FIRST - TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case Reference	**:**	**LON/00AT/HNA/2025/0629**
Property	**:**	**25 School Road, Hounslow, London TW3 2NA**
Applicant	**:**	**Mrs Aarti Bahanda**
Representative	**:**	**Mr J Gazzian, Counsel instructed by MT UK Solicitors**
Respondent	**:**	**London Borough of Hounslow**
Representative	**:**	**Mr Jeff Smyth, Regulatory Officer with the Council**
Type of Application	**:**	**An appeal against a financial penalty under section 249A and schedule 13A to the Housing Act 2004**
Tribunal Members	**:**	**Judge Dutton**
Date of Hearing	**:**	**12th May 2026**
Date of Decision	**:**	**22 May 2026**

DECISION

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DECISION

The Tribunal determines that the financial penalty payable by the Applicant is £10,000 and is payable within 28 days of the date of this decision.

BACKGROUND

1. This is an appeal by the Applicant against a financial penalty made under section 249A of the Housing Act 2004 (the Act). The appeal is by way of re-hearing of the Respondent's decision to impose the penalty and or the amount of the penalty but it may be determined having regard to matters of which the Respondent was previously unaware. The standard of proof that the Respondent Council has to establish is beyond reasonable doubt.

2. The Applicant provided a bundle running to some 258 pages, which included the Respondent's documentation. Within the bundle is a chronology and case summary, a copy of the application and the directions made on 9th May 2025 and subsequently on 13th June 2026. There are also two witness statements made by the Applicant, dated 17th July 2025 and 27th January 2026.

3. In addition to the above, there were documents relating to Court proceedings involving the Applicant and a third party, which will be referred to in due course.

4. Within the bundle was the Respondent's bundle of documentation. This included a statement made by Mr Jeff Smyth, a Regulatory Officer within the Housing, Planning and Economic Regeneration Department. Also included was an HMO licence for the property at 25 School Road, Hounslow, London TW3 1QU (the Property) for a period of five years from 11th May 2023 showing the licence holder as the Applicant. This licence was dated 26th May 2023. Attached to it is a schedule of occupation and other conditions linked to the HMO licence under Part 2 of the Housing Act 2004. Under the heading Housing Standards are details of works that must be carried out in respect of all HMOs including with this Property some fire prevention issues.

5. Included is correspondence from the Council with the Applicant on 26th May 2023 sending her a copy of the licence that had been granted, which followed on from a letter of 11th May 2023 informing the Applicant that there was a proposal to grant the licence and setting out the terms that would be imposed. Both this letter and the letter on 26th May was sent to the Applicant at her home address, 5 Park Avenue, Hounslow.

6. On 14th January 2025 the Council wrote to the Applicant indicating that they intended to revoke the HMO licence for the reasons set out in the notice accompanying that letter. This had followed on from visits undertaken by Mr Smyth in July of 2024 when issues were raised with it seems the Applicant's daughter.

7. Thereafter there was correspondence from the Council informing the Applicant of a notice to intention to impose a financial penalty of £16,000 for breaches of the HMO licence, again sent to the Applicant at her home address and subsequently a

final notice in respect of the financial penalty which was sent to the Applicant again to her home address on 21st November 2024.

8. Although not relevant to the proceedings before the Tribunal today, it appears that the Council has also issued a prohibition order in respect of the Property and that has been appealed but was not of relevance in the proceedings that I needed to consider.

9. Other documents of relevance were exhibited to various witness statements. One included a Company Let agreement between the Applicant of the one part and MP Services Limited (MPS) of the other part. This appeared to be for a term of one year at a rental of £1,850 per month. There was also included in the papers what appeared to be a judgment in default against MPS dated 7 March 2025 on behalf of the Applicant in the sum of £30,148 although it was understood that this judgement had been set aside and the proceedings for arrears and possession were still ongoing due to non-service on the Respondents.

10. Another document of importance is an application for the licence in respect of the Property. This appears to have been made by a Mr Jose Marcos Bispo, who is a director of MPS, showing the Applicant as the freeholder.

11. I will refer to the documents in the bundle in more detail during the recounting of the evidence and in my decision.

HEARING

10. The hearing was delayed for 35 minutes due to the non-arrival of the Applicant. At the hearing the Applicant sought to rely upon a translator, a Miss Kohli, who was registered with the NRPSI. No application had been made for an interpreter but I checked with the Respondent's representative Mr Smyth and he confirmed that he had no objections to Miss Kohli assisting the Applicant when she gave evidence.

11. The hearing started with Mr Gazzian introducing the Applicant and confirming that he would be relying on her witness statements as her evidence in chief. The first statement is dated 17th July 2025 and appeared at page 55 in the bundle. The statement confirmed that the Property was owned by AB Investments London Limited (ABI) of which she confirmed she was the sole director and shareholder. Apparently in July of 2021, ABI had granted the Applicant a verbal licence to occupy, use and sub-let the Property and on the same date she entered into a letting agreement with MPS a company engaged in property management services, the Company Let agreement. The statement confirmed that the company MPS failed to pay the rent and a money claim was made and a default judgment obtained. As indicated above, it appears that the judgment has been set aside and the proceedings are still ongoing.

12. Her witness statement avers that as the Property is legally owned by ABI and not her personally, she should not be liable. This information had been conveyed to the Respondents by her solicitors. The statement went on to say that from July of 2021 neither ABI nor herself had had access to the Property and were unaware of the alleged dilapidations. It was suggested that the use was unauthorised and that the application for an HMO licence had been made without her agreement and

indeed knowledge. Her conclusion in this witness statement was that the penalty notice had been wrongly issued as she did not own the Property, the Property was under the control of third-party management company, she had no access or control over the Property and did not participate or authorise in the HMO licence application.

13. Her second witness statement is dated 27th January 2026 and sets out in some details the attempts being made to obtain possession of the Property, which at the hearing she confirmed was still in the process of legal proceedings.

14. She maintained in her second witness statement that she did not propose, consent to or authorise an HMO licence application and that letters sent to her home address had been forwarded on to MPS. She put the onus on the Council to prove that she had been involved in the licence application. She recounts in Mr Smyth's statement comments made that she was contacted by the Council concerning the alterations to the application for licence to include her as the Applicant. She says she did not have any conversation with the Council and gave no such agreement. The remainder of the witness statement is intended to put the Council on notice that they have to prove the matters upon which they rely. She does say at paragraph 17 that since June of 2024 she has been attempting to regain possession of the Property and that she has not received any rental income in that time.

15. The witness statement went on to deal with the prohibition matter, which is not something I propose to deal with, as it is not part of this application.

16. These witness statements were tendered as her evidence in chief and she was then subject to cross-examination by Mr Smyth. He drew the Applicant's attention to the Company Let agreement, which was to be found at page 60 in the bundle, and asked who had prepared it. Her response was that it had been produced to her by the letting agent, that she had not read it and that she was put under some pressure to sign it and to return it. She agreed that she, or rather her company, owned ten properties it seems in the London area, all of which were subject to lettings, save only if there may be void periods.

17. Asked why she had let the Property in her name rather than in the name of ABI, she said that the company had not been formed until June of 2021 when it bought the Property, although the tenancy agreement is dated 9th July 2021. She did not know who had put the idea of this letting arrangement to her.

18. Asked by Mr Smyth whether she recalled seeing notice of intention to licence, her response was vague. She said that she had no recollection of that and nor had she any recollection of a telephone conversation with a Council employee. She was of the view that the matter was in the hands of the agents and that she had nothing to do with it. Asked whether she had read the letter, she said she had but that she gave it to the family to deal with. She also accepted that she had received the licence itself under cover of a letter of 26th May 2023, which she read but she did not contact the Council about this.

19. Asked how she dealt with the letting of her properties, she said the family helped. It appears she had a son and two daughters and that these children have a good grasp of the English language. She confirmed that although she accepted she had

received the letters, she did not challenge the Council concerning the granting of the HMO licence.

20. Under re-examination she gave a bit more detail about the background to the completion of the letting agreement to MPS. She said that a Mr Sohall had come to her shop late at night just before closing, that she had not read it as she was confident that he would not be intending to deceive her, although in truth she was not given the chance to read the document. She also in answer to a question from Mr Gazzian indicated that she did not have enough knowledge of English to have conversed with the Council officer said to have spoken to her as referred to in Mr Smyth's statement. She told me that it was her son who dealt with the day to day management of the ten properties. Asked in further details concerning the licence, she said in response to questions from Counsel that she understood what it was but she did not want it. It meant that MPS were attempting to have too many people living in the Property and that is not something that she agreed. She told us at the conclusion of her evidence that the Property was still occupied and that MPS still appeared to be receiving the rent.

21. I then heard from Mr Smyth whose statement was at page 81 of the bundle running through to page 85. In the witness statement, which he relied upon as constituting his evidence in chief, he confirmed his qualifications and his responsibilities. He said that on 24th June 2024 they had a complaint from a neighbour at the Property about the state of the gardens and drains. The Property at that time was licensed with the Council as an HMO and he accordingly attended to inspect the Property on 23rd July 2024. He was let into the Property by a gentleman who lived there, took evidence of the communal parts, which included dilapidated kitchen units, missing and broken fire detectors, non-functioning hob and oven and soiled water outflow. In addition, the back garden was very overgrown with piles of builders' material, furniture and other matters.

22. He says that he attempted to contact the Applicant but could not speak with her, although did speak with the Applicant's daughter Romana who said she was acting on her mother's behalf. He explained to her what had occurred and the timeframes and was asked to be kept up to date with the works to be undertaken. There was no updating and therefore on 23rd September 2024 he revisited the Property and was able to gain access and without being able to see individual bedrooms he found that the smoke detectors had not been repaired and the blocked drain was still blocked. Some of the garden had been cleared but broken furniture, building materials and a dilapidated shed remained. The kitchen cabinet and preparation services were as they were the first time he attended. At the time of his inspection he also met with a Mr Rodriquez of MPS and described to him the issues and was assured that those works would be carried out. On return to the office, he sent an email to the Applicant's daughter setting out the terms of the conversation and further inspected the Property on 14th October 2024 when he was able to confirm that the works had still not been undertaken. This was then followed with the service of the Notice of Intent to impose a financial penalty on 14th October 2024 and although there was correspondence from the Applicant's solicitor saying that she did not have control of the Property, he considered that the offence had already been committed and a financial penalty was then issued. Such financial penalty was on the basis that the Applicant had failed to comply with licence conditions

under section 72 of the Act. The final notice was served by hand on 21st November 2024.

23. His witness statement had also confirmed that the registered proprietor of the Property was ABI having purchased the Property on 23rd June 2021 and becoming the registered proprietor on 28th June 2021. He said that the company had a substantial portfolio and, in this regard, produced in his bundle of papers a statement of account showing fixed assets of over £4m with capital and reserves standing at £1.864m. Company search of ABI confirmed that the Applicant appeared to the sole director.

24. He was then subject to cross-examination by Mr Gazzian. He was asked about the standard of proof, which he accepted had to be beyond reasonable doubt. It was also put to him that under section 263 of the Act it was necessary to establish that the Applicant was the person having control or management of the Property, which he was of the view she did have as she received the rent. However, he said he had considered the HMO licence and, in his view, it was the licence holder who was the responsible person. He confirmed that he had no evidence to put to the Tribunal about the discussions said to have taken place between the Licence Officer and the Applicant, but he did make the point that there had been no complaint by the Applicant about the intention to grant or the actual grant of the licence. He told us that the original Applicant to the licence was a Mr Jose Marcos Bispo but he was not considered a suitable person to be the licence holder and it was subsequently agreed that the Applicant would stand in his stead.

25. Asked about the levels of the penalty imposed, he confirmed that he considered that the right penalty had been put forward using the Council matrix as she was the licence holder and if she might not have been able to have gained access, she had the right to do so and should have taken steps to get back to the Property to deal with the repairs.

26. That concluded the evidence of both parties and I then heard from Mr Gazzian by way of closing. He referred me to section 249A of the Act, which is set out below and which requires the housing authority to be satisfied beyond reasonable doubt that the person's conduct amounts to a relevant housing offence and included within sub-section 72(3) is breach of licensing of HMO under section 72. It was Mr Gazzian's submission that the Applicant had not consented to being a party to the licence and he referred me back to section 263 of the Act, which sets out the definitions of persons having control or managing the Property.

27. On the question of the penalty itself, if I was against the submissions made and found that the Applicant was liable, he put forward mitigation on the basis that the Applicant had not been in receipt of rent for some time and had to go to Court to seek possession, that the activities of her agent were suspicious, that she did not want the HMO in the first place and the disrepair was out of her control. His submission was that she had been lured into a deal that she did not understand.

28. Mr Smyth's short response was that she did receive the rack rent but that it was her failure to comply with the conditions f the licence that mattered. He did not believe that control is involved. He considered the amount claimed was not

excessive and referred to page 136 onwards of the bundle showing the calculations and how the penalty had been assessed.

THE LAW

29. Set out below is a copy of section 72(3), 249A and 263 of the Housing Act.

72 Offences in relation to licensing of HMOs (before Renters Rights Act 2025)

(1)A person commits an offence if he is a person having control of or managing an HMO which is required to be licensed under this Part (see section 61(1)) but is not so licensed.
(2)A person commits an offence if—
(a)he is a person having control of or managing an HMO which is licensed under this Part,
(b)he knowingly permits another person to occupy the house, and
(c)the other person's occupation results in the house being occupied by more households or persons than is authorised by the licence.
(3)A person commits an offence if—
(a)he is a licence holder or a person on whom restrictions or obligations under a licence are imposed in accordance with section 67(5), and
(b)he fails to comply with any condition of the licence.
(5)In proceedings against a person for an offence under subsection (2) or (3) 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) or
(b)for permitting the person to occupy the house, or
(c)for failing to comply with the condition,
as the case may be.
(6)A person who commits an offence under subsection (1) or (2) is liable on summary conviction to fine.
(7)A person who commits an offence under subsection (3) is liable on summary conviction to a fine not exceeding level 5 on the standard scale.

249A Financial penalties for certain housing offences in England
(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—
(a)section 30 (failure to comply with improvement notice),
(b)section 72 (licensing of HMOs),
(c)section 95 (licensing of houses under Part 3),
(d)section 139(7) (failure to comply with overcrowding notice), or
(e)section 234 (management regulations in respect of HMOs).
(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.**]**

Section 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—
(i)in the case of a house in multiple occupation, persons who are in occupation as tenants or licensees of parts of the premises; and
(ii)in the case of a house to which Part 3 applies (see section 79(2)), persons who are in occupation as tenants or licensees of parts of the premises, or of the whole of the premises; or
(b)would so receive those rents or other payments but for having entered into an arrangement (whether in pursuance of a court order or otherwise) with another person who is not an owner or lessee of the premises by virtue of which that other person receives the rents or other payments;
and includes, where those rents or other payments are received through another person as agent or trustee, that other person.

DECISION

30. As can be seen the offences carry different obligations. Failure to licence a property that should be licenced, the offence is committed by a person having control or management of the HMO and any person who is a landlord or licensor in relation to a person occupying the HMO under a tenancy of licence. At sub-section 3 it says a person commits an offence if they are the licence holder or a person on whom restrictions or obligations under a licence are imposed and they fail to comply with the conditions of the licence. There is no requirement that the licence holder has to be proved to be the person in control or management of the HMO. It is, however, a defence under the Act as it currently stands to have a reasonable excuse defence.

31. In so far as the defence is concerned, which has a different burden of proof (the balance of probabilities) the Applicant will have to show that she did not have control of the property or was not managing same. The nub of this case centres around the licence itself and whether the Applicant was a party to the licence and was aware of what was happening.

32 In that regard I found the evidence of the Applicant uncompelling. It seems surprising to me to say the least that the Applicant who appears to be sole director and shareholder of a limited company ABI, which owns on her own admission some ten properties, can adopt such a laissez faire attitude to matters of this nature. The original Applicant, Mr Bispo, was rejected. I am satisfied that there were conversations either with the Applicant's daughter or with the Applicant herself which lead to the licence being granted in her name. She clearly, as far as the Council are concerned, was a fit and proper person to hold the licence. This is the more so as two letters were sent to her, one indicating a licence was to be granted and the second actually issuing the licence, neither of which she responded to. If she had felt so strongly that she did not want a licence because she did not want the Property to be an HMO, she had at least two opportunities to contact the Council to have prevented a licence being granted. It was only in October of 2024 that solicitors MTUK were instructed and they wrote to the Council indicating that the Property was owned by the Applicant, which of course is not the case, and that she did not have possession or control of the Property or knowledge of any person who might be living in it. This was echoed in a case summary that solicitors lodged on 28th April 2026.

33. However, based on the information that was before me and my assessment of the evidence of the Applicant, I am satisfied beyond reasonable doubt that the offence of failing to comply with the conditions of a licence has been committed and that the Applicant was the licence holder. As to any defence of reasonable excuse, I find that the Applicant clearly knew an application for a licence had been made and indeed granted in 2023, yet she did nothing. I accept that she did not receive rent for the totality of the letting agreement, but she did receive a rack rent for at least 12 months and it was as a result of the actions or inactions of MPS that she did not receive the rent thereafter, although a default judgement was obtained. She had been given authority by her company to sublet, and the letting was in here name I find therefore that she did have control within the meaning of section 263(1).

34. On the question of the penalty, I was urged to take into account the mitigating factors put forward by Mr Gazzian. Mr Smyth said that the penalty imposed was not excessive and although the actual matrix had not been produced there was as page 36 of the bundle the basis upon which the penalty had been assessed, it being a Band 4 which had a starting point of £8,000 in relation to property management arrangements and in relation to failure to carry out the condition of the licence, again this was assessed at Band 4.

35. On the question of the penalty, I have considered the matters relied upon by the Council and I am disappointed that their full matrix was not produced. Under the level of capability factors considered I am not convinced that a large profit was made by the offender in connection with this particular Property and as she is a director, it is possibly not appropriate to say that this is her main occupation. The assessment is that both the offences are medium. I have considered whether the

Applicant was not fully conversant with the arrangements both with regard to the letting to MPS and possibly her obligations in relation to the running of ABI. I was told that her family assisted and that her son carried out most of the day-to-day responsibilities. However, the company ABI appears to own at least 10 properties, and the Applicant is the sole director. As such she must bear responsibility for the offence.

36. I am also cognisant of the fact that the company MPS appears not to have fulfilled its obligations under the terms of the letting agreement, although clearly the Applicant as landlord could have re-entered if necessary by obtaining some form of Court Order. I am not wholly convinced that her actions were wilful or deliberate. She appears to have become embroiled with MPS without properly understanding the terms of the letting agreement and I am not aware, and it was certainly not put to me, that the other properties that are owned by ABI have been the subject of any problems with the local authority. Taking these matters into account, I find that the penalty of £16,000 is on the high side and in the absence of better evidence from the Council in the form of the full matrix, taking all matters into consideration, I therefore reduce the penalty down to £10,000 being £5,000 in respect of each element. Such sum is payable within 28 days.

Judge: Andrew Dutton

A A Dutton

Date: 22 May 2026

ANNEX – RIGHTS OF APPEAL

1. If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber) then a written application for permission must be made to the First-Tier at the Regional Office which has been dealing with the case.
2. The application for permission to appeal must arrive at the Regional Office within 28 days after the Tribunal sends written reasons for the decision to the person making the application.
3. If the application is not made within the 28-day time limit, such application must include a request to an extension of time and the reason for not complying with the 28-day time limit; the Tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed despite not being within the time limit.
4. The application for permission to appeal must identify the decision of the Tribunal to which it relates (ie 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.