

69. As to the matter of principle, we find that whether an agent has a reasonable excuse for managing an unlicensed property must always be a factual exercise, but it will be a rare case indeed in which simply contracting that the landlord bears the responsibility for licensing will amount to a reasonable excuse. An agent is, in our finding, obliged to do more than simply take an incurious approach to the factual position and hide behind

the shield of a contractual clause. An agent in the normal course of their business can and should be expected to make active checks on the licensing position, such as requiring copies of licences, diarising dates of expiry, chasing a landlord for information about renewal shortly before that date, etc, whether in pursuit of a contractual obligation or not. Such steps are reasonable ones to take in order to ensure that they do not commit a criminal offence.

70. If, for example, a landlord, in the course of those enquiries and checks, falsifies information inducing the agent reasonably to believe that the relevant licence is in place, that might amount to a reasonable excuse. Even then, one might reasonably expect an agent, knowing that the consequence of operating a licensable Part 3 House without a licence is that it commits a criminal offence, might put in place systems to independently investigate and monitor the licensing position. After all, almost all local authorities publish the lists of licenses that have been granted.

71. We find it difficult to contemplate that anything short of fraud or misrepresentation, on which an agent reasonably relies, would provide a professional agent with the shield of a reasonable excuse for commission of the criminal offence.

72. Again, that is because simply contracting with a landlord that they are 'to apply' or 'to be responsible' for licensing answers the wrong question. The question is not 'why didn't you apply for a licence' – to which the answer is that it was the landlord's contractual obligation. The question is 'why did you manage an unlicensed Part 3 House', to which only part of the answer is that there was an obligation on the landlord to obtain the licence. A reasonable agent with knowledge of the sector, and of the potential criminal (and therefore likely business) consequences, would do more than simply insert the clause and sit back passively.

(c) Unlawful policy

73. In cross-examination, the Applicants sought to widen the appeal ground set out in 4(iii)(b) above, to take issue with the Respondent's application of its policy regarding proportionality/double punishment in respect of FPs imposed on both Mr Chaudhary and the Companies.

74. The decision-maker, Ms Julia Morris (the Respondent's Assistant Director of Regulatory Services) was not cross-examined on the factual exercise of the decision-making as regards proportionality/double punishment. The only questions put were to Mr David Beach, the Respondent's retired Director of Regulatory and Contingency Planning Services. He was unable to answer as to the specific decisions made in respect of the specific properties, since he was not the decision maker.

75. He was, however, able to answer questions about the policy itself. We are satisfied that, despite the want of pleading, the Respondent was able sufficiently to deal with the policy matter, so that it is appropriate to make a determination on that element.

76. Nevertheless, the Applicants having failed to set out their case or lead any evidence on why the decisions made were wrong as an exercise of the policy,

the decision must be a narrow, policy one given no factual argument was put to Ms Morris.

77. That being the case, the first question we must ask ourselves is which policy we are dealing with. The second question is, as a matter of law, do we have the jurisdiction to make a finding that the policy is unlawful, even if we think it might be?

78. At the time the FPs were imposed, as set out above, the Respondent's policy was in either its version 8, 9 or 10. In none of those policies was there explicitly set out any guidance on the application of totality/double punishment. In his witness evidence, Mr Beach stated that, although those policies did not make it clear that totality/double punishment was taken into account, it was nevertheless considered in the application of those policies.

79. However, as he conceded in his written evidence, in these particular cases totality/double punishment had not been considered at the time the FPs were issued. His unchallenged evidence is that was because the FPs were being imposed in, in effect, dribs and drabs due to the nature of the dispute and the prolongation of matters by an effective amnesty on issuing Final Notices while the JR permission application was under consideration, so that the final picture of the number of penalties for each Applicant was not available until the last FP had been imposed (which appears to have been in April 2025).

80. By that date, version 11 of the Respondent's policy was newly in force (as of 30 April 2025).

81. It is clear to us that the revised FP decisions notified by the letters dated 6 May 2025, reducing the FPs for Let's Move, the Companies and Mr Chaudhary, were made under, and the letter intended to reflect, version 11 of the Respondent's Policy. The Applicants took no issue with that approach, and therefore that is the policy on which we focus for Mr Nelson's submissions.

82. The main thrust of Mr Nelson's argument in respect of the policy is that it is unlawful because it does not separate the concepts of totality and double punishment, so that it unlawfully fetters the Respondent's discretion by imposing a maximum 20% discount. He submits that the table, demonstrating that the discount is calculated only on the number of properties, and does not make provision for the double punishment element as between a director and landlord company.

83. Firstly, as a matter of law we are bound to find that the question of whether a policy is lawful on public law grounds is usually to be a matter determined by judicial review. As set out in the authorities, and in particular in the House of Lords case of *O'Reilly* cited by Mr Nelson, that is the general rule.

84. We asked Mr Nelson to address us on the exceptions in the decision, i.e. whether in this case *"the invalidity of the decision arises as a collateral issue in a claim for infringement of a right of the plaintiff arising under private law, or where none of the parties objects to the adoption of the procedure by writ or originating summons.*"

85. Mr Calzavera did object to us considering the validity of the policy, not least because the matter had not been raised in advance of the hearing.

86. Mr Nelson could not answer when we asked whether we were dealing with a claim for infringement of a private right under private law. We expressed our doubts given that the matter with which we are dealing is quasi-criminal. The Applicants are not asserting a right, they are endeavouring to use a policy argument as a shield against imposition of a penalty for criminal behaviour.

87. We consider that we do not have the jurisdiction to consider the lawfulness of the Respondent's policy as regards double punishment/totality. We find that conclusion accords with Judge Cooke's decision in *Marshall*. While the conundrum, identified by Birss LJ in *Kazi* when upholding an appeal against Judge Cooke's decision in that case, continues to remain unresolved, we are bound by the decisions in *O'Reilly* and *Marshall* as those of the higher courts, and are therefore bound to conclude, absent properly formulated argument that permits us to distinguish those cases, that the lawfulness of the policy is not a matter within our jurisdiction to determine. It is not for the Tribunal to formulate the argument for the Applicants.

(2) Party-specific findings

(a) Requirement to 'apply for a five year licence costing £700'

88. Did Mr Chaudhary nevertheless hold a reasonable belief that (i) he was required to apply for a five-year licence at a cost of £700, and (2) that requirement was unlawful, such that he had a reasonable excuse?

89. We find the answer to question (1) is no.

90. We find that Mr Chaudhary's evidence was far from straightforward. In his evidence, even when he made entirely proper concessions, he sought to place the blame on the Respondent, his employees, and anyone else available. Nor did he consider himself bound by those concessions in subsequent evidence. The impression we were left with was that Mr Chaudhary cast himself at all times as a victim, with no awareness or contrition for his plain errors and poor conduct towards the Respondent.

91. There are various pieces of evidence that also demonstrate that Mr Chaudhary is not always honest when he considers that to be to his advantage, despite his self-characterisation as a 'good guy', one of which is to be found in the way he clearly deliberately misled the Respondent authority regarding 764b Lea Bridge Road (see further in 'Property-specific Findings' below).

92. In his oral evidence, Mr Chaudhary conceded that the Respondent does not require an application for a licence of any particular length of time. We are satisfied that is correct – while the Respondent's position may be that, all circumstances being unremarkable, a five year licence will be granted as a matter of course, it is clear that it can and will grant a licence for a shorter period of time where there is a question mark against the property or applicant justifying closer scrutiny over time (of which Mr Chaudhary is himself now the subject).

93. The processing cost remains the same for the licence application, as does the contribution to administration of the scheme if a licence is granted, which one might naturally conclude is because the administration is the same regardless of the eventual length of the licence.

94. In his own written witness evidence Mr Chaudhary concedes that the £700 fee made up as follows:

> "£250 (processing and determination of the application), and £450 (administration, management and enforcement of the scheme). If the licence is granted the applicant is required to pay the £450 immediately."

95. In his oral evidence Mr Chaudhary also accepted that the fee was not for 'buying a licence'.

96. Even had the £700 charge been for 'buying a licence', however, it is entirely within the powers and discretion of the local housing authority under section 87(3), (6) and (7) to fix the sum, and Mr Chaudhary brought no sufficient case to demonstrate that the Respondent had done anything wrong in the exercise of its discretion. He could not reasonably have hoped to have done so in these proceedings, given the certification of his JR permission application as totally without merit.

97. We also find the answer to (2) is no.

98. Mr Chaudhary sought to rely on a scheme in Newham, the next-door London Borough. He did not provide a copy of the policy, but rather google search headlines, produced by integrated AI.

99. He sought to persuade us that Newham and Redbridge (though in written evidence, he relied on Barking & Dagenham not Redbridge) each had a (then) current licensing scheme in place, in which he had licenses for properties that expired somewhere between one year to six months before the then-in-force designations in those boroughs expired, and that Newham and Redbridge had permitted him to carry on operating those properties unlicensed because of that 'imminent' expiry.

100. We find it implausible that a local housing authority would not just permit, but positively encourage, a landlord to break the law as suggested. We also question whether any local authority would know an entire year in advance that there would be a gap between successive designations.

101. In his witness statement, he criticised the failure by the Respondent to offer an "*advantageous discount/incentive why property owners must provide full fee and provide comprehensive applications and documents to renew the licenses when it has no way to obtain a full term 5-year license and were offered short term licence*". Firstly, the latter statement is simply wrong – he was not being offered short term licences. He was in each case required to apply for a licence of undefined length, but which would (all things being otherwise unremarkable) be for five years. Secondly, it would appear that he did not consider that the incentive was that he would, by obtaining a licence, ensure he did not commit a criminal offence for which he and the Companies could be prosecuted or made subject to penalties of up to £30,000 per offence.

102. Mr Chaudhary did not put into evidence Newham, Barking & Dagenham or Redbridge's policies, nor anything else to support the assertion that they had taken the asserted 'practical' approach to licensing and enforcement even while their designations remained in place. The only letter he exhibited, from Newham dated 21 February 2023 (i.e. 7 days before its then-extant scheme ended), confirmed in terms that there was no requirement to apply for a licence during the period of three months between the expiry of the former designation on 28 February 2023 and the coming into force of the new designation on 1 June 2023, i.e. while there was no scheme in place.

103. All the AI-produced google searches reveal is the same information: that Newham had one licence scheme expire on 28 February 2023, and a new designation took effect on 1 June 2023. The three-month gap resulted in landlords/agents being unable to apply for 'renewals' during that period, as there would be no scheme to renew within. That itself is merely a consequence of section 91(5) of the Act. A similar google AI summary stated that there had been a similar gap between designations in Barking and Dagenham, between 31 August 2024 and 6 April 2025.

104. We find his assertion that any wider 'relaxed' approach was taken by the other boroughs implausible, and unsupported by any evidence. On the balance of probabilities we find that there was no such approach in those other authorities' areas.

105. We find that a reasonable landlord reading the letter from Newham and reading the AI summaries would understand that the reason for a break in the requirement to have a licence in Newham and Barking & Dagenham was due only to the break between the schemes, and that it was only because the scheme was not continuous that a renewal application could not be made during that period, on grounds there was no scheme in place. New applications would therefore be required for any licences expiring during those gaps on the coming into force of the new scheme. We find that the letter and AI summaries did not permit of a reading that said 'while our scheme is still in force, don't bother renewing your licences because the scheme will expire at some date in the future', which is what Mr Chaudhary would have us believe he understood.

106. Nothing in the evidence in fact reveals the duration of licences granted in other boroughs, but even if the licences granted by Newham and by Barking and Dagenham were co-terminus with the expiry of their schemes, a reasonable landlord with knowledge that the schemes are different in each borough would understand that to be irrelevant, and particularly immaterial in the context that the Respondent's Second Scheme was current and ongoing.

107. Neither Mr Chaudhary nor indeed the Respondent would have known, two years and change before the end of the Second Scheme at the time the renewals were required, whether there would be any such break between schemes in the Respondent's area. There were at that time no grounds for Mr Chaudhary to reasonably believe there would be. Even had Mr Chaudhary unreasonably believed at the time that the licences came up for renewal that, at a point in the distant future, the Respondent might experience an unknown gap between the expiry of the Second Scheme and

coming into force of the Third Scheme (of which we are not convinced), the factual situation is that the licences fell for renewal when no such gap was in identified or contemplated, and Mr Chaudhary deliberately continued to operate the Part 3 houses in question during the currency of the Second Scheme, while they were not licensed.

108. Mr Chaudhary expressed vexation that there were different policies in different boroughs, but as the majority director of now four professional landlord companies (and the very exemplar case of a 'professional landlord') he can be fixed with actual knowledge of, let alone ought reasonably to have understood, that each area is permitted and required by law to implement its own scheme.

109. He also expressed vexation that all of the licences came up for renewal at the same time and required, therefore, a substantial outlay. That, quite frankly, is the cost to the Companies of doing business and were those Companies managed effectively ought to have been anticipated and planned for well in advance.

110. Mr Chaudhary's belief in his argument is belied by the fact that in respect of other properties in the Respondent's area, in the same year (i.e. 2023) he applied for licence renewals, and in each case was granted a further licence for a period of five years, which five years would expire past the 30 April 2025. In his witness statement, Mr Chaudhary states that was the case for 26 properties with Interface (we do not know how many it applies to for Zas).

111. His belief in his argument is further belied by the fact that he accepted, in relation to all of the properties except 764b Lea Bridge Road (because it was never licensed), a *gratis* extension of the licences that each crossed from the First Scheme into the Second.

112. He did not appeal against those grants (whether the earlier extensions or the renewals), which (if he reasonably believed his own position) he must have considered unlawful, nor indeed did he enter into any correspondence about them (whether to have the terms shortened or to seek a part refund) so far as we were made aware. We find that is because he saw the benefit from them, and knew that they were lawful.

113. We are not satisfied that Mr Chaudhary held the belief that the Respondent's requirement for licence renewals for the properties in question was unlawful was reasonable in fact, or reasonably held, if indeed it was held, on the basis of the above. There are further sufficient markers in his evidence to demonstrate that in fact he engaged in a course of conduct deliberately to try, in effect, to 'haggle' with the Respondent in the full knowledge that licences were lawfully required.

114. In his evidence, in a rare slip of what could be characterised as evidence demonstrating a victim mentality in which everything was someone else's fault, he told us that he did not consider that the licences were 'value for money' if the scheme was going to expire on 30 April 2025. That is not the same as believing that the scheme is unlawful, and we are satisfied it was his primary motivating factor. We are satisfied that the evidence demonstrates attempts by Mr Chaudhary to bargain with and bully the Respondent, in

which attempts it was convenient to him to characterise the Respondent's requirements as 'unlawful' for these cases, despite happily taking advantage of the five-year terms in other cases.

115. The fact that even after the High Court determined that his application for permission to JR on these grounds was totally without merit, he told us he nevertheless only applied for the licences 'under protest' as the Respondent was going to take the next step in enforcement, indicates that Mr Chaudhary's belief, if he held it, was not reasonable. He was unmoveable, and, we find, motivated solely by money.

116. Ultimately, however, the material question is not 'why didn't he apply for a licence'. The material question is did Mr Chaudhary, his Companies or the Agents have a reasonable excuse for operating unlicensed Part 3 houses without the necessary licence (*Palmview Estates*).

117. The answer to that question is not whether Mr Chaudhary would have applied for a licence if he had considered it 'value for money', but why, knowing that a licence was required, and knowing that operating those Part 3 houses without such a licence was unlawful, the Companies nevertheless continued to operate those unlicensed houses and maintained a refusal to licence them?

118. It being the case that it was acknowledged by all that licences were required, and Mr Chaudhary's own written evidence stating "*I fully accept my responsibility to renew all the expired private property licences for my companies' properties*", it seems to us that a reasonable landlord holding a reasonable belief that the requirements were unlawful had two stark choices open to it: obtain the licences by completing the required renewals and paying the required fees 'under protest', and pursue any relevant legal course to obtain a declaration of unlawfulness and a refund as necessary, which would ensure continuity of lawful operation; or simply stop operating the unlicensed houses until resolution of the dispute (and in the Agents' cases, to walk away from management of the properties as one of Mr Chaudhary's other agents, Mr Tahir Iqbal of Premier Property and Finance Centre commendably did).

119. Instead, all of the Applicants continued to accept money for occupation of properties they were not lawfully operating, for a considerable period of time. They sought to have their cakes and eat them.

120. We have already found that Mr Chaudhary did not have an honest or reasonable belief that the Respondent's Policy was unlawful. We find that his honest belief and view was that the properties required licences, but that he considered it bad 'value for money' to obtain them. We find that he pursued a course of aggression and deflection, prolonging their renewal as long as possible, and only obtained the licences because otherwise the Respondent would seek management orders, despite knowing that the Companies/Agents were operating Part 3 houses unlawfully without them, and despite and in the face of the High Court already having certified his JR permission to appeal application, in which he relied on these same grounds, totally without merit.

121. We find in light of that that the Companies have not established a reasonable excuse on the balance of probabilities. Mr Chaudhary is not entitled to assert a reasonable excuse separate from the Companies, as set out in *Sutton*.

122. For completeness (in case we have misunderstood that neither of the Agents asserted this), we further find that neither of the Agents has established a reasonable excuse on these grounds on the balance of probabilities. Neither demonstrated that they had a reasonable belief that Mr Chaudhary's position was correct. It appears that simply went along with Mr Chaudhary's position, as they have in this litigation. We find they did not trouble themselves to find out for themselves whether Mr Chaudhary's position was tenable or legally defensible, as he had already indicated that he would protect them from the financial consequences.

(b) Contractual arrangements providing a 'reasonable excuse'?

123. Applying the point of principle determined above, we turn to look at the individual circumstances in respect of the cases for which we have agreements.

124. In these cases, the Agents rely on two contracts:

(a) Between Let's Move and Interface (signed by Mr Chaudhary) dated 14 August 2015, in respect of 56C St Mary Road E17 9RE, in which the agreement states that:

"*Obtaining property license will be solely responsibility of the Landlord*";

(b) Between Marlborough and Interface (signed by Mr Chaudhary and Mr Grainger) dated 7 January 2022, in respect of Flat 4, 266 High Road E11 3HS, in which the agreement states that:

"*1.1 To ensure the Agent can provide a professional service, the Landlord shall within a reasonable time of instructing the Agent, and at their own expense, provide the Agent with the following:*

…

1.1.6 Confirmation that the Property is not a House in Multiple Occupation ("HMO") or in an area that requires a Selective Licence or, if it is, that the necessary licence to let the Property has been obtained, and all necessary licence conditions have been complied with. If the licence has not yet been obtained then confirmation must be given that the application of the licence has been submitted. See 'HMO Management Service' section for more information."

There is no 'HMO Management Service' section in the agreement.

125. The Agents confirmed that the terms regarding licensing were the same in all their agreements.

126. In neither of these clauses is there any requirement for the landlord to provide a copy of the licence, nor expressly to confirm that a licence is in fact required, it has been obtained, for what length of time, etc. Nor is there any obligation on the landlord to renew any such licence on expiry, or to keep the Agents informed about any such renewal.

127. In evidence, Mrs Ahmed confirmed that she had been the sole director of Let's Move since 31 July 2018, since her husband passed away. Let's Move had been operating as an Agent since 2007, and managed approximately 150 properties. She said she had taken no active part in the management of the business until 2020, instead delegating decisions to staff.

128. Her written evidence was that for all the properties owned by Interface or Zas managed by Let's Move, of which there were many, as far as she was aware licences had always been obtained by Zas or Interface "*at the time when these properties were let by Let's Move and a license was required*".

129. In oral evidence she conceded that the agreement made no provision for Interface to inform Let's Move about the licensing position at 56C St Mary. She acknowledged the contents of the letters sent by the Respondent to Let's Move particularly, reminding it of the risks of managing unlicensed Part 3 Houses.

130. She also stated that she had provided a copy of the agreement for 764b Lea Bridge Road to Shahzads, but that it had not been put in the bundle. She stated it would be in the same terms. She asserted that, in respect of 764b Lea Bridge Road, Let's Move corresponded with Mr Chaudhary after its construction, and in 2021 were told by him that he would apply for the licence.

131. She could not answer why it was, if (as she initially stated) she had made enquiries of Mr Chaudhary regarding the licensing of 764b Lea Bridge Road in 2021, there was no follow up in 2022, 2023 or 2024. She could not answer why she thought it was appropriate to continue managing the property after she discovered it was unlicensed. At one point she conceded that she had not asked Mr Chaudhary about the licence position for 764b in 2021, but they rowed back from the answer.

132. We are satisfied that Mrs Ahmed's evidence was confused and confusing because it was not honest. There is no supporting evidence for her or her employees having made any enquiries regarding licensing of Mr Chaudhary or his Companies. She alleged, for example, that emails were sent, including by her manager, but the only email in the bundle is that of 20 October 2023. She could provide no explanation where the alleged absent emails were. Any time her account was challenged, she reiterated what she had said as it had been learned rote. We are satisfied that is why she confused timelines, as having to answer questions off her preferred answers was not something she was capable of. When pressed, she simply went silent. She had not provided any evidence of this, and we are satisfied that during her evidence she conflated time periods sufficiently that that reference to being told by Mr Chaudhary that the licence was being applied for and everything would be ok once the dispute was settled was in fact reference to the events much later, in 2023. We are satisfied that the reason Mrs Ahmed gave dishonest and confused answers is that in truth, she is not sufficiently in control of

Let's Move and has not made herself aware of the matters she should as a property management company director. It seems to us that it was her husband's business and she lacks sufficient understanding of its operation, delegating instead to juniors to whom she gives no or insufficient guidance or instructions.

133. We do not believe her when she asserts that she asked Mr Chaudhary about the licensing position of the properties and was assured that licences were in place or in progress. Her evidence leads us to find that she is hands-off when it comes to day-to-day management, and neither aware or in control of any policies in place in Let's Move's offices. Such were her answers, we are not satisfied that she understood the gravity of managing unlicensed houses, either for her company or for the tenants involved.

134. In evidence, Mr Granger confirmed he is the sole director of Marlborough, which has been in business since April 2012. It manages around 92 properties. Mr Granger was a more straightforward witness, and conceded that he had been satisfied by Mr Chaudhary's signature on the contract that Flat 4, 266 High Road was licensed, rather than by sight of the licence. He conceded that at the time there was no process in place, by the contract or locally, for Marlborough to be informed of the lapse of a licence, and that at the time it had not periodically checked the position. He had only become aware of the position regarding Flat 4 in around October 2023.

135. As the tenancy was due to expire at the end of January 2024, he had decided to simply let the tenancy run to its natural end and then walk away. He conceded that the licence had expired in April 2023 and that therefore he had been managing an unlicensed property. He had learned lessons and systems had now been put in place in the office for monitoring licensing information. He regretted that he had not taken his own independent legal advice.

136. While Mr Granger has clearly understood the consequences of his having failed to put in place proper checks and systems for ensuring that he does not manage unlicensed properties, and has learned from the experience, we are nevertheless satisfied that he sought to minimise his part to be no more than a 'couple of months' knowing criminal conduct, while the tenancy at Flat 4, 266 High Road ran its course. That is factually incorrect. Marlborough was managing an unlicensed property from the moment the licence expired on 10 May 2024.

137. Mr Nelson argued that it was reasonable for Let's Move and for Marlborough to rely on the contractual clause, on grounds that each was "a small company with a high administrative burden". We reject the notion that these companies are small companies – we have set out their portfolios above. The number of staff they choose to employ is the reason behind the pressures they experience. That is a matter only in their control. We reiterate that an agent acts in the course of their professional business in letting out properties (regardless of the size of their business), and is to be held to a commensurate standard. They are to be expected to understand the regime in which they operate, and to conduct themselves with the reasonable care and skill of a property agent in ensuring compliance with it.

138. In the circumstances, we are satisfied that neither Let's Move nor Marlborough has a reasonable excuse, applying the point of principle above, for operating unlicensed premises. Neither did anything to assure themselves that licenses were in place in respect of the properties either when they initially took management, or in the course of the duration they were managing them. Each became aware that there was no licence in respect of the property in question, whether in the course of Mr Chaudhary's campaign against the requirement or otherwise, and each simply carried on regardless. They have benefitted from that course of action, in continuing to receive payment. They were aware there was no risk to them financially on grounds Mr Chaudhary offered to pay for any consequences on their behalf, and were therefore disinterested in the fact that they were acting criminally.

139. While we were not provided with the agreement for the other properties. On the basis that it is said that the agreements are the same, we make the same findings.

(c) Unlawful Policy

140. In case we are wrong in our conclusion that we have no jurisdiction to determine the lawfulness of the Respondent's policy, we go on to find that the policy does not unlawfully fetter the Respondent's discretion in any event. We find that reading the table on its own, absent the descriptors of the application of that table, and absent the wider policy, presents a false picture of what the Respondent is permitted by its policy to do.

141. It is clear to us that at stage three of the policy there is always a consideration of exceptional circumstances, so that the point at which totality considered, at stage four of its application, is already potentially to a much reduced sum. It seems to us that therefore the 20% discount is available to the earlier potentially diminished sum. Were there a further additional percentage available, that would be double-counting for a sum that has already been mitigated.

142. Nor are we satisfied, on a closer reading of the policy, that Mr Nelson's submission that the 20% is only available for totality and gives no account for double punishment is correct. As set out in the policy, totality considers both the position of a company director and company where an FP has been imposed on each, and the position of an offender on whom multiple FPs have been imposed.

143. One way of looking at it in this case is that in each case, Mr Chaudhary, who has been penalised under the liability of director provisions, has benefitted from the full 20% discount on grounds of double punishment as the majority shareholder in his Companies. The Companies have committed multiple offences. They have been given the 20% discount on that basis. What Mr Chaudhary now seeks is an additional discount to reflect the number of penalties, even though, in reality, he (as the majority director in the Companies) has benefitted from a 40% discount in total.

144. We raised with Mr Nelson that one consequence of his argument might be that he was arguing for a 10% allocation of the discount for totality and a 10% discount for double punishment. That would deprive each of Mr Chaudhary and Mrs Ahmed, and the Companies and Let's Move, of 10% of

each of their discounts. What he was arguing was against his clients' interests, where the policy allows the full 20% discount to be applied regardless of whether the two elements exist, i.e. the full discount is available even if only one of the elements is present.

145. We also find that the Respondent has made it very clear that the discounts in the table will '*normally*' apply. That very word makes provision for discretion, and it seems to us to fit with the approach by the Respondent to each case on a case-by-case basis in terms of mitigation and exceptional circumstances, and demonstrates that there is the discretion that the Applicants seek to argue is absent.

146. Doing our best with such arguments as were made, we are therefore satisfied that the policy does not unlawfully fetter the Respondent's discretion.

(d) Application of the MHCLG Guidance and Respondent's Policy (penalty starting point)

147. No matters regarding the factual application of the MHCLG Guidance or the Respondent's Policy were put to Ms Morris (or indeed Mr Beach) in cross-examination, in support of a contention that the decisions to impose the penalties or the amount of them were themselves wrong or improper or failed to take into account the MHCLG Guidance.

148. In closing, the Applicants sought to pursue an argument that the Respondent's Policy had been improperly applied because the FPs should have been banded lower (as 'C') on the Respondent's matrix. The Respondent had been given no opportunity to answer the point, first raised by the Applicants in closing, and therefore we did not permit the Applicants to pursue it.

(e) Application of the Respondent's Policy (aggravating factors)

149. As regards the question of aggravating factors uplifting the sums imposed from the matrix starting point, again, these were not put to the decision maker, Ms Morris. Mr Beach was questioned, and the assertion appeared to amount to a 'lack of transparency' regarding how a decision was to be made by an officer to impose an additional sum between £1 - £2,000 in any particular case.

150. The factual question of why the decisions were made in these particular cases could not be answered by Mr Beach. It was not put that the decision was wrong or outside of the policy, and therefore we make no such finding.

151. For the reasons above, to the extent that the submission that the policy lacks transparency is a submission that it is somehow *ultra vires*, we find we do not have jurisdiction to entertain the question.

152. However, insofar as that alleged lack of transparency, we reject the Applicants' arguments in any event. The Respondent's policy sets out that a specific aggravating feature is "*Any demonstrated evidence that the landlord/agent was familiar with the need to obtain a property licence e.g. the fact that they were a named licence holder or manager in respect of*

already licensed premises." That is a feature that clearly applies to these cases, in respect of all Applicants, given that each has a large portfolio (alebit that the Companies' are larger still than the Agents'). Each of the recommendations made by investigating officers to Ms Morris recommends a £2,000 uplift on the tariff in consequence. That is hardly surprising given the portfolios of each of the Applicants, and what should have been their knowledge of the licensing regime as a consequence.

153. In any event, Ms Morris was not given the opportunity to answer why she exercised her discretion to uphold the recommendations, and the investigating officers were released as witnesses because their evidence was agreed. We therefore consider that her exercise of that discretion was not challenged.

(f) Generally asserted mitigation

154. It was argued on behalf of all Applicants that the amount of the FPs was unreasonable and disproportionate as Mr Chaudhary was *"prepared to apply for a licence and pay the appropriate fee for a licence that terminates when the current designation ceases to be in force and applied for a licence before the service of the Final Notice"*.

155. The other way round of putting that assertion, of course, is that Mr Chaudhary was unwilling to apply for a licence unless and until the Respondent gave in to his demands. That is not mitigation, and for the same reasons that we do not find this to be a reasonable excuse, we do find consider that this mitigates for any of the Applicants. It is clear that they were all aware of the need for a licence. For the reasons already given, Mr Chaudhary did not hold an honest or reasonable belief that the Respondent's licensing requirements were unlawful. The Agents did not concern themselves to investigate the position for themselves.

156. Secondly, it was argued on behalf of each of the Agents that it was "*a small company with a high administrative burden*", such that regardless of whether reliance on the contractual clauses provided them with a reasonable excuse, it was a reasonable explanation of them not being more active or assiduous in checking the initial and ongoing licensing situations, which should mitigate in their favour.

157. Despite their reluctance to admit it under cross-examination, each of Let's Move and Marlborough have years of experience in the property market. No doubt they hold themselves out as specialists and professionals in the market. To reiterate: we reject the notion that these companies are small companies – we have set out their portfolios above. The number of staff they choose to employ is the reason behind the pressures they experience. That is a matter only in their control, and likely a decision made to maximise profit. If they choose to operate on a skeleton staff, it is all the more important that they put in place processes and procedures to ensure legal compliance. There is no evidence that either did so at the time.

158. Neither company provided any details of its finances, and therefore there is no correlative evidence to support any assertion, if it so be, that they cannot afford more staff, or to give the staff they do have suitable training and

resources. While we appreciate that Mr Granger has since put in place systems, belated realisation of the need for systems is not mitigation.

159. Neither of the Agents finds themselves concerned with whether they can afford the FPs, since Mr Chaudhary has said he will be paying.

160. We therefore find that these circumstances do not mitigate in the Agents' favour.

(3) Remaining necessary property-specific findings

161. The findings above resolve the issues in most of the appeals, but there remain a small number of property-specific findings necessary in addition to the points of principle and party-specific points above, that we need to deal with before turning to applying the Respondent's policy to identify the penalties ourselves.

764b Lea Bridge Road

162. Zas purchased the freehold of 764 Lea Bridge Road on 15 October 2019. On 30 October 2019 Mr Chadhary sought planning permission for a loft conversion to the residential flat named in the permission applications as 764a Lea Bridge Road. Permission was refused on grounds, amongst other concerns, that it would result in "a cramped and unsatisfactory living environment failing to meet minimum space standard requirements" and "[t]he intensive use of the property would have a detrimental impact on the amenity of adjoining occupiers due to an increase in activity, general noise and disturbance".

163. Two further, apparently identical (the architect plans were not made available with the evidence), applications were made. The last refusal was on 8 July 2020 and on the same grounds. Each time, Mr Chadhary was named as the director on behalf of Interface (who of course were not the freeholder).

164. It is clear that nevertheless, works were carried out to 764a Lea Bridge Road to at least install a dormer in the previously un-lit loft-space, which works were apparently subsequently approved as permitted development. Whilst the precise timing of the works is unknown, it is clear from Streetview images that the installation was during the period 2019 – 2020.

165. Mr Chaudhary gave evidence that 764 Lea Bridge Road contained two flats when Zas purchased it. When it was put to him that was untrue on the evidence, and that even had a person occupied the top floor of the flat unlawfully (and to be clear, we have no independent evidence of that), nevertheless there was a single flat, Mr Chaudhary was insistent that there were two flats. Even though he acknowledged there had been no windows in the loft space and it would seem inappropriate to use it as a flat (which he had sought to "correct" by his dormer installation), his reasoning was "people do strange things". He explained that his architect had completed the planning applications and must have just completed them wrong. He had not checked the applications, even though he signed them.

166. We reject his evidence. We are satisfied that the three planning permission applications, signed by him, identify that the property was a single property, and that permission was required for a loft conversion. We reject his contention that he was unaware of what he was signing or that this was his architect's fault. That the property was a single flat at the time of his purchase is supported by the physical arrangement, i.e. the lack of dormer or windows in the roof space prior to Zas's purchase of it. Even if a previous occupant had permitted someone to use the roof space, a person with Mr Chaudhary's knowledge and experience ought to know that occupation was likely unlawful and that two wrongs do not make a right – he himself accepted that such use would be strange.

167. Given the three signed planning applications seeking permission for a loft conversion, and the fact that 764b was not registered as a separate entry for council tax until after July 2023 (long after it was occupied by a tenant paying rent to Let's Move on Zas's behalf), all of the evidence points away from Flat 764b existing prior to Zas's purchase of it. That the property was and was intended for use only as one residential unit is further supported by the restrictive covenants on the Land Registry title on the sale, restricting the use of the land to "no more and no less that one house or shop". The fact that by July 2023 there remained no central heating in 764b (see below) and instead there was only a portable heater also points away from Flat 764b existing as a separate dwelling prior to Mr Chaudhary's redevelopment of it.

168. We are therefore satisfied on the balance of probabilities that Mr Chaudhary created two flats out of the single residence that legally existed when the premises were purchased.

169. On a date unknown given the agreement was not provided, but before 1 August 2022, Let's Move were instructed in relation to letting both flats 764a and 764b Lea Bridge Road pursuant to a "Landlord Agency Agreement" with Zas. In the Agency Agreement, Mrs Ahmed stated that the material term was that *"obtaining property licence will be solely responsibility of the Landlord"*.

170. On 1 August 2022, Let's Move let 764b to Mr Thangavel on a 6-month assured shorthold tenancy. Mr Thangavel continued in occupation of 764b after the expiry of the contractual term and held over on a periodic tenancy until he entered into a new tenancy agreement on 30 June 2023 for a further six months. The rent due under the agreements was paid to Let's Move on behalf of Zas for which it was paid a fee.

171. On 28 June 2023, the Respondent inspected 746b Lea Bridge Road following a complaint from the tenant about the condition of the property. Problems included a lack of ventilation, no central heating, inappropriately placed and partly functional smoke and heat detectors and an inappropriate bathroom light. The tenant confirmed he was paying rent to Let's Move. The Respondent confirmed that 746b should be licenced and there was no licence in place, and the Respondent wrote to Zas copying Let's Move to remind them of the need to license 764b.

172. We are satisfied that when Zas wrote to Mr Alessandro Dulio at Licensing Enforcement on 12 July 2023 to say *"…we were not aware of the planning permission, council tax banding, and selective licence requirement for this*

property, as we bought this property as it is and had no knowledge these requirements were outstanding", in light of all of the above, the writer was lying.

173. The property was unlicensed from the outset (this was not a renewal case) in 2022. It remained unlicensed for 26 months. For the reasons we have set out above, we find that it is clear that Mr Chaudhary was aware of the need for a licence, and that neither Zas nor Let's Move has a reasonable excuse for operating the property unlicensed.

174. For the reasons set out above, we also reject mitigation based on what Mr Chaudhary alleged was an admin error 'by his staff'. Mr Chaudhary is the majority shareholder in Zas – he is the driving mind behind the company and its actions. It was for him to put in place proper checks and procedures, and he provided no evidence that he did so. Nor did he provide evidence of the unknown staff member failing to comply with any such proper checks or procedures.

175. Despite being alerted to this 'error' June 2023, he then wilfully failed to apply for a licence despite knowing that one was required.

15 Exeter Road

176. Interface purchased the freehold of 15 Exeter Road on 16 September 1998. made an application for a licence under the First Scheme on 15 June 2015. A licence was granted on 8 March 2018 which was coterminous with the First Scheme. Mr Chaudhary requested an extension to the licence, and on 19 February 2020 the licence was extended so it expired on 8 March 2023. No fee was paid for the extended licence period.

177. By an agreement dated 16 December 2020, Interface let 15 Exeter Road to Zevet Properties Limited ("**Zevet**") for a period of two years, at a rent of £2,000 per month. On 16 December 2022, an identical agreement for a further two years was signed, save that the rent was expressed as an annual sum of £24,600, and Zevet's director, Mr Shah Kamran, was for some reason added as an additional tenant. Peculiarly, the agreement does not appear to have been signed until a full year later, on 16 December 2023.

178. The use specified in the agreement was as a 'residential dwelling'. Zevet is said, however, to be a rent-to-rent company. We have been provided with no evidence from Zevet.

179. The agreement is poorly drafted, and appears to have been cobbled together from a number of templates creating a Frankenstein's monster of clauses that would ordinarily be seen in residential long leasehold agreements, commercial leases under the 1954 Act, and assured shorthold tenancies. It therefore lacks internal cohesion.

180. It was Mr Chaudhary's position in evidence that he did not initially know that the property was occupied by a residential occupant, as he thought he had entered into a business lease. He did not rely on this any more to suggest that he was not in control or management of the property, which he accepted he was. We reject that evidence in any event; the agreement clearly specifies that the use of the property is as a 'residential dwelling'. Even if, therefore,

Mr Chaudhary believed that Interface had entered into a business arrangement with Zevet, knowing that user stipulation, and knowing the Zevet is a rent-to-rent organisation (if indeed that is the case), Mr Chaudhary ought reasonably to have known that (a) the property was being used as a dwelling and therefore required a licence, and (b) Interface would be in control of the property within the definitions in section 263 of the Act, given it was by the agreement (it is accepted) in receipt of a rack-rent.

181. The Respondent wrote to Mr Chaudhary on 3 February 2023, to remind him of the need for a licence on the expiry of his current licence. The Respondent wrote to him again after the expiry of the licence on 13 March 2023. The Respondent wrote to Interface on 27 September 2023 regarding the need to obtain a licence for 15 Exeter Road, and confirming an inspection had been arranged for 2 October 2023. On 2 October 2023 the Respondent attended 15 Exeter Road but was unable to gain access.

182. Finally, on 19 June 2024 the Respondent was able to inspect. The tenant confirmed they were in occupation with their wife, and paid rent of £1,500 a month to an organisation called Haven. It was said that there were four other tenants, who were shortly due to leave. The Respondent confirmed to its satisfaction that 15 Exeter Road needed to be licensed, but there was no licence in place.

183. On 10 October 2024, Interface made an application for a licence, stating there were 7 people living at 15 Exeter Road as a single household, in the two-bedroomed, one bathroom house. It is not known from where that information was obtained. That was, of course, during the currency of the apparent agreement with Zevet. In the application, Zevet is described as Interface's Managing Agent.

184. At no point throughout this period, or indeed before his witness statement dated 5 September 2025 given in these proceedings, was Zevet identified by Mr Chaudhary as the tenant under the rent-to-rent agreement or as a direct landlord of the occupant.

185. In an email dated 23 September 2025, Interface wrote to Zevet, copying in Shah Solicitors and the Respondent, purporting to terminate Zevet's contract and demanding vacant possession on two days' notice, on grounds that the property was occupied by 8 people of Indian descent and therefore being operated as an unlicensed HMO. It was said that was in breach of the agreement that the property be let as a single-family house. It was also asserted that under-letting the property was in breach of the agreement without Interface's written consent.

186. We do no more than observe how convenient this email was to Mr Chaudhary/the Companies' case shortly to come forward (and since resiled from), that he had no idea of the unlawful user and had a reasonable excuse in the circumstances. It is simply another element of the implausibility of the accounts put forward by Mr Chaudhary, contradicted by contemporaneous evidence.

187. So far as relevant, Mr Chaudhary/the Companies next rely on the following covenant by Zevet:

3.7 Comply with Statutory Requirements

3.7.1 To execute all works required in pursuance of any Act of Parliament or required by any local or public authority to be done in respect of the Property whether by the Tenant the Landlord or any other person (however described) save and insofar as the same are the responsibility of the Landlord in accordance with his covenants herein.

...

188. It was said that Interface had a reasonable excuse for not renewing the required licence because this clause requires Zevet to comply with all statutory requirements, when the heading is taken into account.

189. We pointed to the specific wording in the clause, which in our view is very specifically as regards not statutory obligations generally, but regarding physical property works (e.g. disrepair, fire safety measures, etc). We invited Mr Nelson to address us on the test in *Arnold v Britten* [2015] UKSC 36 as regards contractual construction, but he did not do so.

190. We find that the words of the contractual provision are plain, and there is neither the necessity or ability to read into them that they apply to anything other than physical works. We find that the heading does not assist the argument. We consider that a submission to the contrary is unsustainable.

191. We also consider that Mr Chaudhary was fully aware of that fact, as demonstrated by the fact that Interface made an application for a licence, in which it named Zevet as the managing agent, long before this argument was asserted. Though he again blamed the application on his staff, we are satisfied that he is the directing mind. We find that the latterly-adopted reliance on the Zevet contract was not in his mind at the date of the application.

192. We therefore find that he had no honest belief in this argument, and that it does not provide him with a reasonable excuse. We find that he therefore unable to avail himself of this argument as mitigation.

193. In any event, and had we held he had an honest belief, we would nevertheless have found that Interface had no reasonable excuse available. Interface relied on being a small business that was obliged to contract out some of its statutory obligations because of its resources. We reject the submission.

194. Interface, and particularly Mr Chaudhary, is highly experienced in property letting, with 40 years' experience. He is now the director of four property letting companies (including letting of his own company-owned properties), including Interface, Zas, Essex Estates, and Ayaan Estates, with a portfolio throughout East London. In his evidence, he sought to minimise the sums that his companies make in profit and to minimise the sums his companies charge in rent, underestimating his turnover for Interface and Zas alone (over £2.5 million in 2023-2024, the accounts subsequently provided) by nearly £1million. He sought to minimise his awareness of the property sector, refusing to admit that he was experienced. We consider that the fact that he asserts that he has only four staff shared between Interface and Zas

is a deliberate choice to maximise profit, not a necessary arrangement brought about by lack of resources. Year-end shareholders' funds for Interface and Zas amounted to £2,339,506 in April 2024. In the same year, only £3,679 was spent on "staff training and welfare" (for a period in which the declared staff for Interface was a complement of 8, and for Zas, 3).

195. That is not the picture of the type of landlord, anticipated in *Aytan v Moore*, who might be able to avail themselves of a reasonable excuse because reliance on an agent was reasonable due to their own lack of knowledge and (e.g.) absence from the country.

196. We therefore find that the matters asserted fail to amount to either a reasonable excuse or mitigation.

(4) Quantum

197. In light of all of those findings, the final stage of this decision requires us to apply the Respondent's lawful policy, to determine for ourselves what we consider ought to be the penalties, giving due deference to the decisions that the Respondent has made in the exercise of that discretion. We therefore adopt the same four stage approach as set out in the policies, and the additional stage of totality performed on 6 May 2025.

(1) 764b Lea Bridge Road, E17 9DH

Zas

198. We are satisfied that Zas has six or more dwellings in its portfolio, and significant lettings experience, so that the failure to licence offence is within the band 4 'serious' and attracts an initial tariff under the policy of £17,500.

199. We are satisfied the Zas has considerable knowledge and experience of the licensing regime, including being a licence holder for a large number of properties in the borough, and that this aggravates the offence. We are further satisfied that the means of the company are healthy, and this offence was committed within a larger pattern of offending. We are satisfied that aggravation should be reflected in an uplift under the policy of £2,000.

200. We are satisfied that there is no mitigation of the offending that should have been taken into account when the penalty was imposed on 5 February 2024.

201. We are satisfied that there are no exceptional circumstances that ought to be taken into account to increase or decrease the penalty at the date of the penalty.

202. We are satisfied that the Respondent did not take into account double punishment/totality on 5 February 2024.

203. We are satisfied that the Respondent applied totality by the revised penalty notice on 6 May 2025.

204. We are satisfied that the application of totality at 20% is an appropriate reduction in accordance with the Respondent's policy.

205. We are therefore satisfied that the appropriate penalty is therefore £15,600. That is a sum that reflects the severity of the offence, the culpability and track record of the offender, the harm caused to the tenants, the need for punishment of the offender, deterrence of the offender and of others from (repeat) offending, and removal of the financial benefit obtained by the commission of the offence, in light of all of the matters set out *passim*.

Let's Move

206. We are satisfied that Let's Move has six or more dwellings in its portfolio, and significant lettings experience, so that the failure to licence offence is within the band 4 'serious' and attracts an initial tariff under the policy of £17,500.

207. We are satisfied the Let's Move has considerable knowledge and experience of the licensing regime, including having been previously penalised for licensing offences, and that this aggravates the offence. We were provided no evidence of the means of the company. This offence was committed within a larger pattern of offending. We are satisfied that aggravation should be reflected in an uplift under the policy of £2,000.

208. We are satisfied that there is no mitigation of the offending that should have been taken into account when the penalty was imposed on 5 February 2024.

209. We are satisfied that there are no exceptional circumstances that ought to be taken into account to increase or decrease the penalty at the date of the penalty.

210. We are satisfied that the Respondent did not take into account double punishment/totality on 5 February 2024.

211. We are satisfied that the Respondent applied totality by the revised penalty notice on 6 May 2025.

212. We are satisfied that the application of totality at 20% is an appropriate reduction in accordance with the Respondent's policy.

213. We are therefore satisfied that the appropriate penalty is therefore £15,600. That is a sum that reflects the severity of the offence, the culpability and track record of the offender, the harm caused to the tenants, the need for punishment of the offender, deterrence of the offender and of others from (repeat) offending, and removal of the financial benefit obtained by the commission of the offence, in light of all of the matters set out *passim*.

(2) Flat 4, 266 – 268 High Road, E11 3HS

Interface

214. We are satisfied that Interface has six or more dwellings in its portfolio, and significant lettings experience, so that the failure to licence offence is within the band 4 'serious' and attracts an initial tariff under the policy of £17,500.

215. We are satisfied the Interface has considerable knowledge and experience of the licensing regime, with a large portfolio across the borough, and that this aggravates the offence. We are further satisfied that the means of the company are healthy, and this offence was committed within a larger pattern of offending. We are satisfied that aggravation should be reflected in an uplift under the policy of £2,000.

216. We are satisfied that there is no mitigation of the offending that should have been taken into account when the penalty was imposed on 24 October 2024. We find that the Interface is not entitled to a decrease in the penalty due to applying for the licence on 10 October 2024, when the only reason that the Final Notice was delayed to that date was due to an amnesty on giving Final Notices while the permission to JR application was outstanding.

217. We are satisfied that there are no exceptional circumstances that ought to be taken into account to increase or decrease the penalty at the date of the penalty.

218. We are satisfied that the Respondent did not take into account double punishment/totality on 24 October 2024.

219. We are satisfied that the Respondent applied totality and double punishment by the revised penalty notice on 6 May 2025.

220. We are satisfied that the application of totality at 20% is an appropriate reduction in accordance with the Respondent's policy.

221. We are therefore satisfied that the appropriate penalty is therefore £15,600. That is a sum that reflects the severity of the offence, the culpability and track record of the offender, the harm caused to the tenants, the need for punishment of the offender, deterrence of the offender and of others from (repeat) offending, and removal of the financial benefit obtained by the commission of the offence, in light of all of the matters set out *passim*.

Asad Chaudhary

222. We are satisfied that Mr Chaudhary is the controlling mind behind Interface and that the offence was committed with his consent and connivance.

223. Interface has six or more dwellings in its portfolio, and significant lettings experience, so that the failure to licence offence is within the band 4 'serious' and attracts an initial tariff under the policy of £17,500.

224. We are satisfied the Interface and Mr Chaudhary have considerable knowledge and experience of the licensing regime, including being a licence holder for a large number of properties in the borough and having

been the licence-holder for the property in question prior to its expiry, and that this aggravates the offence. We have no information on his personal means. We are further satisfied this offence was committed by him (in the guise as Interface) deliberately within a larger pattern of offending. We are satisfied that aggravation should be reflected in an uplift under the policy of £2,000.

225. We are satisfied that there is no mitigation of the offending that should have been taken into account when the penalty was imposed on 24 October 2024. We find that the Mr Chaudhary is not entitled to a decrease in the penalty due to applying for the licence on 10 October 2024, when the only reason that the Final Notice was delayed to that date was due to an amnesty on giving Final Notices while the permission to JR application was outstanding.

226. We are satisfied that there are no exceptional circumstances that ought to be taken into account to increase or decrease the penalty at the date of the penalty.

227. We are satisfied that the Respondent did not take into account double punishment/totality on 24 October 2024.

228. We are satisfied that the Respondent applied totality and double punishment by the revised penalty notice on 6 May 2025.

229. We are satisfied that the application of totality/double punishment at 20% is an appropriate reduction in accordance with the Respondent's policy.

230. We are therefore satisfied that the appropriate penalty is therefore £15,600. That is a sum that reflects the severity of the offence, the culpability and track record of the offender, the harm caused to the tenants, the need for punishment of the offender, deterrence of the offender and of others from (repeat) offending, and removal of the financial benefit obtained by the commission of the offence, in light of all of the matters set out *passim*.

Marlborough

231. We are satisfied that Marlborough has six or more dwellings in its portfolio, and significant lettings experience, so that the failure to licence offence is within the band 4 'serious' and attracts an initial tariff under the policy of £17,500.

232. We are satisfied that Marlborough has considerable knowledge and experience of the licensing regime, and that this aggravates the offence. We have no information about the company's means. We are further satisfied this offence was committed within a larger pattern of offending. We are satisfied that aggravation should be reflected in an uplift under the policy of £2,000.

233. We are satisfied that there is no mitigation of the offending that should have been taken into account when the penalty was imposed on 4 October 2024.

234. We are satisfied that there are no exceptional circumstances that ought to be taken into account to increase or decrease the penalty at the date of the penalty.

235. We are satisfied that Marlborough is not entitled under the policy to a discount for totality/double punishment.

236. We are therefore satisfied that the appropriate penalty is therefore £19,500. That is a sum that reflects the severity of the offence, the culpability and track record of the offender, the harm caused to the tenants, the need for punishment of the offender, deterrence of the offender and of others from (repeat) offending, and removal of the financial benefit obtained by the commission of the offence, in light of all of the matters set out *passim*.

(3) Flat 6, 479a High Road, E11 4JU

Zas

237. We are satisfied that Zas has six or more dwellings in its portfolio, and significant lettings experience, so that the failure to licence offence is within the band 4 'serious' and attracts an initial tariff under the policy of £17,500.

238. We are satisfied the Zas has considerable knowledge and experience of the licensing regime, including being a licence holder for a large number of properties in the borough, and that this aggravates the offence. We are further satisfied that the means of the company are healthy, and this offence was committed within a larger pattern of offending. We are satisfied that aggravation should be reflected in an uplift under the policy of £2,000.

239. We are satisfied that there is no mitigation of the offending that should have been taken into account when the penalty was imposed on 12 December 2024. We find that the Zas is not entitled to a decrease in the penalty due to applying for the licence on 10 October 2024, when the only reason that the Final Notice was delayed to that date was due to an amnesty on giving Final Notices while the permission to JR application was outstanding.

240. We are satisfied that there are no exceptional circumstances that ought to be taken into account to increase or decrease the penalty at the date of the penalty.

241. We are satisfied that the Respondent did not take into account double punishment/totality on 12 December 2024.

242. We are satisfied that the Respondent applied double punishment/totality by the revised penalty notice on 6 May 2025.

243. We are satisfied that the application of totality/double punishment at 20% is an appropriate reduction in accordance with the Respondent's policy.

244. We are therefore satisfied that the appropriate penalty is therefore £15,600. That is a sum that reflects the severity of the offence, the culpability and track record of the offender, the harm caused to the tenants, the need for punishment of the offender, deterrence of the offender and of others from (repeat) offending, and removal of the financial benefit obtained by the commission of the offence, in light of all of the matters set out *passim*.

Asad Chaudhary

245. We are satisfied that Mr Chaudhary is the controlling mind behind Zas and that the offence was committed with his consent and connivance.

246. Zas has six or more dwellings in its portfolio, and significant lettings experience, so that the failure to licence offence is within the band 4 'serious' and attracts an initial tariff under the policy of £17,500.

247. We are satisfied that Zas and Mr Chaudhary have considerable knowledge and experience of the licensing regime, including being a licence holder for a large number of properties in the borough, and having been the licence-holder for the property in question prior to its expiry, and that this aggravates the offence. We have no information on his personal means. We are further satisfied this offence was committed by him (in the guise as Zas) deliberately within a larger pattern of offending. We are satisfied that aggravation should be reflected in an uplift under the policy of £2,000.

248. We are satisfied that there is no mitigation of the offending that should have been taken into account when the penalty was imposed on 12 December 2024. We find that the Mr Chaudhary is not entitled to a decrease in the penalty due to applying for the licence on 10 October 2024, when the only reason that the Final Notice was delayed to that date was due to an amnesty on giving Final Notices while the permission to JR application was outstanding.

249. We are satisfied that there are no exceptional circumstances that ought to be taken into account to increase or decrease the penalty at the date of the penalty.

250. We are satisfied that the Respondent did not take into account double punishment/totality on 12 December 2024.

251. We are satisfied that the Respondent applied totality and double punishment by the revised penalty notice on 6 May 2025.

252. We are satisfied that the application of totality/double punishment at 20% is an appropriate reduction in accordance with the Respondent's policy.

253. We are therefore satisfied that the appropriate penalty is therefore £15,600. That is a sum that reflects the severity of the offence, the culpability and track record of the offender, the harm caused to the tenants, the need for punishment of the offender, deterrence of the offender and of others from (repeat) offending, and removal of the financial benefit obtained by the commission of the offence, in light of all of the matters set out *passim*.

(4) Flat 7, 479a High Road, E11 4JU

Zas

254. We are satisfied that Zas has six or more dwellings in its portfolio, and significant lettings experience, so that the failure to licence offence is within the band 4 'serious' and attracts an initial tariff under the policy of £17,500.

255. We are satisfied the Zas has considerable knowledge and experience of the licensing regime, including being a licence holder for a large number of properties in the borough, and that this aggravates the offence. We are further satisfied that the means of the company are healthy, and this offence was committed within a larger pattern of offending. We are satisfied that aggravation should be reflected in an uplift under the policy of £2,000.

256. We are satisfied that there is no mitigation of the offending that should have been taken into account when the penalty was imposed on 7 January 2025. We find that the Zas is not entitled to a decrease in the penalty due to applying for the licence on 10 October 2024, when the only reason that the Final Notice was delayed to that date was due to an amnesty on giving Final Notices while the permission to JR application was outstanding.

257. We are satisfied that there are no exceptional circumstances that ought to be taken into account to increase or decrease the penalty at the date of the penalty.

258. We are satisfied that the Respondent did not take into account double punishment/totality on 7 January 2025.

259. We are satisfied that the Respondent applied double punishment/totality by the revised penalty notice on 6 May 2025.

260. We are satisfied that the application of totality/double punishment at 20% is an appropriate reduction in accordance with the Respondent's policy.

261. We are therefore satisfied that the appropriate penalty is therefore £15,600. That is a sum that reflects the severity of the offence, the culpability and track record of the offender, the harm caused to the tenants, the need for punishment of the offender, deterrence of the offender and of others from (repeat) offending, and removal of the financial benefit obtained by the commission of the offence, in light of all of the matters set out *passim*.

Asad Chaudhary

262. We are satisfied that Mr Chaudhary is the controlling mind behind Zas and that the offence was committed with his consent and connivance.

263. Zas has six or more dwellings in its portfolio, and significant lettings experience, so that the failure to licence offence is within the band 4 'serious' and attracts an initial tariff under the policy of £17,500.

264. We are satisfied that Zas and Mr Chaudhary have considerable knowledge and experience of the licensing regime, including being a licence holder for a large number of properties in the borough, and having been the licence-holder for the property in question prior to its expiry, and that this aggravates the offence. We have no information on his personal means. We are further satisfied this offence was committed by him (in the guise as Zas) deliberately within a larger pattern of offending. We are satisfied that aggravation should be reflected in an uplift under the policy of £2,000.

265. We are satisfied that there is no mitigation of the offending that should have been taken into account when the penalty was imposed on 7 January 2025. We find that the Mr Chaudhary is not entitled to a decrease in the penalty due to applying for the licence on 10 October 2025, when the only reason that the Final Notice was delayed to that date was due to an amnesty on giving Final Notices while the permission to JR application was outstanding.

266. We are satisfied that there are no exceptional circumstances that ought to be taken into account to increase or decrease the penalty at the date of the penalty.

267. We are satisfied that the Respondent did not take into account double punishment/totality on 7 January 2025.

268. We are satisfied that the Respondent applied totality and double punishment by the revised penalty notice on 6 May 2025.

269. We are satisfied that the application of totality/double punishment at 20% is an appropriate reduction in accordance with the Respondent's policy.

270. We are therefore satisfied that the appropriate penalty is therefore £15,600. That is a sum that reflects the severity of the offence, the culpability and track record of the offender, the harm caused to the tenants, the need for punishment of the offender, deterrence of the offender and of others from (repeat) offending, and removal of the financial benefit obtained by the commission of the offence, in light of all of the matters set out *passim*.

(5) Flat C, 56 St Mary Road, E17 9RE

Interface

271. We are satisfied that Interface has six or more dwellings in its portfolio, and significant lettings experience, so that the failure to licence offence is within the band 4 'serious' and attracts an initial tariff under the policy of £17,500.

272. We are satisfied the Interface has considerable knowledge and experience of the licensing regime, with a large portfolio across the borough, and that this aggravates the offence. We are further satisfied that the means of the company are healthy, and this offence was committed within a larger pattern of offending. We are satisfied that aggravation should be reflected in an uplift under the policy of £2,000.

273. We are satisfied that a licence was applied for prior to the Notice of Intention being given. We are satisfied that a 20% reduction in the penalty is appropriate to reflect that mitigation of the offending.

274. We are satisfied that there are no exceptional circumstances that ought to be taken into account to increase or decrease the penalty at the date of the penalty.

275. We are satisfied that the Respondent did not take into account double punishment/totality on 21 February 2025.

276. We are satisfied that the Respondent applied totality and double punishment by the revised penalty notice on 6 May 2025.

277. We are satisfied that the application of totality at 20% is an appropriate reduction in accordance with the Respondent's policy.

278. We are therefore satisfied that the appropriate penalty is therefore £11,700. That is a sum that reflects the severity of the offence, the culpability and track record of the offender, the harm caused to the tenants, the need for punishment of the offender, deterrence of the offender and of others from (repeat) offending, and removal of the financial benefit obtained by the commission of the offence, in light of all of the matters set out *passim*.

Asad Chaudhary

279. We are satisfied that Mr Chaudhary is the controlling mind behind Interface and that the offence was committed with his consent and connivance.

280. Interface has six or more dwellings in its portfolio, and significant lettings experience, so that the failure to licence offence is within the band 4 'serious' and attracts an initial tariff under the policy of £17,500.

281. We are satisfied the Interface and Mr Chaudhary have considerable knowledge and experience of the licensing regime, including being a licence holder for a large number of properties in the borough and having been the licence-holder for the property in question prior to its expiry, and that this aggravates the offence. We have no information on his personal means. We are further satisfied this offence was committed by him (in the guise as Interface) deliberately within a larger pattern of offending. We are satisfied that aggravation should be reflected in an uplift under the policy of £2,000.

282. We are satisfied that a licence was applied for prior to the Notice of Intention being given. We are satisfied that a 20% reduction in the penalty is appropriate to reflect that mitigation of the offending.

283. We are satisfied that there are no exceptional circumstances that ought to be taken into account to increase or decrease the penalty at the date of the penalty.

284. We are satisfied that the Respondent did not take into account double punishment/totality on 21 February 2025.

285. We are satisfied that the Respondent applied totality and double punishment by the revised penalty notice on 6 May 2025.

286. We are satisfied that the application of totality/double punishment at 20% is an appropriate reduction in accordance with the Respondent's policy.

287. We are therefore satisfied that the appropriate penalty is therefore £11,700. That is a sum that reflects the severity of the offence, the culpability and track record of the offender, the harm caused to the tenants, the need for punishment of the offender, deterrence of the offender and of others from (repeat) offending, and removal of the financial benefit obtained by the commission of the offence, in light of all of the matters set out *passim*.

Let's Move

288. We are satisfied that Let's Move has six or more dwellings in its portfolio, and significant lettings experience, so that the failure to licence offence is within the band 4 'serious' and attracts an initial tariff under the policy of £17,500.

289. We are satisfied the Let's Move has considerable knowledge and experience of the licensing regime, including having been previously penalised for licensing offences, and that this aggravates the offence. We were provided no evidence of the means of the company. This offence was committed within a larger pattern of offending. We are satisfied that aggravation should be reflected in an uplift under the policy of £2,000.

290. We are satisfied that a licence was applied for prior to the Notice of Intention being given. We are satisfied that a 20% reduction in the penalty is appropriate to reflect that mitigation of the offending.

291. We are satisfied that there are no exceptional circumstances that ought to be taken into account to increase or decrease the penalty at the date of the penalty.

292. We are satisfied that the Respondent did not take into account double punishment/totality on 21 February 2025.

293. We are satisfied that the Respondent applied totality by the revised penalty notice on 6 May 2025.

294. We are satisfied that the application of totality at 20% is an appropriate reduction in accordance with the Respondent's policy.

295. We are therefore satisfied that the appropriate penalty is therefore £11,700. That is a sum that reflects the severity of the offence, the culpability and track record of the offender, the harm caused to the tenants, the need for punishment of the offender, deterrence of the offender and of others from (repeat) offending, and removal of the

financial benefit obtained by the commission of the offence, in light of all of the matters set out *passim*.

(6) 15 Exeter Road, E17 7QJ

Interface

296. We are satisfied that Interface has six or more dwellings in its portfolio, and significant lettings experience, so that the failure to licence offence is within the band 4 'serious' and attracts an initial tariff under the policy of £17,500.

297. We are satisfied the Interface has considerable knowledge and experience of the licensing regime, with a large portfolio across the borough, and that this aggravates the offence. We are further satisfied that the means of the company are healthy, and this offence was committed within a larger pattern of offending. We are satisfied that aggravation should be reflected in an uplift under the policy of £2,000.

298. We are satisfied that a licence was applied for prior to the Notice of Intention being given. We are satisfied that a 20% reduction in the penalty is appropriate to reflect that mitigation of the offending.

299. We are satisfied that there are no exceptional circumstances that ought to be taken into account to increase or decrease the penalty at the date of the penalty.

300. We are satisfied that the Respondent did not take into account double punishment/totality on 19 February 2025.

301. We are satisfied that the Respondent applied totality and double punishment by the revised penalty notice on 6 May 2025.

302. We are satisfied that the application of totality at 20% is an appropriate reduction in accordance with the Respondent's policy.

303. We are therefore satisfied that the appropriate penalty is therefore £11,700. That is a sum that reflects the severity of the offence, the culpability and track record of the offender, the harm caused to the tenants, the need for punishment of the offender, deterrence of the offender and of others from (repeat) offending, and removal of the financial benefit obtained by the commission of the offence, in light of all of the matters set out *passim*.

Asad Chaudhary

304. We are satisfied that Mr Chaudhary is the controlling mind behind Interface and that the offence was committed with his consent and connivance.

305. Interface has six or more dwellings in its portfolio, and significant lettings experience, so that the failure to licence offence is within the band 4 'serious' and attracts an initial tariff under the policy of £17,500.

306. We are satisfied the Interface and Mr Chaudhary have considerable knowledge and experience of the licensing regime, including being a licence holder for a large number of properties in the borough and having been the licence-holder for the property in question prior to its expiry, and that this aggravates the offence. We have no information on his personal means. We are further satisfied this offence was committed by him (in the guise as Interface) deliberately within a larger pattern of offending. We are satisfied that aggravation should be reflected in an uplift under the policy of £2,000.

307. We are satisfied that a licence was applied for prior to the Notice of Intention being given. We are satisfied that a 20% reduction in the penalty is appropriate to reflect that mitigation of the offending.

308. We are satisfied that there are no exceptional circumstances that ought to be taken into account to increase or decrease the penalty at the date of the penalty.

309. We are satisfied that the Respondent did not take into account double punishment/totality on 19 February 2025.

310. We are satisfied that the Respondent applied totality and double punishment by the revised penalty notice on 6 May 2025.

311. We are satisfied that the application of totality/double punishment at 20% is an appropriate reduction in accordance with the Respondent's policy.

312. We are therefore satisfied that the appropriate penalty is therefore £11,700. That is a sum that reflects the severity of the offence, the culpability and track record of the offender, the harm caused to the tenants, the need for punishment of the offender, deterrence of the offender and of others from (repeat) offending, and removal of the financial benefit obtained by the commission of the offence, in light of all of the matters set out *passim*.

Conclusion

313. In all of the circumstances, we uphold the penalties imposed on the Applicants by the Respondent, having concluded that our application of the policy accords with Ms Morris's.

Name: Deputy Regional Judge N Carr **Date:** 20 May 2026

Annexe 1

The remaining appeals:

LON/00BH/HNA/2024/0053 (x2)	**746a Lea Bridge Road, E17 9DH**
LON/00BH/HNA/2024/0055 **LON/00BH/HNA/2025/0614**	**Flat 6, 266-268 High Road, E11 3HS**
LON/00BH/HNA/2025/0606 (x2)	**Flat 1, 231-233 Hoe Street, E17 9PP**
LON/00BH/HNA/2025/0607 (x3)	**Flat 2, 231-233 Hoe Street, E17 9PP**
LON/00BH/HNA/2025/0608 (x2)	**Flat 9, 231-233 Hoe Street, E17 9PP**
LON/00BH/HNA/2025/0609 (x2)	**Flat A, 475 High Road, E11 4JU**
LON/00BH/HNA/2025/0610 (x3)	**Flat 3, 231-233 Hoe Street, E17 9PP**
LON/00BH/HNA/2025/0612 (x2)	**Flat 4, 231-233 Hoe Street, E17 9PP**
LON/00BH/HNA/2025/0613 (x2)	**Flat 5, 231-233 Hoe Street, E17 9PP**
LON/00BH/HNA/2025/0616 (x3)	**Flat 7, 231-233 Hoe Street, E17 9PP**
LON/00BH/HNA/2025/0617 (x3)	**Flat 7, 266-268 High Road, E11 3HS**
LON/00BH/HNA/2025/0618 (x2)	**Flat 8, 266-268 High Road, E11 3HS**
LON/00BH/HNA/2025/0619 (x3)	**Flat B, 475 High Road, E11 4JU**
LON/00BH/HNA/2025/0620	**Flat C, 475 High Road, E11 4JU**
LON/00BH/HNA/2025/0621 (x2)	**Flat 6, 231-233 Hoe Street, E17 9PP**
LON/00BH/HNA/2025/0631 (x2)	**Flat 1, 479a High Road, E11 4JU**
LON/00BH/HNA/2025/0632 (x3)	**Flat 1, 469-471 High Road, E11 4JU**
LON/00BH/HNA/2025/0638 (x2)	**Flat 5, 469-471 High Road, E11 4JU**
LON/00BH/HNA/2025/0640 (x2) **LON/00BH/HNA/2025/0654**	**Flat 6, 469-471 High Road, E11 4JU**
LON/00BH/HNA/2025/0643 (x3)	**Flat 6, 527-529 High Road, E11 4PB**
LON/00BH/HNA/2025/0645 (x3)	**Flat 4, 481e High Road, E11 4JU**
LON/00BH/HNA/2025/0647 (x3)	**Flat A, 56 St Mary Road, E17 9RE**
LON/00BH/HNA/2025/0648 (x3)	**Flat B, 56 St Mary Road, E17 9RE**

LON/00BH/HNA/2025/0650 (x2)	**Flat D, 475 High Road, E11 4JU**
LON/00BH/HNA/2025/0651 (x2)	**Flat 3, 527-529 High Road, E11 4PB**
LON/00BH/HNA/2025/0671 (x2)	**Flat B, 487 High Road, E11 4PG**
LON/00BH/HNA/2025/0672 (x2)	**Flat 1, 266-268 High Road, E17 9PP**

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).