



Case reference : LON/00AJ/HMF/2025/0816

Property : 1C Fairlawn Avenue, Ealing W4 5EF.

Applicant : Ashleigh Hall (1)
Harleen Kaur Dhammu (2)
Cassandra Ann Atlas (3)

Representative : Justice for Tenants
(ref. 37131)

Respondent : Usha Sharma (1)
Kapil Sharma (2)

Representative : Mr R. Moore of Counsel

Type of application : Application for a rent repayment order
by tenant Sections 40, 41, 43, & 44 of the
Housing and Planning Act 2016

Tribunal members : Judge H Carr
Ms Fiona Macleod

Date and venue of hearing : 25th June 2026

Date of decision : 10th August 2026

DECISION

Decisions of the tribunal

- (1) The tribunal determines that the proper Respondent in this matter is the First Respondent, Usha Sharma, and strikes out the application against the Second Respondent, Kapil Sharma.
- (2) The tribunal determines to make a Rent Repayment Order of £17,475.00.
- (3) The Rent Repayment Order must be paid within 28 days of the issue of this decision.
- (4) The tribunal determines that the First Respondent reimburse the Applicants for the application and hearing fees, totalling £341.
- (5) The tribunal makes the determinations as set out under the various headings in this decision.

The application

1. The Applicants, Ashleigh Hall, Harleen Kaur Dhammu and Casandra Ann Atlas seek a determination pursuant to section 41 of the Housing and Planning Act 2016 (the Act) for a rent repayment order (RRO) in relation to IC Fairlawn Avenue, Ealing W4 5EF
2. The Application names Usha Sharma and Kapil Sharma as first and second Respondents in this matter.
3. The Applicants allege that at least one of the Respondents has committed the offence of control or management of an unlicensed HMO under s.72(1) of the Housing Act 2004.
4. The Application was made on 28th May 2025.
5. By a statement dated 11 June 2025 the Second Respondent, Mr Kapil Sharma, denied that he is a landlord of the subject Property.
6. On 18th September 2025 the First Respondent applied to the tribunal challenging its jurisdiction to hear the application and seeking to strike out the RRO application. The matter was considered by Tribunal Judge Norman on 5th December 2025 who determined that the tribunal did have jurisdiction and dismissed the application to strike out.

7. That determination did not consider the substantive merits of the RRO application, nor the Second Respondent's case that he is not the landlord of the property.
8. Directions were issued on these two issues on 19th January 2026.
9. On 15th June 2026 the First Respondent applied for an adjournment based on health concerns and the difficulty of giving evidence via video from India.
10. This application was refused by the tribunal on 18th June 2026. The First Respondent renewed her application on 19th June 2026 providing further evidence, but the application was again refused.
11. Prior to the commencement of the hearing the tribunal asked the First Respondent if she wished to renew her application for an adjournment. She said that she did not.

The hearing

12. The matter was conducted as a video hearing.
13. Ashleigh Hall, Harleen Kaur Dhammu and Casandra Ann Atlas appeared at the hearing and were represented by Mr Isaac Acharya of Justice for Tenants.
14. The first Respondent Ms Sharma appeared and was represented by Mr Richard Moore of Counsel.
15. The first Respondent confirmed that she was giving evidence from the United Kingdom.
16. The Second Respondent did not appear but was represented by Mr Moore of Counsel.

The background and chronology

17. The Premises is a three-bedroom self-contained flat with a shared kitchen and bathroom, located in a three-storey semi-detached house.
18. The property is situated in the London Borough of Ealing which operates an additional licensing Scheme.
19. The parties agree that the property did not have a licence.

20. The Applicants say that all three of them were the tenants of the property. Their tenancy commenced on 5th November 2023 and was for a fixed term of 6 months. The rent payable was £3000 pcm. The tenancy terminated on 29th June 2024.
21. The Applicants' claim is for £23,300 for the rent paid for the period between 6th November 2023 and 29th June 2024. The rent was paid from one bank account, that of Ashleigh Hall. The other two applicants paid their share of rent into Ashleigh Hall's bank account.
22. The Respondents are joint owners of the long lease of the property. They became joint owners on 15th August 2016. During the hearing the First Respondent produced a TR1 showing that the equitable interests in the property are divided 99% to the First Respondent and 1% to the Second Respondent.
23. Whilst there is a dispute about the validity of the tenancy agreements produced, which is discussed and determined below, on both agreements produced by the parties the First Respondent is named as the landlord of the property.

The issues

24. The issues that the tribunal must determine are;
 - (i) Who is the correct Respondent in this application?
 - (ii) Is the tribunal satisfied beyond reasonable doubt that the Respondent has committed the alleged offence?
 - (iii) Does the Respondent have a 'reasonable excuse' defence?
 - (iv) What amount of RRO, if any, should the tribunal order?
 - (a) What is the maximum amount that can be ordered under s.44(3) of the Act?
 - (b) What account must be taken of
 - (1) The conduct of the landlord
 - (2) The financial circumstances of the landlord:
 - (3) The conduct of the tenant?

- (v) Should the tribunal refund the Applicants' application and hearing fees?

The law

25. Section 77 of the 2004 Act defines "HMO" to refer to "a house in multiple occupation as defined by sections 254 to 259". By section 72(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". Section 263 explains that "person having control" refers to "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" and that "rack-rent" means "a rent which is not less than two-thirds of the full net annual value of the premises": see subsections (1) and (2).
26. By section 263(3), "person managing" means as regards an HMO:
- "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) ... ; 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."
27. Section 72(5) of the 2004 Act provides a "reasonable excuse" defence to a charge of having control of or managing an unlicensed HMO.
28. Section 43 of the 2016 Act provides that this Tribunal may make a RRO if it is satisfied beyond reasonable doubt that the offence has been committed, and that where the application is made by a tenant the amount is to be determined in accordance with section 44 which, in respect of the s.72(1) offence limits the amount of the award to the rent

paid during a period “not exceeding 12 months, during which the landlord was committing the offence.”

29. Section 44(4) says as follows:

(4) In determining the amount the tribunal must, in particular, take into account—

(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 this Chapter applies.”

30. Guidance on how this Tribunal should approach quantification of the amount of a RRO has been provided by the Upper Tribunal in *Williams v Parmar* [2021] UKUT 244 (LC) and *Acheampong v Roman* [2022] UKUT 239.

31. In *Williams v Parmar* the Chamber President said [50] that when quantifying the amount of a RRO:

A tribunal should address specifically what proportion of the maximum amount of rent paid in the relevant period, or reduction from that amount, or a combination of both, is appropriate in all the circumstances, bearing in mind the purpose of the legislative provisions. A tribunal must have particular regard to the conduct of both parties (which includes the seriousness of the offence committed), the financial circumstances of the landlord and whether the landlord has at any time been convicted of a relevant offence. The tribunal should also take into account any other factors that appear to be relevant.”

32. In *Acheampong* Judge Cooke said at [20] that the following approach would ensure consistency with previous legal authorities:

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, both 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 that 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).”

33. In *Newell v Abbot* [2024] UKUT 181, the Deputy President, at paras. 47 – 57, carried out a review of previous Upper Tribunal decisions in which consideration was given to the level of rent repayment for similar licensing offences. The RRO’s awarded in those cases ranged from an upper figure of 90% to 10% at the lowest. At para. 57 he said as follows:

This brief review of recent decisions of this Tribunal in appeals involving licensing offences 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. Factors tending to justify lower penalties include 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 as the failure of a letting agent to warn of the need for a licence, or personal incapacity due to poor health.”

34. In *Newell*, the Deputy President redetermined the amount of the RRO in question. He made no adjustments for s.44(4) factors and concluded, in para. 62 that bearing in mind that the offence had been committed by the landlord of a single property and was the result of inadvertence, or lack of attention, rather than being deliberate, and that the accommodation provided was generally of a good standard which attracted long term residents and which the respondents were disappointed to leave, the appropriate order was for the repayment of 60% of the rent received. He said that had the offence been committed for a much shorter period than the almost six years in that case, the penalty he would have imposed would have been equal to 50% of the rent, but also emphasised that the effective operation of selective licensing schemes depends on landlords keeping themselves properly informed and a prolonged failure to obtain a licence therefore merited a higher penalty

The determination

Who is the correct Respondent in this application?

The Applicants' evidence and submissions

35. The Applicants argue that Usha Sharma is an appropriate Respondent for this application because she is listed as the immediate Landlord in the tenancy agreement and is the beneficial owner of the property as shown by the land registry title deed found in Exhibit F of the Respondent's hearing bundle. She is therefore a "person having control" of the premises as she is the person who received or would so receive the rack-rent if the premises were let.
36. The Applicants also argue that Kamil Sharma is an appropriate Respondent for this application because he is listed as the beneficial owner of the property as shown by the land registry title deed found in Exhibit F. He is therefore a "person having control" of the premises as he is the person who received or would so receive the rack-rent if the premises were let.
37. The Applicants also argue that Usha Sharma was a person managing the property as defined by section 263(2) HA 2004, as she was the owner of the property who received or would so receive rent from tenants in the subject property and is therefore a "person managing" the property.
38. Kapil Sharma is also believed to have been a person managing the property as defined by section 263(2) HA 2004. Kapil Sharma is listed as the landlord on the Deposit Protection Certificate (Exhibit P).

The Respondent's evidence and submissions

39. Ms Sharma told the tribunal that although she is still married to the second Respondent, they have been living separately since 2020 and they manage their finances separately.
40. She said that whilst the property was in joint names, it was held on trust so that she held 99% of the property and her husband, the second Respondent held 1%. The tribunal noted that this was not referred to in the hearing bundle provided by the Respondent. It allowed her to provide a copy of the TR1 with the declaration of trust which confirmed her account.
41. She received the rent and is responsible for the property.

42. She says that she suffers from mental health issues and when she is not well the Second Respondent steps in to help her out. This explains why the Deposit Protection Certificate is in the Second Respondent's name and why he took responsibility for carrying out some minor repairs.
43. Mr Moore submitted that there is insufficient evidence to substantiate that the second Respondent is in a landlord/tenant relationship with the Applicants. His name on the title deed to the property is insufficient. As against that, the rent was paid to the First Respondent and the evidence is that she was the day-to-day point of contact for the tenants.
44. The alternative basis for the second Respondent being a party would be his having control or management under s72 of the Housing Act 2004. Mr Moore said that the only evidence of this was the second Respondent attending the property to investigate a repair and he submits that this is insufficient.
45. Mr Moore submitted that the totality of the evidence made it clear that it was the First Respondent who was the landlord and managed everything to do with the property.

The decision of the tribunal

46. The tribunal determines that Ms Sharma, the First Respondent is the correct Respondent in this application and it strikes out the application against the second Respondent.

The reasons for the decision of the tribunal

47. Determining whether someone is a landlord of a property or has management or control of it is a decision which depends upon not one fact but the factual matrix at play in a particular property. Here, whilst the property is in joint names, owning a property is not determinative of being a landlord. Moreover the equitable interest in the property is divided 99% to the First Respondent and 1% to the Second Respondent, meaning that the interest of the Second Respondent in the property is very minor. Whilst it is not necessary to have any interest in a property at all for it to be determined that a particular person is the landlord, if the tribunal were to determine that the Second Respondent was a landlord it would be looking for more substantial evidence of a landlord/tenant relationship.
48. There is substantial evidence that the First Respondent is the landlord. In addition to owning a large share of the property, the tenancy agreement names the First Respondent as landlord and the evidence

shows that she is in receipt of rent. This is sufficient for the tribunal to determine that she is a proper Respondent in this matter.

49. The Second Respondent's interest in the property is minor, and whilst it appears that there is more evidence of the Second Respondent's involvement with the property than Mr Moore suggests, the tribunal finds that there is insufficient evidence to point to the Second Respondent being the landlord of the property or being a person in management/control of the property.
50. The tribunal accepts the evidence of the First Respondent that the deposit certification does not reflect the reality of the arrangement between the First and Second Respondent. It accepts her evidence that repairs etc were done just to help her out.
51. There is no evidence of receipt of rent by the Second Respondent.
52. It therefore determines that the proper Respondent in this matter is the First Respondent.
53. For the purposes of clarity the First Respondent is described as the Respondent in the remainder of this decision.

Is the tribunal satisfied beyond reasonable doubt that the respondent has committed the alleged offence?

The Applicants' evidence

The requirement for additional licencing

54. The Applicants argue that the property met all the criteria to be licensed under the designation. The property was occupied by the applicants as their main residence during the period of their claim. The applicants were unrelated, and none were in a relationship with another applicant.
55. The rented property was situated within an additional licensing area as designated by the London Borough of Ealing. The additional licensing scheme came into force on the 1st of April 2022 and will cease to operate on the 31st of March 2027 or earlier if the Council revokes the scheme under section 60 of the Act. The Applicants produced a copy of the designation of the additional licensing.
56. The Applicants produced an email from Susanna Sinclair from London Borough of Ealing sent to Ms Hall on 20th June 2024. The email was in response to Ms Hall writing to the council because of a leak from the

shower into the property below. In that email, Ms Sinclair confirmed that the subject property was not licenced nor had an application been received for it to be licenced.

57. The Applicants also produced an email from Angel Gordon, a Property Licensing Officer with the LB of Ealing dated 2nd April 2025 in which it was confirmed that there was no record of a licence in place for the property, nor record of previous applications or granted licences, and no open applications in progress for the address. In addition, this email confirmed that there was no open or previous temporary exemption application.

Was this tenancy one that required additional licensing

58. The evidence of the Applicants was that the property was let to all three of the Applicants. They produced a copy of the tenancy agreement which names them all as tenants and which they all signed. They did not have a complete copy as they had only photographed the pages that were signed by themselves and the Respondent.
59. They say that they were sent a draft tenancy by the Respondent which was completely blank. They made arrangements for all three of them to meet the Respondent to sign the agreement. They produced WhatsApp messages confirming this.
60. The metadata to the photographs of the agreement shows that the photographs were taken at Broadway Shopping Centre at 18.39 on the 16th October 2023.
61. They deny the allegation of the Respondent that the tenancy agreement they completed was false and deny that the tenancy agreement produced by the Respondent is the genuine tenancy agreement.

The Respondent's evidence

62. The Respondent agrees that the property was unlicensed. She says that she purchased the Property in or around August 2016. She says it was not purchased or operated as an HMO business. She says the property was intended to be let as a self-contained flat under a single tenancy, not on a room-by-room basis.
63. She said that her mortgage with Barclays does not permit the Property to be used as an HMO and she would not knowingly have operated the Property as an HMO in breach of the mortgage conditions.
64. The Property was placed on the market for sale in or around early 2025. At the time of the hearing it had not been sold.

65. She told the tribunal that the letting to the Applicants was the first time that three people had occupied the property at the same time. Previously, she had not let the property to more than two people. She said that she did not appreciate at the time that the occupiers' own internal arrangements could potentially give rise to an HMO licensing issue, because her understanding was that the property was let as one self-contained flat under one tenancy arrangement.
66. Specifically the Respondent argues that the property did not require licensing as it was let to only one person, the second Applicant, Ms Dhammu. The Respondent produced a copy of a tenancy agreement. This tenancy agreement was initialled and signed by the Second Applicant and the First Respondent in person.
67. The Respondent denies that the alleged tenancy agreement relied upon by the Applicants is a true copy of a tenancy agreement entered into between the parties. She says that this alleged tenancy agreement contains subsequent manuscript additions that were not present in the tenancy agreement as signed and entered into by the Second Applicant and the Respondent in person. Therefore the property did not, at the relevant time, fall within the scope of the Ealing Designation, and was not required to be licensed.
68. The Respondent produced a tenancy agreement which was signed by that Applicant. She says that the tenancy agreement was signed in person on or around 16th October 2023 when she met the second Applicant, Ms Dhammu, at a Starbucks in Hammersmith. She says it was her intention that the tenancy would be entered into with her as the tenant. She relies on contemporaneous WhatsApp messages to show that she had explained that the agreement would be signed together in person and that two copies would be signed, one for each party.
69. The Respondent submits that as there is only one name on the tenancy agreement the property is not rented to three or more occupiers but rented to only one and therefore does not require licensing. She suggested that she treated Ms Dhammu as the lead tenant.
70. Counsel for the Respondent argued that the issue is such that there must be reasonable doubt, given the conflict of evidence as to when or if signatures were added, as to whether the offence is made out.
71. Further arguments were made during the course of the hearing. The first was that the Respondent suggested that two of the Applicants were in a relationship. The second was that she understood that Atlas was only staying at the property irregularly

72. Thirdly Counsel said that as the Applicants had each stated in their statement of case that they were living in one household, they themselves had made it clear that the offence was not made out.

Response of the Applicants

73. The Applicants say that it is plain from the evidence, including that provided by the Respondents, that the Respondent rented the property to the Applicants, and she was aware they were all living at the property. The Applicants say that this is sufficient to require that the property is licensed under the LB of Ealing's additional licensing scheme.
74. The Applicants strongly refute the Respondent's submissions that the Applicants have produced a false tenancy agreement; instead, the Applicants submit that the evidence is consistent with the Respondent having produced a false tenancy agreement. The Applicants' position is that they are tenants pursuant to the tenancy agreement that they have produced.
75. The Applicants further argue that the Respondent's allegation is irrelevant to the RRO offence.
- (i) The "jurisdictional" section of statute for an RRO is s40(2) of the 2016 Act, following *Rakusen v Jepsen* [2023] UKSC 9. It states that 'A rent repayment order is an order requiring the landlord under a tenancy of housing in England to- (a) repay an amount of rent paid by a tenant'.
 - (ii) It is trite that a tenancy agreement is not required for relations of landlord and tenant to be established.
 - (iii) In any event, it is not required that Applicants be "tenants" within the common law sense of that word, for an RRO, but only within the sense of the Housing and Planning Act 2016, which includes for all relevant purposes licensees. Under s56, "tenancy" includes a licence for less than a term of 21 years. The Applicants are plainly, if not tenants, permitted occupiers, i.e. licensees. The First Respondent herself refers to them as occupants .
 - (iv) For completeness, s262 of the 2004 Act provides that the definition of HMO at s254, which refers to "occupation", includes licensees.
76. They therefore argue that it is beyond reasonable doubt that the offence has been committed.

The decision of the tribunal

77. The tribunal determines that the Respondent has committed the alleged offence.

The reasons for the decision of the tribunal

78. The tribunal relies on the evidence from the Applicants and the information provided by the local authority to determine that the property was in an area of additional licensing and that it was not licensed.
79. It also determines that the property required licensing. It accepts the evidence of the Applicants that the property was let to all three of them. Ms Hall was an impressive witness whose account of the meeting between the Respondent and all three Applicants when the agreement was signed was credible. All three Applicants gave credible evidence of the letting arrangements and that each was in full communication with the Respondent.
80. The tribunal notes that the WhatsApp messages sent by Ms Dhammu to the Respondent referred to three tenants and that Ms Dhammu said that all three of them had to meet up to sign the tenancy agreement. The tenancy deposit certificate lists all three Applicants as tenants and the WhatsApp messages indicate that the Respondent knew that there were three people occupying the property and paying the rent.
81. The evidence from the Applicants show that the photographs of the agreement were taken at Starbucks
82. It does not accept the evidence of the Respondent that only Ms Dhammu signed the tenancy. The Respondent appeared to have a very hazy recollection of the meeting on 16th October and did not recall whether all three Applicants were there.
83. The tribunal noted that Mss Dhammu's signature on the tenancy agreement produced by the Respondent was in the centre in the agreement whereas it was on the left in the agreement produced by the Applicants.
84. Any forgery attempt would have to be elaborate and it is not credible that the Applicants would have been able to achieve it whilst at Starbucks. Yet the photographs of the Applicants tenancy agreement show that it was completed whilst at Starbucks.

85. It did not accept the Respondent's explanation as to why the Applicants would have altered the agreement to show all three of their names. Mr Moore suggested that it was to ensure that all would contribute to the rent. This is not credible. It would have been considerably easier just to produce a contract to that effect.
86. However the tribunal also accepts the submissions of the Applicants, that having all three names on the tenancy agreement is not necessary for the commission of the offence. The tribunal finds that the Respondent was fully aware that the three Applicants were living in the property and contributing rent. The tribunal notes that the Respondent received the details of all three Applicants, the emails between the Respondent and the Applicants referred to all three Applicants, the 'how to rent' booklet was sent via email to all three of the Applicants. All three Applicants were present at the termination of the tenancy.
87. There is no evidence to support the Respondent's argument that Ms Dhammu was the lead tenant. For such an argument to have substance there would have to be evidence.
88. The suggestions by the Respondent that one of the Applicants was only there intermittently, and that two of the Applicants were in a relationship are not credible.
89. The tribunal believes the Applicants who said that they did not know each other at the commencement of the tenancy. The Respondent was not able to produce any evidence to substantiate her belief that there was a relationship between Hall and Dammu.
90. There is nothing in the evidence provided to suggest that Atlas was only there intermittently and the tribunal accepts her evidence that she was a tenant living there in the property as her main residence.
91. Mr Moore made much of the fact that each of the Applicants stated in their witness statements that they lived in one household. With respect to Mr Moore the definition of a household for the purposes of HMO licensing is that found in s.258 of the Housing Act 2004, a legal test and not a factual one.
92. The Applicants do not form a single household in the sense explained by section 258, 2004 Act. When they occupied the flat it became an HMO, applying the standard test in section 254(2), 2004 Act and the person in control of it therefore required a licence.
93. For these reasons the tribunal determines beyond reasonable doubt that the offence has been committed.

Does the Respondent have a 'reasonable excuse' defence?

94. The Respondent argues that she has a reasonable excuse for failing to licence the property.
95. Counsel submits on her behalf that the ambiguity about who the tenant of the property was means that there is a reasonable excuse as to not obtaining a license.
96. The Applicants argue that there is no effective reasonable excuse. They say that the Respondents alleged lack of intent that the property be an HMO is irrelevant as the property clearly was an HMO. Her assertion that she was not aware that the property required a licence is not reasonable in all the circumstances.

The tribunal's decision

97. The tribunal determines that the reasonable excuse defence fails.

The reasons for the decision of the tribunal

98. The Respondent has failed to provide a reasonable excuse defence. Her argument that there was ambiguity about the requirements in the context of the occupation arrangements made by the Applicants is not persuasive. The evidence shows that the Respondent was fully aware that the three Applicants were living in the property. The tribunal also accepts the evidence of the Applicants that all three of them signed the agreement. There was therefore no ambiguity in the arrangement.
99. The Respondent has failed to take the legal requirements seriously, and appears, even on her own account of the letting arrangements, to have turned a blind eye to the fact that there were three people occupying the property. She has not sought professional advice nor contacted the council to discuss the tenancy arrangements.
100. In these circumstances the Respondent does not have a reasonable excuse defence.

Should the tribunal make an award of an RRO?

101. The tribunal has a discretion as to whether to award an RRO.
102. The tribunal determines to exercise its discretion and make an award of an RRO.
103. The reason for this is that failure to licence a property is a serious breach of landlord law of which the Respondent was or should have been aware. The tribunal is therefore satisfied in the circumstances that an RRO should be made.

The maximum amount of the RRO which can be ordered

104. The rent claimed by the Applicants for the relevant period is £23,300.
105. The Applicants confirmed that none of them were in receipt of a housing element of Universal Credit or Housing Benefit.
106. The tribunal found that the maximum RRO it could award is the amount claimed
107. The Applicants state and the Respondent did not dispute, that they paid for all the utilities in the property.
108. Therefore the maximum RRO claims prior to consideration of conduct issues for the Applicants is £23,300.

Other arguments concerning the amount of the RRO to be awarded.

109. The Applicants argue that their conduct was good. They paid their rent on time and carried out the responsibilities of tenants.
110. The Respondent argues that the conduct of the Applicants was poor. She suggested that they were difficult from the start, complaining about the state of the property when the tenancy started on the day they requested. She also suggested that the leak from the bathroom to the flat below was due to their inappropriate usage of the bathroom.
111. She says that the Applicants improperly left rubbish outside the property on vacating, which had to be cleared at the Respondent's expense.
112. The Applicants deny leaving rubbish at the property. They say the rubbish was from another flat vacating that day and that the Respondent was present and knew how they left the property.

The conduct of the Respondent

113. The Applicants say that the conduct of the Respondent was poor
 - (i) The property was in a poor condition when they moved in in November 2023 and it required substantial cleaning and safety checking.
 - (ii) When they complained about damp in the property in mid November 2023 they were told to leave and the property was advertised on spareroom.com. They

were only reinstated as tenants when they received advice from Citizens Advice about their rights

- (iii) The response of the Respondent to the leak in May 2024 was to ask the Applicants to vacate the property so that the bathroom could be replaced. Whilst the Respondent did provide one triple hotel room, she also continued to receive rent during this period. One triple room in a hotel was not an adequate substitute for the property. Whilst she did provide an additional room, the cost of this was inappropriately deducted from the deposit.
- (iv) No inventory was provided. The Respondent said she had provided one, but the Applicants say one was never received.
- (v) A neighbour was given the key to the property so that she inappropriately was present in the property.
- (vi) They found the Respondent difficult to deal with and said that she acted in a retaliatory way when they made complaints.

114. The Respondent denies her conduct was poor. She says

- (i) That she responded to their initial complaints about the state of the property and had the property cleaned and repairs carried out. This included an intensive clean on 6th November 2023, anti-mould painting to the upstairs small bedroom and large downstairs bedroom, repair of cracks, replacement of the shower ceiling with a UPVC easy-clean ceiling, redoing the shower sealant, repair of the sofa leg, ensuring lights were working in the bedroom and bathroom, checking the carbon monoxide detector and smoke alarm, the boiler being serviced, and two dehumidifiers being left at the Property
- (ii) That she did not seek to evict them when they complained of the damp and the cost of the dehumidifiers on 15th November 2023. In light of the seriousness of what was then being alleged, including humidity, possible mould growth and Ashleigh Hall's asthma, she responded that the property needed to be empty to investigate and rectify the matter. She

says that her concern was to investigate properly and safely. She did not intend there to be an unlawful eviction.

- (iii) That she dealt with all repairs quickly and effectively and provides evidence of this.
- (iv) Following a leak into the downstairs flat, on 6th May 2024 she arranged hotel accommodation for the occupants while the bathroom works were being carried out to mitigate inconvenience during the works. The hotel room arranged had a private bathroom and she considered it to be clean and adequate. The Applicants complained about the hotel arrangements and demanded three separate rooms. The Respondent therefore booked an additional room increasing costs.
- (v) Her conduct was not a deliberate breach: the property became an HMO because it was let to three individuals rather than to a family.
- (vi) No further action has been taken by the local authority.
- (vii) There are no previous RROs.
- (viii) The First Respondent promptly dealt with issues that were raised with her, including as follows:
 - (a) Carrying out initial works and other works requested promptly
 - (b) Replacing a carpet in December 2023.
 - (c) Following a request by the Second Applicant, by a message sent at around 10:30am on 11 December 2023, stating that the hot water was not working, arranged for an attendance by British Gas to take place on the same day, resolving the issue.
 - (d) Following a request being made by the Second Applicant for a new mattress, arranged for a new mattress to arrive at the Property on 18 December 2023, resolving the complaint within one week.

- (ix) Generally took prompt and appropriate steps to keep the property clean, safe, and pleasant for the Applicants, who were occupying it. She believes she went over and above her obligation
115. In addition the Respondent says that the money she spent on alternative accommodation should be deducted from any RRO made.

The financial circumstances of the landlord

116. The Respondent says that she has very limited financial resources. Whilst she has a premier bank account, this is because of her husband's income and does not reflect her financial position.
117. She is in receipt of PIP and Universal Credit.

The decision of the tribunal

118. The tribunal determines to make a rent repayment order of £17,475.00.

The reasons for the decision of the tribunal

119. In reaching its decision in this case the tribunal has been guided by the very helpful review of the decisions in the Upper Tribunal decision *Newell v Abbott and Okrojek* [2024] UKUT 181 (LC) and follows the four stage approach set out in *Acheampong v Roman* (2022) UKUT 239 (LC).
120. The tribunal in this case has already taken the first two steps that the authorities require by ascertaining the whole of the rent for the relevant period and recognising that there is to be no deduction for utilities as all utilities were paid for by the Applicants.
121. Next the tribunal is required to consider the seriousness of the offence in comparison with the other housing offences for which a rent repayment order may be made. The failure to licence a property is one of the less serious offences of the seven offences for which a rent repayment order may be made.
122. However, although generally the failure to licence is a less serious offence, the Upper Tribunal recognises that even within the category of a less serious offence, there may be more serious examples.

123. In this case the tribunal considered that the case is a serious example of one of the less serious offences in which a rent repayment order may be made.

124. The reasons for this are as follows:

- (i) The poor condition of the property at the commencement of the tenancy. It is clear to the tribunal that the Respondent's business model was to replace tenants on the day that they left the property. This is what she did to the Applicants and also did when the Applicants left the property. This business model does not allow for proper cleaning, repairs and other checks which are essential for safe management of an HMO.
- (ii) The attempted eviction in mid November 2023 which was only resolved following advice from Citizens Advice. The tribunal does not accept the Respondent's claim that she did not give notice to the Applicants. The email correspondence set out on page 104 of the Respondent's hearing bundle makes it clear that the Respondent intended the Applicants to leave and the Applicants provided evidence that she had advertised the property on Spare Room.com. The room was advertised as available from 14th December which is consistent with a four week notice period.
- (iii) The poor treatment during the bathroom repairs. The Respondent did not provide adequate alternative accommodation – a hotel room is not an adequate substitute for a shared flat. Moreover she appeared to resent having to provide the Applicants with appropriate alternative accommodation when she was receiving rent for a property she was not allowing them to live in. It is not appropriate to reduce the RRO by the amount she paid for the alternative accommodation.
- (iv) A failure to comply with the law which left the Applicants at some risk. Whilst the Applicants have failed to provide sufficient evidence that there were inadequate fire alarms etc, failing to engage with the licensing process means that the Applicants faced some risks. The Respondent was not a member of any landlords association nor did she have any other system in place to ensure she complied with the law.

- (v) Whilst there is evidence that the Respondent dealt with repairs and problems with the boiler etc rapidly, this is the behaviour expected of a landlord, and is insufficient to compensate for the poor practices that the tribunal found to have taken place.
125. The tribunal decided not to reduce the amount payable because of the conduct of the Applicants. There was no evidence to support any allegation that the Applicants' conduct was anything but good. There was nothing to support the allegation that they had misused the bathroom or that they were unreasonable in wanting adequate accommodation whilst they were excluded from the property for bathroom repairs.
126. The Respondent has provided very limited information about her financial circumstances. The tribunal notes that PIP is not means tested and that the Universal Credit decision referred to is not an award of Universal Credit but a statement that she is not fit to work.
127. In the light of the very limited disclosure of financial information the tribunal determines not to reduce the RRO payable because of the Respondent's financial circumstances.
128. Taking all of these matters into account the tribunal determines to award the Applicants 75% of the maximum RRO payable.
129. In the light of the above determinations the tribunal also orders the Respondent to reimburse the Applicants' application fee and hearing fee totalling £341.

Name: Judge H Carr

Date: 10th August 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).