FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case reference	**:**	**LON/00AH/HMG/2025/0659**
Property	**:**	**380 Brighton Road South Croydon CR2 6AL**
Applicant	**:**	**Ms Emma Pinfold**
Representative	**:**	**Represent Law Ltd**
Respondent	**:**	**Mr Junhua Zhu**
Representative	**:**	**In person**
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** **Mr A. Lewicki**
Date and venue of hearing	**:**	**26th May 2026 at Alfred Place**
Date of decision	**:**	**17th August 2026**

DECISION

Decisions of the tribunal

(1) The tribunal determines to make a Rent Repayment Order of £906.

(2) The tribunal also orders that the Respondent reimburse £330 for the Applicant's application and hearing fees within 28 days of the issue of this determination.

(3) The tribunal makes the determination as set out under the various headings in this decision.

The application

1. The Applicant tenant, Ms Emma Pinfold, seeks a determination pursuant to section 41 of the Housing and Planning Act 2016 (the Act) for a rent repayment order (RRO) in relation to 380 Brighton Road South Croydon CR2 6AL London NW8 8TE, the property.

2. The Applicant alleges that the Respondent landlord has committed the offence of having control of or, managing a house in multiple occupation that was required to be licensed but was not licensed.

3. The Respondent is Mr Junhua Zh0u who is named as landlord on the tenancy agreement dated 5th May 2024 provided to the tribunal by the Applicant.

4. The Applicant is seeking to recover £9,060 for the period 31st July 2023 – 31st July 2024.

5. The application was dated 28th July 2025 and received by the tribunal on that date. Directions were issued in this matter on 10th December 2025.

The hearing

6. Mr Waki Khan of Represent Law appeared and represented the Applicant. The Applicant attended and gave evidence.

7. Mr Junhua Zhu, the Respondent, attended and gave evidence. He was accompanied by Dr Yuanyuan Fei who is the Director of Brighton Road Ltd, the registered owner of the property. Ms Fei gave evidence for the Respondent.

The background and chronology

8. The property is a five bedroomed shared house with studio rooms each with ensuite bathrooms. There is a shared kitchen, no living room a garden and a front drive.

9. Ms Pinfold was a tenant at the property between June 2018 and April 2025. Ms Pinfold paid rent of £740 pcm for ten months of the period of her claim and £800 pcm for the final two months.

10. The property was her only residence.

11. Ms Pinfold left the property after the expiry of her fixed term tenancy on 5th April 2025. She told the tribunal she left the property because of the state of the house and difficulties with the landlord.

12. The managing agent of the property was Seventh Bridge Ltd. The director of that company is Mr Frank Lai.

The issues

13. The issues that the tribunal must determine are;

(i) Is the tribunal satisfied beyond reasonable doubt that the landlord has committed the alleged offence?

(ii) Does the Respondent have a 'reasonable excuse' defence?

(iii) 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?

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

The law

14. 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).

15. 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."

16. Section 72(5) of the 2004 Act provides a "reasonable excuse" defence to a charge of having control of or managing an unlicensed HMO.

17. 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."

18. 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."

19. 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.

20. 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."

21. 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)."

22. 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."

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 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

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

The Applicant's evidence

Does the property require licensing?

23. The Applicant says

(i) The property is situated within the South Croydon ward of Croydon Council. Croydon Council have been operating a borough wide mandatory licensing scheme which applied to the property.

(ii) The appropriate licence was not held during the relevant period.

(iii) At all times during the relevant period the property was occupied by 5 or more tenants in 5 or more households. Therefore, the property was required to be licensed as a mandatory HMO.

(iv) Croydon Council confirm that a mandatory licensing application was only received on 12th August 2024 and that at all material times before that date there was no licence for the property.

Was the Respondent the landlord of the property?

24. The Applicant says the Respondent was the landlord of the property at all material times.

25. She produced a tenancy agreement signed on 5th May 2024 for a term of nine months commencing on 1st June 2024. The Respondent is named as the Landlord in that agreement. The tenancy agreement is stated as being signed by Seventh Bridge Ltd on behalf of Mr Zhau.

26. She also said that and the agent referred to the Respondent as the landlord when increasing the rent and that the Respondent personally contacted the Applicant via text regarding the deposit on 1st June 2025 and the 4th July 2025. In those texts he explained that he was taking over the management of the property from Seventh Bridge and described himself as the landlord of the property.

27. The Applicant paid her rent to Seventh Bridge Ltd who was the agent of the Respondent.

28. The Applicant understood that the Respondent was her landlord.

29. Whilst the Applicant accepts that previous tenancy agreements named Brighton Road Ltd as the landlord, she argues that it is the tenancy of 5th May 2024 which reflects the accurate position.

The Respondent's evidence

Does the property need licensing

30. The Respondent accepts that the property required licensing.

Is the Respondent the landlord of the property?

31. The Respondent argued that he was not the immediate landlord of the property or indeed the landlord of the property at all. He says the immediate landlord is Brighton Road Ltd.

32. The Respondent says he holds no proprietary interest in the Property, nor is he a director or shareholder of the corporate owner, and he has never been the recipient of rent.

33. He says that the Official Land Registry Title Register explicitly identifies Brighton Road Ltd as the sole owner.Furthermore, the historical tenancy agreements from 2018 and 2020 name Brighton Road Ltd as the corporate landlord. The Respondent provided copies of these agreements at page 23 of his bundle.

34. In light of the consistent documentary record, the Respondent submits that the inclusion of his name in the 2024 agreement is more likely to have arisen from an administrative error by the managing agent, rather than any genuine transfer of landlord status.

35. He says that his sole connection to this matter is that he provided a private financial loan to the Director of Brighton Road Ltd as a personal friend. He was helping her create a property portfolio.

36. Because of his personal friendship with the Director, he occasionally provided informal, unpaid assistance by acting as a messenger between the company and the managing agent, Mr Frank Lai of Seventh Bridge Ltd. Being a messenger between the corporate landlord and the managing agent does not make him a director or owner of either company.

37. The Respondent also said that he was the landlord of other properties and that he employed Mr Lai of Seventh Bridge Ltd to manage those properties. The Respondent introduced Mr Lai to Dr Yuanyuan Fei when she started her property portfolio and she decided to employ Seventh Bridge to manage her property.

38. The Respondent said that he called himself the landlord in texts because he did not want to confuse the tenant. He thought it would be confusing to explain that he was managing the property.

39. The Respondent says that all of the Applicant's rent was paid directly to Seventh Bridge Ltd. He exhibits the bank statements from the agent and the corporate bank statements of Brighton Road Ltd [Exhibits JZ-4 & JZ-5], which show that the rent was transferred directly to the company after management fees were deducted. The Respondent received £0.

40. The Respondent provided the company registration documents which confirmed his evidence.

41. Ms Yuanyuan Fei, the Director of Bright Road Ltd gave evidence on behalf of the Respondent. She says that the company is the sole legal owner of the property and that the Applicant's tenancy agreement has historically been with Brighton Road. She says that the Respondent is a personal friend and he has provided occasional informal and unpaid assistance to he by acting as a messenger between the company and the managing agent. She says he had no legal authroty to act as the landlord.

42. She told the tribunal that the most recent 2024 renewal agreement incorrectly listed Mr Zhu's name as the landlord which she says was an error. She says that at no point did Brighton Road Ltd authorise the transfer of the landlord status to Mr Zhu personally

The claim is out of time

43. The Respondent also argues that the period of claim falls outside of the 12 month statutory limit. He says that the application was made on 28th July 2025 which, for all but three days of the claim, is more than 12 months after the period 31st July 2023 – 31st July 2024, the period for which the Applicant is claiming.

The decision of the tribunal

44. The tribunal determines that the Respondent has committed the alleged offence from the 1st June 2024 to 11th August 2024.

The reasons for the decision of the tribunal

Does the property require licensing?

45. The tribunal determines that the property requires licensing. It relies on the evidence from the Applicant and the information provided by the local authority that the property required licensing.

46. The Respondent agreed that the property needed licensing.

Is the Respondent the landlord of the property?

47. The tribunal determines that the Respondent was the landlord of the property from the date of the latest tenancy, 1st June 2024. That tenancy named the Respondent as landlord.

48. A tenant is entitled to rely on the tenancy agreement as setting out the correct legal position. The law does not require a tenant to investigate whether the information provided by the landlord's agent on a tenancy agreement is accurate before making a claim.

49. Text messages received from the Respondent post the termination of the tenancy also referred to the Respondent as the landlord of the property. The explanation of the Respondent that he called himself the landlord to avoid confusing the tenant is not persuasive. Those text messages from the Respondent corroborated the prima facie case that the Respondent was the landlord.

50. The tribunal is not prepared to infer from the history of the occupation agreements that Brighton Road Ltd was the landlord and that the agent made a mistake. It considers that a signed tenancy agreement is determinative of the legal position.

51. Moreover the tribunal does not find it credible that the agent did not send a copy of the signed agreement to the Respondent. If the agent failed to do so, made a mistake or exceeded his authority, then it is for the Respondent to take that issue up with the agent.

52. The tribunal noted that no evidence was provided from the agent nor was the contract between the managing agent and the Respondent provided.

53. Prior to 1st June 2024 the evidence of the Respondent's connection to the property is limited and does not demonstrate beyond reasonable doubt that he was the landlord of the property.

54. Firstly the earlier tenancy agreements named Brighton Road Ltd as the landlord. After the expiry of the 2nd fixed term on 31st March 2021 the legal position is that the tenancy continues on the same terms with the

same parties, so in the period from the date of the expiry of the 2nd fixed term Brighton Road Ltd remained as the landlord of the Applicant.

55. Secondly the evidence shows that the Respondent was not a director of Brighton Road Ltd and therefore there is no evidence of a connection between him and the company.

56. The tribunal agrees with the Applicant that it is very likely that the Respondent has an equitable interest in the property as he paid a contribution to the purchase price. However owning a very small equitable interest is not sufficient in itself to demonstrate that the Respondent is the landlord

57. The Applicant also relies on the payment of rent to argue that the Respondent was the landlord. The evidence is that the rent was paid to Seventh Bridge Ltd. Seventh Bridge Ltd were the agent of both Brighton Road Ltd and the Respondent. The payment of rent to the agent therefore does not show beyond reasonable doubt that the Respondent was the landlord. There is no evidence of the Respondent having received the money paid as rent from Seventh Bridge Ltd. Indeed the evidence from the Respondent shows that all the rent minus the management fee was received by Brighton Rd Ltd.

58. The tribunal accepts the evidence of the Respondent that his involvement prior to 1st June 2024 was as a friend and mentor to the director of Brighton Road Ltd and was not sufficient to demonstrate that he was a landlord.

Is the claim in time?

59. For the claim to be in time the application has to be made within 12 months of the offence being committed. There ceased to be an offence on August 12th 2024 when the application for a licence was made. The RRO application was made on 28th July 2025 which is within 12 months of the last date of the commission of the offence and is therefore in time.

60. The statutory provisions allow the applicant to choose a period as the period of claim at any time when the offence was being committed, and this is not limited by the 12 month limitation period.

61. Therefore the claim is in time.

<u>Does the Respondent have a 'reasonable excuse' defence?</u>

62. The Respondent did not argue a reasonable excuse defence as he was relying on the argument that he was not the landlord.

<u>The maximum amount of the RRO which can be ordered</u>

63. The period for which the RRO is sought is 31st July 2023 – 31st July 2024

64. However the tribunal has found that the respondent committed the offence only from 1st June 2024 – 11th August 2024 and determined to treat that period as the period of claim.

65. The tribunal noted that the rent was paid at the end of each month. The Applicant provided evidence of the payment of rent during that period. In the relevant period the rent paid was 2 months at £800 pcm and 11 days at 31/800. The tribunal calculates the daily rent at £26 which multiplied by 11 equals £286.

66. The rent paid therefore totalled £1,886.

67. The Applicant confirmed that she was not in receipt of a housing element of Universal Credit or Housing Benefit.

68. The tribunal found that the maximum RRO it could award was £1,886

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

69. The Applicant argues that no deductions should be made from the rent for utilities. Whilst the rent was said to include utilities the landlord' utility accounts were in significant arrears, eg £3,961 owed to Scottish Power in April 2025. The landlord was not paying bills promptly.

70. The Applicant argues that her conduct has been good. She paid her rent on time and treated the property well.

71. The Applicant argues that the landlord's conduct was poor

(i) The offence was longstanding; the HMO had operated for at least 6 years without a licence

(ii) This is a corporate landlord with the necessary resources to comply

(iii) There were no fire doors in the property until August 2024 when the council insisted they were installed.

(iv) After alterations required by the Council for the purposes of licensing, the Applicant claimed that the Respondent failed to provide a bedroom lock despite repeated requests, putting her security at risk.

(v) Conditions at the property were poor. There were sewage backups, a bedbug infestation, several boiler failures, and strangers entering A's room. The garden was dangerous due to glass and rubbish being dumped there.

(vi) The kitchen and communal areas were kept in a terrible condition. After making complaints the agent agreed to employ a cleaner but the cleaner did not turn up and conditions did not improve.

(vii) The Applicant argued that she suffered discriminatory treatment linked to her sexual orientation

72. The Respondent says that historically the conduct of the corporate landlord has been good. He says that the corporate landlord historically held an operating licence and when it discovered that as a result of an administrative delay it applied to the Council on 12th August 2024 to remedy the defect.

73. The Respondent says that the property was in good condition and the Council imposed no penalty for its oversight.

74. The Respondent says that that the corporate landlord incurred significant outgoings which need to be taken into account. The corporate landlord was solely responsible for utility bills, broadband and Council tax. The Respondent says that the Applicant should be treated as responsible for 20% of those bills. It suggested that approximately 20% of her rent be deducted to cover utilities.

75. The Respondent says that the conduct of the Applicant has been poor. She left the property with £400 of rent arrears. She has pursued this application despite it being clear that the Respondent is not her landlord.

The decision of the tribunal

76. The tribunal determines to award an RRO of £906.

The reasons for the decision of the tribunal

77. *Acheampong v Roman* (2022) UKUT 239 (LC) established a four-stage approach which the tribunal must adopt when assessing the amount of any order. The tribunal in this case has already taken the first step that the authorities require by ascertaining the whole of the rent for the relevant period - £1,886.

78. The next step is that any element of that sum that represents payment for utilities that only benefitted the tenant must be subtracted from the whole of the rent. Whilst the Applicant says that nothing should be subtracted, the tribunal disagrees. The Applicant clearly benefitted from utilities

79. The Respondent suggests that utilities represented 20% of the rent. The tribunal considers that that is a reasonable approximation of the costs of the utilities. It therefore reduces the amount of the maximum RRO by £376 leaving the total payable before any further deductions as £1510.

80. 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.

81. 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.

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

83. The reasons for this are as follows:

(i) The failure to licence the property was long-standing. The system for mandatory licensing changed in 2018. It took six years for the correct licence to be put into place. This delay was not properly explained by the Respondent.

(ii) The management of the property was poor. The tribunal noted that the manager used licence agreements when it is very likely that a tenancy agreement was required, so that statutory protections such as rent increase mechanisms were not adhered to, and the calculation of arrears was poor (see below) reflecting a very limited understanding of renting law and good practice. The Respondent agreed that the manager did not have any qualifications for carrying out the role. The Respondent has to take responsibility for the poor conduct of the manager and his lack of knowledge of the law.

(iii) The conditions at the property were poor and fire doors were only installed after the licence was applied for in August 2024. This led to the Applicant feeling insecure in the property and the lack of a lock to her door was not remedied. However the tribunal notes that the most serious problems only affected the Applicant for a very short period of time and that in general the management responded, albeit slowly, to complaints of poor conditions.

(iv) There was no evidence that the Applicant was treated badly because of her sexuality.

84. The tribunal decided not to reduce the amount payable because of the conduct of the Applicant. There is an allegation against the Applicant that she owed £400 rent arrears. When the tribunal asked the Respondent to explain this he said it was calculated on the basis that the tenancy agreement started on 21st June 2018. As the Applicant moved out on 5th April 2025 her last rent payment, made on 1st March 2025 left 14 days of rent owing. At a rent of £800 pcm this meant that the Applicant owed £400.

85. The tribunal noted that the latest tenancy agreement signed by the tenant was dated 1st June 2024 and no alternative date for the payment of rent was provided. Therefore contractually the rental payment period was from the first of June. So by its calculation there was only 5 days of rent owing. Moreover the calculation of arrears was not done on a daily rent basis. In the light of this poor management practice the tribunal has determined not to reduce the RRO by the amount of the arrears.

86. No evidence of financial circumstances was provided by the Respondent.

87. Taking all of these matters into account the tribunal determines to award the Applicant 60% of the maximum RRO payable.

88. The tribunal also orders the Respondent reimburse the Applicant for her hearing fee in this matter totalling £330.

Name: Judge H Carr **Date:** 17th 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).