FIRST-TIER TRIBUNAL
PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case reference	:	**CAM/OOJA/HNA/2025/0634**
Property	:	**18 Alma Road, Peterborough, PE1 3AW**
Applicant	:	**Muhammad Salman Khan**
Representative	:	**Mr Saeed, Solicitor**
Respondent	:	**Peterborough City Council**
Representative	:	**Mr Osinuga, Counsel**
Type of application	:	**Appeal against financial penalties –** Section 249A & Schedule 13A to the Housing Act 2004 (the "**Act**")
Tribunal	:	**Judge Wendy Banks** **Roland Thomas MRICS**
Date of decision	:	**01 June 2026**

DECISION

Decision

(1) The appeal is allowed in part and the Tribunal varies the financial penalty issued by the Respondent set out in the final notice dated 20 August 2025 from £1,390 to £1,000.

Reasons

Background

1. The Applicant is the freehold owner of the Property which is a 2-bedroom terraced house.

2. By application dated 9 September 2025, the Applicant appealed against a financial penalty imposed by the Respondent in a Final Notice dated 20 August 2025 in the sum of £1,390. The Final Notice was issued pursuant to section 249A of the Act for an alleged offence under section 95, namely that the Applicant was having control of, or managing, a property which was required to be licensed under the Respondent's selective licensing scheme but was not so licensed.

3. The application stated that the Property had previously been subject to a selective licensing scheme and that the Applicant had obtained a licence under that earlier scheme. That scheme came to an end in 2021. The area in which the Property is situated later became subject to a further selective licensing scheme, which came into force in 2024. The Applicant's case was that he had not been aware of that change.

4. The background as set out by the Respondent in the witness statement of Ms Dharsani and unchallenged by the Applicant was that on 21 May 2025, a search was carried out on the council selective licensing scheme records to ascertain if an application had been submitted for a licence for the Property. No licence application had been submitted, and no licence was in place.

5. On 24 June 2025, the Respondent sent the Applicant a letter enclosing a written interview under caution. On 8 July 2025, the Applicant returned the completed form, confirming that he had previously held a selective licence for the Property and stating that, after the earlier scheme came to an end, he had not been aware that a new scheme had come into force in 2024. He added that, once he became aware of the new scheme, he had begun an application for a licence.

6. On 10 July 2025, the Respondent carried out further enquiries to ascertain whether the Applicant had submitted a licence application. It was noted that the Applicant had started an application on 30 June 2025, but that it had not by then been completed or submitted.

7. On 23 July 2025, the Respondent served a notice of intent together with a calculation sheet, proposing a financial penalty of £3,285.

8. On 26 July 2025 the Applicant submitted an application for a selective licence for the property.

9. On 20 August 2025, the Respondent served the Final Notice. In doing so, it reassessed the proposed financial penalty and reduced the culpability assessment from high to medium. In recognition of the fact that, following receipt of the notice of intent, the Applicant had submitted a duly made licence application, the penalty was reduced to £1,390.

Directions

10. The matter came before the Tribunal on 2 February 2026, when directions were given by Mary Hardman FRICS. Paragraph 10 of the Directions Order

required the Applicant to prepare a bundle of relevant documents for use at the hearing and, by 30 March 2026, to send two copies of that bundle to the Tribunal and one copy to the Respondent.

11. Paragraph 12 of the directions stated that the bundle should include various documents including an expanded statement of the reasons for the appeal which should include any additional grounds upon which the Applicant wishes to rely and any response to the Respondent's case.

12. The Directions Order also contained a number of recitals, including one stating that, if the Applicant failed to comply with the directions, the Tribunal might strike out all or part of his case pursuant to rule 9(3)(a) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013.

13. The Applicant did not comply with the aforesaid directions.

The hearing

14. The hearing took place by CVP on 13 May 2026. Both parties were represented. The Applicant attended, as did Ms Dharsani on behalf of the Respondent. The Tribunal had before it the application form, the Directions Order dated 2 February 2026, and the Respondent's hearing bundle. That bundle included the witness statement of Arifa Dharsani and a number of supporting documents, including a public notice issued pursuant to section 80 of the Housing Act 2004. That notice recorded that, on 5 December 2023, a number of areas, including the area in which the Property is situated, had been designated for selective licensing. It further recorded that the designation would come into force on 11 March 2024 and remain in force until 10 March 2029, and that, once in force, any person operating a licensable property without a licence would be liable to prosecution and, on summary conviction, to an unlimited fine.

15. Other relevant documents before the Tribunal included the Applicant's completed interview under caution, the tenancy agreement for the Property dated 2 June 2025, a copy of the Applicant's previous licence valid until 31 October 2021, the notice of intent dated 23 July 2025 in the sum of £3,285 together with the accompanying calculation, and the final notice dated 20 August 2025 in the sum of £1,390 together with its calculation.

16. At the outset of the hearing, it was apparent that the Applicant was participating from a car and that a child, whom he identified as his son, was present with him. The Tribunal asked whether he intended to give evidence from that location, and he confirmed that he did. The Tribunal informed the Applicant that, as this was a court hearing, any witness evidence had to be given from a private setting and, if he was to give evidence, he was required to be alone. The Tribunal asked how long he would need to find a suitable location, and he estimated that it would take approximately 10 minutes. The hearing was therefore stood down to enable him to do so. Before doing so, the Tribunal informed Mr Saeed that, when the hearing resumed, it would hear submissions regarding the Applicant's

failure to comply with paragraph 10 of the Directions Order, which required him to prepare and file a bundle. The Tribunal indicated that it would need to consider, in light of that non-compliance and the recital to the Directions Order, whether the application should be struck out.

17. Mr Saeed submitted that there had been no need for the Applicant to file a separate bundle because the relevant documents were already contained within the Respondent's bundle. The Tribunal did not accept that submission. It explained that the Applicant was still required to comply with the Directions Order by filing his own bundle, which was to include, amongst other things, the application and the directions. Mr Saeed then submitted that the Tribunal had already determined to strike out the application and stated that, if so, the Applicant would appeal. The Tribunal made clear that no such decision had been taken. It explained that the issue of non-compliance was being dealt with as a preliminary procedural matter which had to be resolved before the substantive hearing could proceed. The Tribunal further stated that it would hear submissions from both parties on that issue before determining how to proceed pursuant to rule 8 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013. The matter was then stood down for 10 minutes. Mr Saeed requested additional time and indicated that he wished to refer to a skeleton argument. The Tribunal stated that it would not consider that document at that stage, as the hearing had already commenced and the document had neither been filed nor served. However, Mr Saeed was informed that he would have the opportunity to make submissions at the conclusion of the evidence and could then address any points contained in his skeleton argument.

18. When the hearing resumed, Mr Saeed accepted that the Applicant had not complied with the Directions Order. He submitted, however, that the failure arose because the Applicant, who until that day had been a litigant in person, believed that he had already provided all documents on which he intended to rely and did not appreciate that any further step was required. He described the omission as an oversight and submitted that its practical effect on the hearing was minimal, given that no new evidence was being introduced. On that basis, the Applicant sought relief from sanctions and invited the Tribunal to waive the requirement. The Respondent did not oppose that application. The Tribunal applied the approach in *Denton*. It accepted that the breach was a serious one. However, in circumstances where the Applicant had previously been acting in person, had already provided the documents on which he wished to rely before the Directions Order was made, and where any additional material was included within the Respondent's bundle, the Tribunal was satisfied that there was a good reason for the default, namely that the Applicant had not appreciated that further compliance was required. The application for relief was therefore granted. In any event, if the Tribunal were wrong as to there being a good reason, it would still have granted relief when considering all the circumstances, including that the application was unopposed, the Respondent suffered no prejudice as a result of the failure to file a bundle, and the Tribunal had all documents necessary to proceed with the hearing.

Applicant's case

19. The Tribunal then heard evidence from the Applicant. His case, in summary, was that there was little dispute as to the underlying facts. He relied upon the fact that he had previously held a licence for the Property under the earlier selective licensing scheme, that licence had expired when that scheme came to an end, and that he had not been made aware that a new scheme had subsequently been introduced. He stated that, as soon as he became aware that the Property again required a licence, he made an application for one.

20. The Applicant's position was that the central issue was whether he ought to have been given notice when the new selective licensing scheme came into force. He maintained that, had he been notified, he would have obtained a licence. In support of that submission, he referred to a meeting with Mr Gritt, a manager employed by the Respondent, which took place before the hearing. According to the Applicant, Mr Gritt stated that the scheme had been advertised in local newspapers and at the Town Hall. The Applicant's evidence was that he did not reside in Peterborough, but in Leicester, and would therefore not have been aware of those local advertisements. He further submitted that the Respondent had been aware of him, and had held his details, because he had previously held a licence for the Property. In those circumstances, he contended that it was wrong for him to be fined for non-compliance.

21. In support of that argument, the Tribunal was referred to the consultation requirements contained in section 80(9) of the Act, which provide:

> (9)Before making a designation the local housing authority must—
>
> (a)take reasonable steps to consult persons who are likely to be affected by the designation; and
>
> (b)consider any representations made in accordance with the consultation and not withdrawn.

22. The Applicant submitted that, if the Respondent was aware that he had previously been a licence holder and was proposing to reintroduce selective licensing, he ought to have been consulted and should not, in those circumstances, have been fined. He said that the Respondent had relied only upon a public notice, a copy of which appeared at page B2 of the bundle. He further stated that, at his meeting with Mr Gritt in February 2026, he explained that he had been unaware that selective licensing had been reintroduced, but was told that the penalty could neither be waived nor reduced.

23. The Applicant said that Mr Gritt also told him that the scheme had been advertised at the Town Hall and in local newspapers, and that the Respondent did not have his contact details and therefore could not write

to him. The Applicant repeated that he did not live in Peterborough but in Leicester.

24. The Applicant stated that this was the only property he owned and that he was not a professional landlord.

25. He said that he first became aware of the issue in May 2025, when the Respondent first attended the Property, and that he then applied for a licence within approximately two to three weeks.

26. The Applicant noted that the initial proposed penalty had been £3,285 and had subsequently been reduced. He maintained that, prior to the Respondent's contact with him, he had not been aware of the new licensing scheme, although he had been aware of the previous scheme.

27. He also confirmed that no utilities were included within the rent.

28. In closing submissions, on behalf of the Applicant, it was submitted that proper and reasonable consultation was required. It was argued that the local authority guidance contemplated consultation with landlords known to be operating within the area and that, as the Applicant had previously held a selective licence for the Property, he ought to have been consulted directly. It was submitted that, although 6,099 emails were said to have been sent, the Applicant was not contacted, and that in circumstances where the local authority knew, or ought to have known, that the Property was rented out, it was unreasonable not to notify him. The Applicant disputed any suggestion that data protection obligations prevented the Respondent from contacting former licence holders, no evidence having been produced to substantiate that position.

29. It was further submitted on behalf of the Applicant that the delay of approximately two years between consultation and implementation of the scheme was itself unreasonable. Reliance was also placed upon the fact that, once the Applicant became aware of the need for a licence, he took prompt steps to regularise the position. It was said that the Property was not in disrepair, that the Applicant was not seeking to advance lack of notice as a complete reasonable excuse, but that those matters were relevant mitigation which the Tribunal should take into account.

30. The Applicant accordingly invited the Tribunal to cancel the penalty altogether on the basis that he had not been notified that the scheme had been reintroduced.

31. The Applicant did not seek recovery of the hearing fee, acknowledging that something had gone wrong in the way matters had developed.

32. Alternatively, it was submitted that, if the Tribunal were not with the Applicant on liability, the penalty should be reduced to the lowest level and fixed at approximately £250.

Respondent's case

33. Ms Dharsani gave evidence on behalf of the Respondent.

34. Ms Dharsani's evidence was that, when the Respondent consulted on the introduction of the new selective licensing scheme, a number of steps were taken to publicise it, including for those who did not reside within the area. She said that notices were displayed at the Town Hall and Council offices, the scheme was published on the Respondent's website, and advertisements appeared in the *Peterborough Telegraph*. She stated that the consultation period ran from 20 January 2022 to 13 April 2022. In addition, the Respondent used social media, sent emails to letting agencies, wrote to registered landlords, issued media releases to the local press, held webinars, and that the matter also received national publicity through the BBC.

35. Ms Dharsani confirmed that the initial proposed penalty of £3,285, as shown at page B65 of the bundle, was subsequently reduced because the Applicant went on to make a duly made licence application.

36. Her evidence was that the Applicant began the licence application on 29 June 2025, submitted it on 26 July 2025, and that, on 20 August 2025, she issued the final notice in the reduced sum of £1,390.

37. Ms Dharsani said that the designation came into force on 11 March 2024. She explained that consultation had taken place approximately two years before the scheme came into force and that there had then been a delay of around 11 months while a decision from the Secretary of State was awaited.

38. In that regard, she said that she had received an email from her manager, circulated to the wider team, explaining the delay and stating that the Secretary of State was involved.

39. Ms Dharsani also referred to a landlords' register and said that she had been informed by her manager that emails had been sent to landlords on that register. She further confirmed that the interviews under caution in this matter were not conducted face to face but were received by her in written form.

40. Her evidence was that 6,099 people had been sent an email about the scheme, although she accepted that this was information she had been told in an internal email rather than something of which she had direct knowledge. She also accepted that she did not have any email showing that Mr Khan had been informed directly of the new selective licensing scheme.

41. Ms Dharsani said that the reduction in the penalty followed a re-evaluation of the matter and reflected a reduction in the assessed level of culpability. She referred to the policy then in use by the Respondent and said that the harm level had been assessed as Level C, being the lowest level of harm, because the Property was accepted to be in good condition. She said that

the revised penalty fell within Penalty Band 2, with Band 1 being the lowest, Band 2 medium, and Band 3 high. She further stated that an uplift had been applied by reference to the Applicant's finances, using a multiplier based upon weekly income.

42. However, Ms Dharsani was unable to explain in detail how the figures themselves had been calculated. The Respondent did not produce either the underlying matrix or the policy relied upon, with the result that the Tribunal was not able to verify the calculation from the material before it.

43. Ms Dharsani also said that, once a licensing scheme came to an end, the Respondent did not retain information relating to licence holders under that scheme. Her evidence was therefore that the Respondent did not have details of those who had held licences under the earlier scheme, although she accepted that there was a landlords' register.

44. Ms Dharsani confirmed that the Property was situated within the central area covered by the designation and therefore fell within the selective licensing scheme.

45. On behalf of the Respondent, Mr Osinuga submitted that the central issue was whether the Applicant had the required licence on 21 May 2025. He accepted that the Applicant had held a licence under the earlier scheme, but submitted that the Property had been let since October 2023, that the offence under section 95 was one of strict liability, and that the new scheme was in force irrespective of whether the Applicant had been consulted individually. He submitted that the local authority had in fact undertaken consultation and that, although the Applicant had not been consulted directly, he subsequently applied for and obtained a licence, a matter which was relevant only to the level of penalty and not to liability.

46. It was submitted on behalf of the Respondent that any notice of consultation could, in principle, have been sent only if current contact details were held. In response to the point that the previous licence had been in Mr Khan's name, it was said that details from the earlier scheme had been removed for data protection reasons.

47. The Respondent submitted that any failure to consult the Applicant directly was not relevant to whether the offence had been committed.

48. It was further submitted that the Applicant ought to have exercised due diligence as a landlord and kept himself informed as to the regulatory requirements applicable to a property let in an area where a licensing scheme might operate.

49. The Respondent maintained that the amount of the penalty was reasonable, proportionate, and in accordance with the applicable scheme and policy.

50. It was said that consultation had been carried out widely within the designated area.

51. It was also submitted that the evidence regarding the landlords' register was limited, in that Ms Dharsani's knowledge of it derived from an internal email rather than from any underlying register produced to the Tribunal.

52. The Tribunal noted that the only direct evidence before it on the issue of personal notification was that Mr Khan had not been sent an email and had not been contacted directly. The delay between consultation and implementation also remained a live point between the parties.

The relevant law

53. Part 3 of the Housing Act 2004 provides for selective licensing of areas designated for that purpose by the local housing authority, so that a licence is required when the house is let even if it is not a house in multiple occupation.

54. Section 95(1) of the 2004 Act provides:

> "(1) A person commits an offence if he is a person having control of or managing a house which is required to be licensed under this Part ... but is not so licensed.
> ...
> (4) In proceedings against a person for an offence under subsection (1) or (2) it is a defence that he had a reasonable excuse–
>
> (a) for having control of or managing the house in the circumstances mentioned in subsection (1)..."

55. Section 249A of the 2004 Act provides, so far as relevant:

> "(1) The local housing authority may impose a financial penalty on a person if satisfied, beyond reasonable doubt, that the person's conduct amounts to a relevant housing offence in respect of premises in England.
>
> (2) In this section "relevant housing offence" means an offence under—
>
> (c) section 95 (licensing of houses under Part 3)...
>
> (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."

The issues in dispute

Consultation and notice

56. Section 80(9) of the Act provides that, before making a designation, the local housing authority must take reasonable steps to consult persons who are likely to be affected by the designation.

57. The point arising under section 80 of the Act was raised expressly only at the hearing and had not been articulated in those terms in the application. However, the application did state that the Property had previously been within the earlier selective licensing scheme until 2021, when that scheme came to an end, and that the Applicant had not been aware that the Property fell within the new scheme. In those circumstances, although the point had not been advanced as a separate ground in writing, the Tribunal was satisfied that the underlying factual basis for it had been identified. As the point was fully addressed by both parties at the hearing and no prejudice arose, the Tribunal considered it.

58. In any event, the issue was raised orally by the Applicant and was fully addressed by the Respondent. The Tribunal heard evidence that notice of the proposed scheme had been publicised at the Town Hall, in local newspapers, on the Respondent's website, on social media, through correspondence with letting agents, by webinars, and more widely in the media. The Respondent accepted that it had not contacted the Applicant directly and maintained that it would not have retained his details from the earlier scheme for data protection reasons. Having considered the evidence as a whole, the Tribunal is satisfied that the Respondent took reasonable steps to consult persons likely to be affected by the designation for the purposes of section 80(9). The statutory obligation is to take reasonable steps to consult affected persons; it does not require personal notification of every landlord who may previously have held a licence.

59. That conclusion is also consistent with the Tribunal's role on an appeal of this nature. In *The Borough Council of Gateshead v City Estates Holdings Ltd* [2023] UKUT 35 (LC), Judge Cooke observed at [26]–[27] that:

> *"… the FTT in hearing an appeal from a financial penalty is to make its own decision, not to review that of the local housing authority. The question before the FTT is therefore not whether the local housing authority in imposing the penalty followed its own policy. The FTT is not conducting a review of the local housing authority's decision".*

60. As to whether the Respondent was required to inform the Applicant that the Property had again become subject to selective licensing, the Tribunal bears in mind the observations in *Thurrock Council v Daoudi* [2020]

UKUT 209 (LC), where the Deputy President, Martin Rodger KC, observed at [26] that a landlord may, in principle, have a reasonable excuse for not appreciating that a property required a licence, but that "it would be necessary for the landlord to take reasonable steps to keep informed". Likewise, in *Aytan v Moore and others* [2022] UKUT 27 (LC), the Upper Tribunal stated that "there would generally be a need to show that there was a reason why the landlord could not inform themselves of the licensing requirements."

61. For those reasons, the Tribunal does not accept that the Respondent was under any separate obligation to inform the Applicant personally that the Property had become subject to the new selective licensing scheme. The absence of direct notification may, however, be relevant to the issues of reasonable excuse and mitigation. In that regard, the Tribunal has had regard to *Thurrock*, in which the Deputy President explained at [31] that eventually doing what the law requires cannot ordinarily justify the complete removal of a penalty, although it may bear upon the level of penalty imposed. The fact that the Applicant may be regarded as a landlord with limited holdings, and that he applied for a licence once he became aware of the requirement, are therefore matters capable of bearing on culpability and mitigation, but they do not, without more, prevent the offence from being made out or justify the cancellation of the penalty.

62. Against that background, the Tribunal identifies the following issues for determination:

    (1) Whether the Tribunal is satisfied, beyond reasonable doubt, that the relevant housing offence was committed.

    (2) If so, whether the Applicant has established, on the balance of probabilities, a defence of reasonable excuse.

    (3) If not, whether the financial penalty was properly imposed in accordance with section 249A and paragraphs 1 to 8 of Schedule 13A to the 2004 Act.

    (4) If so, what is the appropriate level of penalty in all the circumstances.

Has the Applicant committed the offence?

63. The Tribunal must be satisfied, beyond reasonable doubt, that the Applicant committed a relevant housing offence in respect of the Property during the period to which the Final Notice relates.

64. The Tribunal is satisfied, beyond reasonable doubt, that the Applicant committed the relevant housing offence. During the material period, the Applicant had control of or was managing a house which was required to be licensed under Part 3 of the Housing Act 2004 but was not so licensed. The elements of the offence under section 95(1) are therefore made out.

Is there a defence of reasonable excuse?

65. The burden of establishing a reasonable excuse rests on the Applicant, and the defence need only be proved on the balance of probabilities: *I R Management Services Ltd v Salford City Council* [2020] UKUT 81 (LC) at [27]–[28].

66. In considering that issue, the Tribunal took care to explore the Applicant's position, particularly his evidence that he had been unaware that the selective licensing scheme had been reintroduced. The Tribunal therefore had regard to the observations of the Upper Tribunal in *Thurrock Council v Khalid Daoudi* [2020] UKUT 209 (LC):

> [26] "*Ignorance of the need to obtain a licence may be relevant in a financial penalty case in at least two different ways. There may be cases in which ignorance of the facts giving rise to the duty to obtain a licence provides a defence of reasonable excuse. In I R Management Services Ltd v Salford City Council [2020] UKUT 81 (LC), an experienced letting agent responsible for the management of a property comprising only two bedrooms advanced a reasonable excuse defence on the basis that he had been unaware that the property had come to be occupied by more than one household, making it an HMO. The FTT in that case was not persuaded of the letting agent's lack of knowledge, but, had it been, that ignorance would have been capable of supporting the statutory defence.*"

67. The Upper Tribunal continued:

> "*It is also possible to imagine circumstances in which a landlord had a reasonable excuse for not appreciating that a property had come within a selective licensing regime (although it would be necessary for the landlord to have taken reasonable steps to keep informed). Short of providing a defence, ignorance of the need to obtain a licence may be relevant to the issue of culpability. Although, as the Government's Guidance points out, a landlord is running a business and ought to be expected to understand the regulatory environment in which that business operates, not all businesses are the same. A decision-maker might reasonably take the view that a landlord with only one property was less culpable than a landlord with a large portfolio.*"

68. Further, at [27], the Upper Tribunal stated:

> "*No matter how genuine a person's ignorance of the need to obtain a licence, unless that failure was reasonable in all the circumstances, the ignorance cannot provide a complete defence.*"

69. The Tribunal accepts that the Applicant was unaware of the renewed requirement for a licence. It also accepts that this was his only property and

that he was not a professional or large-scale landlord. However, the Tribunal is not satisfied that ignorance of the licensing requirement amounted, in the circumstances of this case, to a reasonable excuse. As the authorities make clear, a landlord letting property must take reasonable steps to keep informed of the regulatory obligations affecting that property. Information of this kind can be obtained by a number of means, including publicly available sources, and the Applicant had previously engaged with the licensing regime when he licensed the Property in 2020. In the Tribunal's judgment, the Applicant's lack of knowledge, although genuine, does not establish a complete defence. It is, however, relevant to culpability and therefore to the appropriate level of penalty.

The penalty

70. In light of the findings set out above, the Tribunal is satisfied that the statutory preconditions for the imposition of a financial penalty under section 249A and Schedule 13A to the Housing Act 2004 are met.

71. The remaining question is the appropriate level of penalty in all the circumstances of the case.

72. Under paragraph 12 of Schedule 13A to the 2004 Act, regard must be had to the statutory guidance issued by the Secretary of State concerning the exercise of functions in relation to civil penalties. That guidance encourages local housing authorities to adopt their own policies for determining the appropriate level of penalty.

73. As already noted, the Tribunal's task is to make its own decision on the appropriate penalty, rather than merely to review the Respondent's reasoning. The Respondent's policy and approach are relevant considerations, but they are not determinative.

74. The statutory guidance identifies a number of factors relevant to the setting of a financial penalty, including the severity of the offence, the culpability and track record of the offender, the harm caused, punishment, and deterrence both of the individual offender and of others.

75. The Respondent's approach, as described in the evidence, involved the use of a matrix and spreadsheet said to assess matters such as deterrence, financial benefit, offence history, and harm to tenants.

76. In the present case, however, the Tribunal was unable to assess that methodology in any detail because the Respondent did not provide either the policy itself or the matrix said to underpin the calculation.

77. The Respondent did, however, provide an offence summary in respect of each notice. The first, dated 23 July 2025, recorded culpability as high, harm as Level C, and the penalty band as Band 3. The stated starting point for Band 3 was £3,000, with an upper limit of £6,000. The proposed penalty of £3,285 was therefore close to the starting point. The summary also referred to an uplift based on the Applicant's finances. It recorded a

relevant income figure of £190 and a multiplier of 150%, producing an increase of £285. No other uplift was identified.

78. The second offence summary, dated 20 August 2025, recorded culpability as medium, harm as Level C, and the penalty band as Band 2. The stated starting point for that band was £1,200, with an upper limit of £3,000. Again, there was an uplift said to reflect the Applicant's finances, this time using the same weekly income figure of £190 with a multiplier of 100%.

79. During her evidence, Ms Dharsani was asked how those figures had been calculated. She said that she inputted information into a spreadsheet, which then generated the amount of the financial penalty. Her evidence was that the offence initially fell to be treated as one of high culpability, Level C harm, and Band 3, but that where mitigating features were present it would be reduced automatically to medium culpability, with the harm level remaining the same and the penalty band reducing to Band 2. She was unable, however, to provide a clear breakdown of how the figures in this case had been derived. Nor was she able to explain how the Applicant's financial circumstances had been assessed for the purpose of the uplift. In those circumstances, the Tribunal places limited weight on the arithmetic said to support the Respondent's calculation.

80. Standing back and considering all the circumstances, the Tribunal takes into account that no previous financial penalties had been imposed on the Applicant; that he was genuinely unaware that the Property had again fallen within a selective licensing area; that the Respondent did not provide the policy or matrix said to underpin the calculation of the penalty; and that the explanation given for the calculation was limited to the use of a spreadsheet without any transparent methodology. The Tribunal also takes into account that the Respondent wrote to the Applicant on 24 June 2025 enclosing a written interview under caution, which the Applicant returned promptly, and that following receipt of the notice of intent dated 23 July 2025 the Applicant submitted his licence application by 26 July 2025. The likely harm to the tenant was minimal. In the Tribunal's judgment, a penalty at the level of £1,000 is sufficient to mark the seriousness of the offence and to maintain deterrence, while properly reflecting the Applicant's limited culpability and the mitigating circumstances identified above. Having regard to all of those matters, the Tribunal is satisfied that a financial penalty of £1,000 is appropriate in all the circumstances.

Name: Judge Wendy Banks **Date:** 01 June 2026

Rights of appeal

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the Tribunal is required to notify the parties about any right of appeal they may have.

If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber), then a written application for permission must be made to the First-tier Tribunal at the regional office which has been dealing with the case.

The application for permission to appeal must arrive at the regional office within 28 days after the Tribunal sends written reasons for the decision to the person making the application.

If the application is not made within the 28-day time limit, such application must include a request for an extension of time and the reason for not complying with the 28-day time limit; the Tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed, despite not being within the time limit.

The application for permission to appeal must identify the decision of the Tribunal to which it relates (i.e. give the date, the property and the case number), state the grounds of appeal and state the result the party making the application is seeking.

If the Tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).