



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

Case Reference : MAN/00BN/HMF/2025/0619

Property : 3 Guildford Road, Manchester, M6 8PT

Applicant : Callum Lawrence

Respondent : Charlie Ottewill

Type of Application : **Application for Rent Repayment Order by tenant**
Section 41 (1) Housing and Planning Act 2016

Tribunal Members : **Judge M Steer**
Mr S Wanderer MRICS

Date and venue of Hearing : **21 May 2026**
Video hearing

Date of Decision : **17 June 2026**

DECISION

Decision

The Tribunal makes a Rent Repayment Order against the Respondent in the sum of £430, to be paid to the Applicant within 28 days of the date of this Decision.

The Tribunal orders the reimbursement of the Applicant's application and hearing fees totalling £341, to be paid to the Applicant within 28 days of the date of this Decision.

Reasons for decision

Introduction

1. On 3 June 2025, the Applicant applied for a Rent Repayment Order stating that the Respondent had committed an offence under section 72(1) of the Housing Act 2004. The Applicant sought a Rent Repayment Order in his application in the amount of £3,911.
2. Directions were issued on 13 February 2026.

Background

The Agreement

3. The Applicant occupied a double room at the Property by virtue of an Assured Shorthold Tenancy commencing on 31 March 2024 for a fixed term of 18 months ("Agreement"). The Agreement granted exclusive occupation of the designated room to the Applicant and shared use with other occupiers of the Property of the facilities of the common parts of the Property (including bathroom/toilet, kitchen and sitting room facilities).
4. Despite the term of the Agreement commencing on 31 March 2024, the Applicant moved into the Property on 24 March 2024 and commenced paying rent from this date. The rent was £625 per calendar month to be paid directly to the Respondent. The Respondent was responsible for the payment of utilities regarding electricity, gas, water, and internet subject to a fair usage policy detailed at clause 32 of the Agreement. The Respondent was also responsible for the payment of Council Tax.
5. Two of the other three bedrooms were each occupied by sole tenants at the time that the Applicant moved into the Property. The fourth bedroom became occupied in April 2024, shortly after the Applicant moved into the Property. The Applicant left the Property on 30 June 2024 before the end of the fixed term having agreed with the Respondent that he could end the Agreement early.
6. On 19 July 2021, under the provisions of Part 2 of the Housing Act 2004, Salford City Council commenced an Additional Licensing Scheme for HMOs which required all HMOs in the Council's area occupied by three or four persons to be licensed. As the legislation allowed a 3-month period for landlords to submit an application, it became an offence to not have submitted an application for a Licence from 19 October 2021. As at 30 June 2024, the Respondent had not made a valid application.

Inspection & Hearing

7. The Tribunal did not consider that an inspection was required. The hearing took place by video. Both parties attended and were unrepresented.

The Law

8. Section 41 of the Housing and Planning Act 2016 (“the 2016 Act”), provides that a tenant may apply to the Tribunal for a Rent Repayment Order against a landlord who has committed an offence to which the 2016 Act applies.
9. The 2016 Act applies to an offence committed under section 72(1) of the Housing Act 2004, namely the control or management of an unlicensed HMO.
10. Section 43 of the 2016 Act provides that the Tribunal may make a Rent Repayment Order if satisfied, beyond a reasonable doubt, that the landlord has committed an offence to which the 2016 Act applies (whether or not the landlord has been convicted).
11. Section 44 of the 2016 Act provides for how the Rent Repayment Order is to be calculated. For offences under sections 72(1) of the Housing Act 2004, the period to which a Rent Repayment Order relates is a period, not exceeding 12 months, during which the landlord was committing the offence. The rent the landlord may be required to pay in respect of that period must not exceed the rent paid in respect of that period, less any relevant award of universal credit paid in respect of rent under the tenancy during that period.
12. Section 44(4) of the 2016 Act states that in determining the amount of a Rent Repayment Order, we should take account of the following factors:
 - a. the conduct of the landlord and the tenant
 - b. the financial circumstances of the landlord and
 - c. whether the landlord has at any time been convicted of an offence to which that Chapter of the Act applies.

Submissions

13. Both parties provided written submissions. The Applicant did not respond to the Respondent’s submission as provided by the Directions.

Preliminary Points

14. By way of preliminary points at the hearing, the Respondent admitted that he had committed an offence under section 72(1) of the Housing Act 2004 during the period that the Applicant occupied the Property. The Respondent confirmed that the offence was committed unknowingly at the time. Further, the parties agreed that the total amount of rent paid by the Applicant during his period of occupation was £2,036 and not £3,911 as detailed in the Application. The additional sums calculated by the Applicant in his application did not constitute rent.

The Applicant

15. The Applicant stated that during his occupation of the Property, an HMO Licence was required but that, as at 30 June 2024, no application had been made to obtain a

Licence and therefore the Respondent was in breach of section 72(1) of the Housing Act 2004. The Applicant stated that the failure to licence the Property came to his attention after he had vacated the Property when he encountered an issue at a different property. The Applicant confirms that he searched online for the HMO status of the Property and contacted Salford Council who confirmed that the Property wasn't licensed during the dates that the Applicant occupied the Property. He provided evidence from the Council dated 03 June 2025 and 09 March 2026 which confirmed that i) an application for an HMO licence had been made on 12 September 2024; ii) prior to the application being made there were no temporary exemption applications received by the Council; and iii) the HMO licence was granted on 12 June 2025.

16. The Applicant originally sought repayment of £3,911 in his application which reflected all of the sums he had paid to the Respondent during his occupation of the Property. In his witness statement dated 09 March 2026 and during oral submissions at the hearing, the Applicant confirmed that he was claiming the sum of £2,036 which reflects the total rent paid during the Applicant's occupation of the Property whilst the Respondent was in breach of section 72(1) of the Housing Act 2004, namely 24 March 2024 to 30 June 2024 at a rent of £625 per month.
17. With regards to the utility charges for gas, electricity, water, broadband and council taxes, the Applicant stated in oral submissions that he accepted that these formed part of the rent but that he was not sure how they had been calculated as they were not itemised in the Agreement and were not matters he was responsible for.
18. The Applicant occupied the Property for a short period of time, just over 3 months, and made no submissions either in writing or during the hearing in relation to the conduct of the Respondent or any issues he had with the condition of the Property generally during his occupation of the Property.

The Respondent

19. Both in his written submissions and at the hearing, the Respondent accepted that he is now aware that he did require a licence under Salford City Council's Additional Licensing Scheme for HMO's during the period upon which the Applicant occupied the Property and that he did not apply for one until 12 September 2024.
20. The Respondent requested that the Tribunal take into account the following points:-
 - a. Firstly, that the Respondent took steps to regularise the licensing position once he became aware of Salford City Council's Additional Licensing Scheme. He immediately took steps to apply for the licence with the process beginning on the same day. The Respondent provided evidence that he had contacted the Council by email on 27 August 2025 and that the application was made on 12 September 2024 following the submission of an initial basic disclosure application. At the hearing, the Respondent provided oral evidence that he only became aware of Salford City Council's Additional Licensing Scheme incidentally when dealing with an issue at a different HMO property he managed in the area. The Respondent confirmed that he was not aware of any

public advertising of the requirement but had taken steps to comply with the requirements as soon as he became aware.

- b. Secondly, the Respondent confirmed in his written submissions that the rent paid by the Applicant in the sum of £2,036 for the period 24 March 2024 to 30 June 2024 was inclusive of bills for Council Tax, Gas and Electricity charges, water and broadband. The Respondent stated that it is established in Rent Repayment Order cases that sums attributable to utilities which are consumed by and benefit a tenant are not properly characterised as rent and such sums may be deducted before calculating any award payable to the Applicant. At paragraph 4 of the Respondent's statement dated 27 March 2026, a table of bills was provided (with full copies of bills appended). The table provided a daily amount incurred by the Respondent for each of the bills incurred and apportioned the bills on a daily basis per person for the period of the Applicant's occupation of the Property between 24 March 2024 and 30 June 2024. The total bills for Council Tax, Water, Broadband, Gas and Electricity were calculated at £315.16 for the period of occupation by the Applicant. The Respondent stated that the sum of £315.16 should be deducted from the rent paid by the Applicant when the Tribunal decides the Rent Repayment award.
 - c. Thirdly, the Respondent states in his written submissions that the Property complied with all safety requirements during the Applicant's period of occupation including having a gas safety certificate, an EICR, wired integrated smoke alarms and carbon monoxide alarms. During his oral submissions the Respondent also confirmed that the council did not require any additional documentation relating to the safety of the Property following the submission of the application for the HMO licence on 12 September 2024. Finally, the Respondent disclosed messages between the parties in his written submissions which suggested that the Applicant's experience at the Property was 'mostly positive' and that he was reluctant to vacate the Property early but did so due to personal circumstances with the agreement of the Respondent.
21. The Respondent advised that an application was made for an HMO Licence for the Property on 12 September 2024.

Reasons for Decision

22. We considered the application in four stages –

- a. Whether we were satisfied beyond a reasonable doubt that the Respondent had committed an offence under section 72(1) of the Housing Act 2004;
- b. Whether the Applicant was entitled to apply to the Tribunal for a Rent Repayment Order;
- c. Whether we should exercise our discretion to make a Rent Repayment Order; and

d. Determination of the amount of any Order

Offence

Section 72(1) of the Housing Act 2004

23. A person commits an offence if he is a person having control of or managing an HMO which is required to be licensed under section 61(1) the Housing Act 2004 but is not so licensed.
24. The Respondent accepts that at the relevant time he was the landlord of the Property and directly received rent from the Respondent. The receipt of rent is also evidenced by the Applicant's bank statements. We determine that he was therefore 'a person having control or management'.
25. We find that the Applicant had use of shared facilities with at least two other tenants during his occupation of the Property for the period 24 March 2024 until he vacated the Property on 30 June 2024. We are satisfied from the Applicant's and Respondent's evidence that the Property was an HMO during the Applicant's occupation of the Property. Under Salford Council's Additional Licensing Scheme, a Licence for the Property as an HMO was required under section 61(1) of the 2004. The Respondent accepts that there was no Licence in place during the Applicant's period of occupation of the Property and that he did not apply for a Licence until 12 September 2024.
26. On the basis of the facts and findings set out in paragraphs 23-25 above, and on the basis of the admission made by the Respondent as detailed at paragraph 14 above, we are satisfied beyond a reasonable doubt that between 24 March 2024 and 30 June 2024, the Respondent had committed an offence under section 72 (1) of the 2004 Act, namely being a person having control of an HMO which was required to be licensed under section 61(1) of the 2004 Act but was not so licensed.

Entitlement of the Applicant to apply for a Rent Repayment Order

27. We find that the Applicant was entitled to apply for a Rent Repayment Order. The offence relates to housing that, at the time of the offence, was let to the Applicant and the offence was committed in the period of 12 months ending with the day on which the application to the Tribunal was made, namely 3 June 2025. The Applicant has provided a copy of the Agreement covering the period and has demonstrated by his bank statement that he had paid the required rent during the relevant period.

Discretion to make a Rent Repayment Order

28. Having considered the matter, including in particular the Respondent's written and oral submission, we are satisfied that there was no ground on which it could be argued that it was not appropriate to make a Rent Repayment Order in the circumstances of this case.

Amount of Rent Repayment Order

29. We have had regard to a series of Upper Tribunal decisions regarding the quantification of Rent Repayment Orders. In summary, the following general principles can be derived:

- a. the amount payable does not need to be limited to the amount of the landlord's profit from letting the Property during the relevant period;
- b. the total amount of rent paid by the tenant during the relevant period is the maximum penalty available, but it should not be treated in the same way as a "starting point" in criminal sentencing, because it can only go down, however badly a landlord has behaved;
- c. the amount of any reduction will depend on the particular facts of the case;
- d. it will be unusual for there to be absolutely nothing for the Tribunal to take into account under section 44(4), especially if the offence is less serious than many other offences of that type, but the award will usually be for at least a substantial part of the rent;
- e. unlicensed accommodation may provide a perfectly satisfactory place to live, despite its irregular status, and the main object of Rent Repayment Orders is deterrence rather than compensation. It is not intended to be a windfall for the tenant.
- f. the Tribunal can take into account other factors not listed under section 44(4) as the circumstances and seriousness of the offending conduct of the landlord are comprised in the 'conduct of the landlord' and ought to be considered.

30. In quantifying the Rent Repayment Order, we adopted the approach set out in paragraph 21 of *Acheampong v Roman and others [2022] UKUT 239 (LC)* as endorsed in paragraph 26 of *Dowd v Martins and others [2022] UKUT 249(LC)* namely:

- a. ascertain the whole of the rent for the relevant period;
- b. subtract any element of that sum that represents payment for utilities that only benefited the tenant, for example, gas, electricity and internet access. It is for the landlord to supply evidence of these, but if precise figures are not available an experienced tribunal will be able to make an informed estimate;
- c. consider how serious this offence was, compared to other types of offence in respect of which a rent repayment order may be made (and whose relative seriousness can be seen from the relevant maximum sentences on conviction) and compared to other examples of the same type of offence. What proportion of the rent (after deduction as above) is a fair reflection of the seriousness of this offence? That figure is then the starting point (in the sense that the term is used in criminal sentencing); it is the default penalty in the absence of any other factors but it may be higher or lower in light of the final step.

- d. consider whether any deduction from, or addition to, that figure should be made in the light of the other factors set out in section 44(4).

31. Further consideration was also given to *Newell v Abbott [2024] UKUT 181(LC)* where Mr Martin Rodger KC conducted a review of recent decisions of the Upper Tribunal in appeals involving licencing offences. At paragraph 57 he said his review “illustrates that the level of rent repayment orders varies widely depending on the circumstances of the case. Awards of up to 85% or 90% of the rent paid (net of services) are not unknown but are not the norm. Factors which have tended to result in higher penalties include that the offence was committed deliberately, or by a commercial landlord or an individual with a larger property portfolio, or where tenants have been exposed to poor or dangerous conditions which have been prolonged by the failure to licence. The factors tending to justify lower penalties include the inadvertence on the part of a smaller landlord, property in good condition such that a licence would have been granted without additional work being required, and mitigating factors which go some way to explaining the offence, without excusing it, such that as the failure of a letting agent to warn of the need to licence, or personal incapacity due to poor health.”

Rent for the relevant period

32. The relevant period during which the offence was committed was 24 March 2024 to 30 June 2024 i.e. 3 months and 6 days. The parties agreed both in their written and oral submissions that the total rent payable over the relevant period is £2,036.

Deduction for utilities

33. We accept that the cost of electricity, gas, council tax, water and the internet can be deducted from the rent paid as the consumption was at a rate chosen by and was for the benefit of the tenants rather than the Respondent. In his written submissions, the Respondent provided a table of expenditure for the whole Property broken down sensibly on a daily basis for each tenant during the relevant period between 24 March 2024 and 30 June 2024. The table included council tax, electricity, gas, water charges and broadband fees and each charge was supported by actual and/or estimated bills from the service provider. The table concludes that the services provided to the Applicant for the period 24 March 2024 to 30 June 2024 cost the Respondent £315.16 which, the Respondent states, should be deducted from the rent paid during the same period.

34. Whilst the Applicant stated in oral submissions that he did not agree with the figures provided by the Respondent or the way they had been calculated, he did agree that the utility charges for gas, electricity, water, broadband and council taxes formed part of the rent and he did not specifically challenge the figures claimed by the Respondent other than to state that they were not itemised in the Agreement and were not matters he was responsible for.

35. The Tribunal accepts the calculation of the utility charges, broadband and council tax provided by the Respondent. The Tribunal concluded that the figures and calculation

appeared to be reasonable and was supported by actual and/or estimated bills for the relevant period. The total deductions are £315.16. Once subtracted from the rent paid during the relevant period of £2036, we determine the total is £1,720.84.

The seriousness of the offence

36. As confirmed in several Upper Tribunal cases, Section 72(1) offences are generally less serious than other Rent Repayment Order offences. Further, in this particular case, we found the offence to be low on the scale of section 72(1) offences. The Respondent failed to take sufficient steps to inform himself of the regulatory requirements associated with letting a property in Salford and appeared to be unaware of the Additional Licensing Scheme until he was advised of it by Salford Council directly when dealing with a second property in the area. The Respondent confirmed in his oral submissions that he was a professional landlord with a portfolio of properties and at least one other HMO in the Salford area, however, we do accept that the Property is not the 'usual' HMO. It is accepted by the Tribunal that after becoming aware of the requirement for a licence by the council, an application was made promptly.
37. We accept that the Property was in a good condition and a satisfactory place to live during the Applicant's period of occupation and that the Respondent acted reasonably in allowing the Applicant to end the Agreement early despite the Applicant being contractually bound to a fixed term contract for a further 15 months. We do not consider the Respondent to be a bad landlord and we are mindful that a Rent Repayment Order is not intended to be a windfall for a tenant who has lived in an unlicensed but otherwise perfectly satisfactory property. Had the Respondent applied for a licence prior to the Applicant's commencement of occupation of the Property, the application would have been successful in all probability.
38. Accordingly, The Tribunal finds that the Respondent's fault is not a matter of significant seriousness and determines 25% of the rent paid in the relevant period minus utilities reflects the seriousness of the offence in this case. This amounts to £430.21, say £430.

Adjustments for section 44

Conduct

39. There is no evidence to challenge the conduct of the Applicant.
40. In relation to the Respondent, the Applicant did not challenge the conduct of the Respondent or provide any evidence that the Respondent had acted unreasonably during his period of occupation of the Property or had offered an unsatisfactory standard of property. As such, the Tribunal make no adjustments to the amount determined at paragraph 38 above relating to the conduct of the Respondent. The Respondent's positive conduct has been taken into account when assessing the seriousness of the offence at paragraphs 36 and 37 above.

Financial

41. The Respondent provided no evidence that there would be financial hardship if a Rent Repayment Order was awarded and we do not consider that there needs to be any adjustment to the proposed figure for reasons of finance.

Conviction

42. We have no evidence that the Respondent had been convicted of any housing related offences or received any financial penalties. The Respondent confirmed in oral submissions at the hearing that he has not been convicted of an offence for the subject Property pursuant to section 72(1) of the Housing Act 2004. There is no reason to adjust the proposed Rent Repayment Order figure

Decision

43. In conclusion, we determine that the appropriate level for the Rent Repayment Order is £430.
44. By Section 47 of the 2016 Act, a Rent Repayment Order is recoverable as a debt. If the Respondent does not make the payment to the Applicant in the above amount within 28 days of the date of this decision, or fails to come to an arrangement for payment of the said amounts which is reasonable and agreeable to the Applicant, then he can recover the amount in the County Court.

Refund of fees

45. As the Applicant has succeeded in his application albeit at a lesser sum than claimed, it is appropriate to order that the Respondent refund to him the Tribunal fees that he has paid, namely £114 and £227 for the application and hearing fees respectively.

Tribunal Judge M Steer
17 June 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 Tribunal 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 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 being within the time limit.
4. 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.