FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case reference	**:**	**LON/00AZ/HMF/2026/0011**
Property	**:**	**26a Sydenham Road, London SE26 5QW**
Applicant	**:**	**Gulshan Akin**
Representative	**:**	**Isaac Acharya** **Justice for Tenants**
Respondent	**:**	**Ayhan Altunok** **Homayon Walizada** **Ahmet Tunc**
Representative	**:**	**Abdurrahman Abdulwahab, Jan Solicitors (for the First and Second Respondents only)**
Type of application	**:**	**Tenant's application for a Rent Repayment Order under ss. 40, 41, 43 & 44 of the Housing and Planning Act 2016**
Tribunal members	**:**	**Tribunal Judge Mark Jones** **Mr John Stead BSc MSc CEng**
Date and venue of hearing	**:**	**16 July 2026, 10 Alfred Place, London WC1E 7LR**
Date of decision	**:**	**12 September 2026**

DECISION

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Decisions of the tribunal

(1) The Tribunal declines to order the Respondents to repay to the Applicants any sum by way of rent repayment.

(2) The Tribunal declines to order the Respondents to reimburse the Applicant the application and hearing fees.

(3) The Applicant's application dated 20 July 2026 for permission to adduce further evidence is refused.

Introduction

1. The Applicant tenant made an application dated 09 July 2025 for a rent repayment order ("***RRO***") against the Respondent landlords under sections 40-44 of the Housing and Planning Act 2016 ("***the 2016 Act***").

2. It is asserted that the landlords committed an offence of control or management of an unlicenced house in multiple occupation ("***HMO***") dwelling contrary to section 72(1) of the Housing Act 2004, or in the alternative of an unlicenced house contrary to section 95(1) of that Act, each of which is an offence under section 40(3) of the 2016 Act.

3. The Applicant, Ms Gulshan Akin, initially occupied 26A Sydenham Road, London SE26 5QW ("***the Property***") pursuant to a tenancy agreement dated 01 December 2021 granted to her and her husband Mr Mahmut Akin for a term of 12 months at a rent of £800 per month, commencing on 29 November 2021. The landlord was Ms Esma Altunok Kozan, who, the Tribunal understands to be the sister of the First Respondent.

4. Two further tenancy agreements were entered into between those parties, the first dated 31 March 2023 providing for a tenancy of the Property for a term of one year from 01 April 2023 at a monthly rent of £900, and the second being dated 01 April 2024 for a term of one year from 01 May 2024 at a monthly rent of £1,000.

5. At some point in 2024, Ms Esma Altunok Kozan transferred her interest in the Property, to which we shall return in more detail below.

6. All rental payments for the period with which the Tribunal is concerned were made by direct transfer from Mr Mahmut Akin's Monzo account, as follows:

06/04/2024	£1,000
08/06/2024	£1,000
07/07/2024	£1,000
06/08/2024	£1,000

07/09/2024	£1,000
07/10/2024	£1,000
	£6,000

7. The recipient bank account for those payments was in the name of Barut Limited. This will be considered in more detail, below.

8. Thereafter, a further tenancy agreement dated 15 May 2025 was entered into between the First Respondent, Mr Ayhan Altunok as landlord, and the Applicant and her husband Mr Mahmut Akin as tenants. That provided for an undefined term of the tenancy, commencing on 01 May 2025 at a monthly rent of £1100.

9. The evidence discloses three rental payments immediately following and shortly after the signing of the May 2025 tenancy agreement, each in the contractual sum of £1,100, on 15 May (the date of the agreement), 15 July and 15 August 2025. These were each made to an account in the name of Bereket Ltd., which will, again, be considered in detail below. There was no evidence of any subsequent rent payment.

10. The Applicant initially sought an RRO in the sum of £5,000, in respect of rent paid during the period 30/07/2024 to 14/04/2025, based upon an alleged offence which subsisted until 15/04/2025, when it was common ground the Respondents made a formal application for an HMO licence, enabling from that date the defence of having made such application under s.72(4) of the 2004 Act.

11. By application in form Order 1 dated 26 June 2026 the Applicant sought permission to expand the scope of her claim to £6,000 by the inclusion of the payment made on 06 April 2024. The basis of the application was that information disclosed in the Respondents' evidence revealed that the licence previously thought to apply to the property had been granted to a former landlord and could not be relied upon by the Respondents so, that, contingent upon the Tribunal's finding as to other issues, that payment could be said to have been made within the period of the alleged offence.

12. The Tribunal determined that application at the commencement of the hearing, together with two further applications made by the parties, viz:

    13.1 An application dated 03 July 2026 made by the First and Second Respondents, seeking permission to rely upon a supplementary witness statement and some additional documents; and

    13.2 An application dated 13 July 2026 on behalf of the Applicant seeking, variously:

        (i) a direction that the hearing be held in private;

(ii) the striking out of a small part of the First and Second Respondent's case, making tangential allegations regarding the Applicant's husband's immigration status;

(iii) a direction that the identity of the Applicant and her family be withheld and this decision anonymised; and

(iv) permission to adduce further evidence, in the form of documents relating to parallel possession proceedings afoot in the County Court at Bromley under Claim No. N1PP5597 concerning the Property.

13. The First and Second Respondents served a detailed narrative statement of case in response to the application, to which the Applicants responded with a detailed Reply dated 26 June 2026. The Applicant filed a witness statement dated 06/01/2025, and somewhat unusually the First and Second Defendants filed two joint statements, dated 15 May and 03 July 2026 (subject to determination of the application for permission to rely on the contents of the latter.

14. The parties each filed bundles in advance of the hearing. The Applicant's bundle numbered some 292 pages, augmented by the Reply and the contents of her two application notices. The Respondents' initial bundle numbered some 145 pages. This was added to by the contents of the supplementary bundle, being a further 29 pages.

15. Whilst the Tribunal makes it clear that it has read each party's bundles, the Tribunal does not refer to every one of the documents in detail in this Decision, it being impractical and unnecessary to do so. Where the Tribunal does not refer to specific documents in this Decision, it should not be mistakenly assumed that the Tribunal has ignored or left them out of account.

16. This Decision seeks to focus solely on the key issues. The omission to refer to or make findings about every statement or document mentioned is not a tacit acknowledgement of the accuracy or truth of statements made or documents received. Not all of the various matters mentioned in the bundles or at the hearing require any finding to be made for the purpose of deciding the relevant issues in this application. The Decision is made on the basis of the evidence and arguments the parties presented, as clarified by the Tribunal in the hearing, and is necessarily limited by the matters to which the Tribunal was referred.

Hearing

17. The hearing was conducted remotely with the consent of the parties, consequent upon directions given at an earlier stage. The Applicant appeared, accompanied by her husband and frequent appearances by her

young child. Mr Aksoy, a Turkish interpreter, was present to assist in interpreting the proceedings and the Applicant's evidence in her language. She was represented by Mr Isaac Acharya from the organisation *Justice for Tenants*.

18. The First and Second Respondents attended from the offices of their solicitor, Mr Abdurrahman Abiodun Abdulwahab.

19. The Third Respondent neither attended nor was represented, and has taken no part in the proceedings at any stage. Against that, where in this Decision the Tribunal refers to *"the Respondents"* in terms of evidence given and submission advanced, we intend to refer to the First and Second Respondent, together, and not to the Third.

20. The Applicant, Second and First Respondents each gave evidence, the latter somewhat reluctantly where Mr Abdulwahab initially indicated that he did not intend to call him for the purposes of cross examination, despite he having (electronically) signed the joint statement. After a request from Mr Acharya to put questions to him, and the Tribunal's indication that any continued failure to call a witness of fact who was present and who had signed two statements of truth might have implications for its view of the credibility of the Respondents' case, Mr Altunok gave evidence and answered questions from Mr Acharya and from the Tribunal.

21. The hearing did not conclude until around 16.15 hrs, and in consequence of the Tribunal's need to discuss its decision, the written decision could not be prepared that day.

The Applicant's Post-Hearing Application

22. Thereafter, while a written decision was in the process of being finalised, matters were placed in abeyance by the decision of the Applicant's representatives, Justice for Tenants, to submit an application for permission to rely upon further evidence, in Form Order 1 dated 20 July 2026, accompanied by a variety of documents. This, in turn, engendered provision of a written response from the Respondents objecting to the application, dated 24 July 2026. These respective submissions materialised on the eve of Judge Jones becoming unavailable for a protracted period due to judicial and other commitments. Where they clearly warranted careful consideration, this had the effect of delaying the finalisation of this decision.

23. The issues raised in the application dated 20 July 2026 will be addressed under the heading *"**Postscript: the Application Dated 20 July 2026**"*, below.

The Preliminary Issues

24. The parties' various (pre-hearing) applications were considered at the commencement of the hearing. Mr Achary and Mr Abdulwahab each made submissions, before the Tribunal determined as follows.

25. The Applicant's application dated 26 June 2026 seeking permission to amend the maximum rent claimed from £5,000 to £6,000 by including the further payment of £1,000 made on 6 April 2024 was allowed, where the Tribunal held that the amendment does not alter the nature of the claim, raises no new issue, and relies on evidence already contained within the existing bundle. Any prejudice to the Respondents was minimal and could readily be addressed at the hearing.

26. The First and Second Respondents' application dated 03 July 2026 seeking permission to rely upon a supplementary witness statement and additional documents was also allowed. Much of the material post-dated the original evidence or was said to address matters inadvertently omitted previously. The Tribunal was satisfied that the additional material was potentially relevant to issues including reasonable excuse, tenant conduct and quantum. The Applicant had had 13 days' notice of the material and sufficient opportunity to address it. Any issue as to the significance of the evidence is properly a matter of weight rather than admissibility.

27. As to the Applicant's applications dated 13 July 2026, the first seeking that the hearing be held in private was rejected, where the Tribunal was not satisfied that there was any proper basis for departing from the principle of open justice. The matters relied upon by the Applicant did not justify conducting either the entire hearing, or any part of it, in private: the allegations made regarding immigration status appearing to the Tribunal to be of no relevance whatsoever to the issues actually arising on the RRO application.

28. The second, seeking to strike out a small part of the Respondents' evidence was also refused, again where while the matters adverted to were irrelevant to the issues which fall to be determined in these proceedings, strike out is unnecessary. The Tribunal is well able to disregard irrelevant material and to attach no weight to it. As the parties were informed, references to immigration matters would not (and do not) form part of the Tribunal's determination, save insofar as it may be necessary to record that such matters were raised and found to be irrelevant, as we do.

29. Similarly, the application for anonymity was refused, where the Tribunal was not satisfied that the Applicant had established grounds sufficient to justify derogation from the principle of open justice. The fact that irrelevant allegations have been made does not, without more, justify anonymisation of a party or restrictions upon publication. Given the

Tribunal's conclusion that immigration-related matters were irrelevant to the issues for determination and will play no part in the substantive decision, there was no sufficient basis for the making of an anonymity order.

30. Finally, in relation to preliminary matters, in light of the Tribunal's decision to admit the Respondents' supplementary evidence, it considered it fair and proportionate that the Applicant be permitted to rely upon the county court documents referred to in her application by way of response, and granted permission to adduce the additional evidence sought.

The Property

31. The Property constitutes the first and second floor premises situated above a restaurant named Selim Kebab. Stairs lead to the first floor where, as we find, there are three rooms and a communal kitchen, and another staircase leads to the second floor, where the Applicant and her family occupy two rooms with a separate kitchen, bathroom and toilet.

32. We did not inspect the Property, where neither party requested us to do so, and we did not consider it necessary or proportionate to do so to determine the application before us.

33. It was not in dispute that at all times material to these proceedings the Property was an HMO within the meaning of ss. 55 and 254 of the Housing Act 2004 (*"**2004 Act**")*, as read together with the definitions set out in the Licensing of Houses in Multiple Occupation (Prescribed Description) (England) Order 2018.

34. Further, and in any event, the Property was situated within an additional licensing area as designated by the London Borough of Lewisham (*"**LBL**"*) under ss.55-6 of the 2004 Act, which remained in force from 05 April 2022 throughout the period in issue, until its scheduled termination on 04 April 2027. It was, additionally, subject to selective licensing under s.80(1) of the 2004 Act under a scheme that began on 01 July 2024, a little less than 3 months after the commencement of the period in issue in these proceedings.

The Applicant' Case in Précis

35. By the expanded scope of the application, the Applicant states that the Property did not have a licence, but required one, for the entirety of the period 06 April 2024 to 14 April 2025. This slightly exceeds the maximum period of one year for which an RRO may be sought (this case preceding the wider two-year ambit introduced by the Renters Rights Act 2026), so that the Tribunal has concerned itself with the one-year period from 06 April 2024 to 05 April 2025. Where no rent appears in fact to

have been paid between December 2024 and April 2025, the difference may be viewed as largely academic

36. This was not in the event disputed by the Respondents, who conceded that the Property had been operated as an HMO through the relevant period.

37. The case is unusual in that an HMO licence had in fact been granted in respect of the Property to Esma Altunok Kosan on 27 February 2020 for a period of five years. It was the evidence of the Second Respondent, which we accept, that upon transfer to the Respondents (analysed below) he presumed that the licence's effect continued, believing it to have been granted in respect of the Property and not personal to the individual, so that it was common ground that following such transfer no valid licence was in existence, and none was in the event applied for until 15 April 2025.

38. The Applicant alleges that throughout her occupation the property suffered from a range of defects and shortcomings. Her complaints include unspecified problems with the sewerage system, damp and mould, water pipe and electrical issues, bedbug infestations and gas supply problems. She alleges a failure by the Respondents properly to maintain the property despite repeated complaints. She contends that the condition of the accommodation adversely affected her and her family and that the Respondents were slow or unwilling to address reported defects.

39. The Applicant also complains of the Respondents' management of the property. She alleges that requests for repairs were ignored or inadequately dealt with, that there were disputes concerning access to the property, and that the Respondents' conduct towards her was at times unreasonable or intimidating. She relies upon these matters both as part of her account of the tenancy and as aggravating features relevant to the Tribunal's assessment of any RRO.

The Respondents' Case in Précis

40. The case for the First and Second Respondents was to the effect that the RRO application was retaliatory, against their desire to seek possession of the Property based in turn upon substantial rent arrears. The first Housing Act 1988 section 8 notice that the Tribunal has seen was served on 31 December 2025.

41. The Respondents asserted that they had sought to submit a timely licensing application upon being appraised of the need to do so in or around October 2024, applying in April 2025, the delay being attributable to the Applicant's and her husband's obstruction of the Respondents' workmen, who repeatedly sought and were denied access

to effect necessary works as a condition precedent of making the application. As at the date of the hearing, the application was still pending.

42. As to the Applicant's complaints of disrepair and inadequate maintenance and management, the Respondents deny that they failed to respond appropriately to complaints about the condition of the property. Their case is that they took reasonable steps to investigate and address issues when reported, but were frequently hampered by difficulties in obtaining access. They rely upon evidence that appointments were arranged and that contractors or specialists attended or attempted to attend the property. The Respondents contend that any delays in resolving problems were substantially attributable to the Applicant's and her husband's lack of cooperation, rather than any unwillingness on their part to carry out repairs.

43. As to conduct, the Respondents reject allegations that they behaved improperly towards the Applicant. They contend that the tenancy relationship became increasingly difficult because of disputes concerning access, rent and management of the property. The Respondents maintain that the Applicant obstructed access for inspections and works, made unfounded allegations against them, and engaged in behaviour which complicated management of the property. They also rely upon incidents said to have resulted in police involvement and CCTV evidence of the Applicant's husband's behaviour, although the significance of those incidents is disputed.

44. The Respondents further rely upon substantial rent arrears and the subsequent possession proceedings as relevant to the Tribunal's assessment of conduct and quantum. They contend that the Applicant was not a tenant who consistently complied with her obligations under the tenancy and that any award should take account of her conduct during the tenancy. In summary, the Respondents' position is that they were attempting to manage a difficult tenancy, that they sought to address legitimate issues when they arose, and that many of the difficulties complained of were caused or exacerbated by the Applicant's own actions and refusal of access.

Relevant statutory provisions

45. The relevant statutory material is reproduced as an appendix at the end of this Decision.

Tribunal's analysis

46. The uncontested evidence is that the Property was a dwelling which was required to be licensed as an HMO (or pursuant to the additional licensing scheme) throughout the period in issue.

The Start Date of the Respondents' Management of the Property

47. In their written evidence, the First and Second Respondents clearly stated that they had taken over the leasehold interest and commenced management of the Property in March 2024. In the joint statement of the First and Second Respondents, which bears a statement of truth, at §4 they each stated, *"We took over the leasehold interest and management of the property in or around **March 2024**, with formal completion occurring in or about September 2024."* The position of the Third Respondent is unknown.

48. This was echoed in §8 of Mr Abdulwahab's skeleton argument, thus: *"The Respondents' evidence is that they took over the leasehold interest and management in or around March 2024, with formal completion/registration in or about September 2024."*

49. In oral evidence, the Second Respondent Mr Walizada sought to resile from this position, by asserting that while he and the other Respondents had been in the process of making enquiries and negotiating regarding a potential acquisition of the Property from March 2024, they had not in fact acquired an interest equating to management until September of that year.

50. Such a *volte-face* in relation to a central issue during the course of a witness's evidence given at a final hearing inevitably attracts close scrutiny by the Tribunal. Following cross-examination by Mr Acharya and a series of questions from the Tribunal, we reject Mr Walizada's account of this issue, for the following reasons.

51. First, it contradicts not only Mr Walizada's own statement, but also that of his co-respondent Mr Altunok, the truth of which each attested to.

52. Second, it is belied by the available conveyancing documentation, incomplete as that is. That includes the first page of a Land Registry transfer in form TR1 dated 09 May 2024 whereby Esma Altunok Kozan, Ayhan Altunok and Homayon Walizada appear to have transferred their interest in the Property, title no. TGL522276 to Ayhan Altunok, Homayun Walizada, and Ahmet Tunc, the Third Respondent. While the remainder of the document has not been adduced, the insertion of a handwritten date in box 3 strongly supports the inference that this was executed, and had the effect of transferring Ms Kozan's interest to Mr Tunc, in equity if not at law until the transfer was registered. More to the point, however, it is clear that Ayhan Altunok and Homayun Walizada had a proprietary interest in the Property capable of being conveyed prior to 09 May 2024.

53. Third, the analysis in §52 of this Decision is supported by the first two pages (we have not been provided with the rest) of a licence to assign,

also dated 09 May 2024, whereby the freehold owner, Sukru Keles, has granted undefined rights to Esma Altonuk Kozan, Ayhan Altunok and Homayun Walizada, together defined as *"Tenant"* in relation to an assignment to Ayhan Altunok, Homayun Walizada, and Ahmet Tunc, together defined as *"Assignee"*.

54. Fourth, while the HM Land Registry official copy register of title in respect of the Property, title no. TGL522276, shows that *registration* of the legal title to the leasehold estate was registered in favour of Ayhan Altunok, Homayun Walizada, and Ahmet Tunc on 02 September 2024, item 2 in the Proprietorship Register is a Form 'A' restriction dated 20 March 2024. That is a form of restriction indicating that the Property is held in trust, by preventing a sole proprietor from selling or mortgaging the Property.

55. Fifth, when questioned by the Tribunal about this aspect of the matter, Mr Walizada agreed that there had been a trust arrangement in place in his and Mr Altunok's favour, since March 2024. He however continued to deny that Mr Tunc had an interest in the Property, contrary to the recorded facts demonstrated by the TR1, the licence to assign and the HM Land Registry entry.

56. Sixth, the evidence included a series of WhatsApp messages from the First Respondent, Mr Altunok, to the Applicant's husband directing him to pay rent to various accounts, including the following:

06 May 2024	to a HSBC account ending 705, being the Second Respondent Mr Walizada's account, as confirmed by him in oral evidence
07 June 2024	to an account ending 596, Barut Limited

57. The First and Second Respondents sought to explain the designation of Mr Walizada's personal account for the receipt of rent as a mistake, an explanation we reject as thoroughly implausible, where we found both Mr Walizada and Mr Altunok to be unreliable witnesses on this issue whose explanations on these issues we entirely reject, unless corroborated by unimpeachable documentation, of which (on these issues) there was no such corroboration. It is entirely clear that by May 2024 at the latest Mr Altunok felt himself to be in a position to direct Mr Akin as to where his rent should be paid, a *sine qua non* of management functions.

58. Seventh, from information in the public domain it may be seen that Barut Limited was company no. 15594269 that was first incorporated on 26 March 2024, and was dissolved on 11 March 2025, which had as sole director and shareholder Mr Ahmet Tunc. It follows that Mr Altunok directed the Applicant's husband to pay the rent for the Property to an

account operated by a company solely controlled by their registered co-owner of the Property, whom Mr Walizada sought to persuade us had no interest therein. His account was wholly implausible.

59. Eighth, consideration of his Monzo account statements reveals that Mr Mahmut Akin, the Applicant's husband, made all six payments tabulated under §6, above, to an account in the name of Barut Limited, bearing the reference *"House Rent Payment"*. The first of these was made on 06 April 2024.

60. We are led to the irresistible conclusion that all three Respondents acquired a substantial interest in the Property in March 2024, and almost immediately began to dictate to the Applicant's husband where and how rent should be paid.

Rental Payments

61. While the Second Respondent in particular sought (as we find) to dissemble regarding the role of the Third Respondent, and their mutual connections, and sought to deny that he had received any benefit from the rents paid into the Barut bank account, we are satisfied beyond reasonable doubt that the rent paid to the Barut bank account was applied to the ultimate benefit of the Respondents. There is no other plausible explanation for the arrangements in issue, against the analysis of the factual and legal position.

62. The last rental payment made by Mr Akin to the Barut account was made on 06 November 2024. Thereafter, it is opaque as to whether rent was, or was not paid, and if so in what sums. The Applicant offers no evidence whatsoever as to later rental payments between December 2024 and April 2025. She limits her RRO claim to the £6,000 paid between April and November 2024, from which the Tribunal infers that nothing was paid thereafter for a considerable period.

63. This mirrors the evidence of Mr Walizada, which we do accept in this regard, that nothing was paid after November 2024 until 2 or 3 months' rent was paid in the middle of 2025, and thereafter not a penny.

64. This is supported to a degree by a schedule produced by the First and Second Respondents, which purports to demonstrate that 3 payments of £1,100 were made, on 15/05, 15/07 and 15/08/2025. Unhelpfully, neither the Respondents nor the Applicant produced any documentary corroboration for these payments.

65. The Tribunal notes that the schedule is, however, difficult to reconcile, in that it records an opening arrears balance of zero as at 15 May 2025, where if no rent had been paid after November 2024 an arrears balance of at least £5,000 would be anticipated. This was not satisfactorily

explained by the Second Respondent, and may be symptomatic of the disordered state of the documentary evidence generally.

66. Doing the best we can, the tribunal considers that the most likely explanation is that the Respondents started a 'new' rental account from the date of the 15 May 2025 tenancy agreement naming Mr Altunok as landlord.

67. It was stated in evidence by Mr Walizada that the 2025 payments were made to a bank account in the name of Bereket Ltd. The documentary evidence reveals that instructions to pay into that account were again provided by the First Respondent to Mr Akin by WhatsApp on 15 May 2026.

68. Companies House records for Bereket Ltd, company no. 15946565 reveal that entity to have been incorporated on 10 September 2024. The sole director is Haci Recep Filikci, who is a minority shareholder jointly with Ulas Calhan, and the First and Second Respondents.

69. Mr Filikci is said by the Respondents (in one of the few uncorroborated aspects of their evidence that we accept) to reside in the Property with his family, rent-free, and to work in the kebab restaurant below.

70. While the Second Respondent sought, as we find, also to dissemble regarding the role of Bereket Limited, we are satisfied beyond reasonable doubt that the rent paid to the Bereket account was applied to the ultimate benefit of the Respondents. In his oral evidence he stated at one point that *"**I** received 2 or 3 months' rent"* (emphasis added), in relation to the payments made in 2025 and again, there is no other plausible explanation for the arrangements in issue.

71. Indeed, the First and Second Respondents have issued County Court possession proceedings based upon substantial arrears of rent. This presupposes that they consider themselves to be entitled to receive such payments, that they have personally received the sums in the schedules deployed for court purposes, and are entitled to, but have not been paid the arrears upon which the possession proceedings are predicated. On 01 June 2026 Deputy District Judge Wright sitting in the County Court at Bromley made an order for possession and entered judgment for arrears totalling £11,000 with consequential damages for use and occupation, and costs.

72. That is now the subject of an application made by the Applicant and her husband to set aside, listed for hearing on 20 July 2026. The point for the purposes of the present application is that the First and Second Respondents have brought proceedings in the capacity of the Applicant's immediate landlord, entitled to the rents from the Property.

73. We then consider against these findings whether the Respondents were the landlords for the purposes of section 43(1) of the 2016 Act. While not being named as landlord in the original tenancy agreement, we find that they acquired whatever rights and liabilities Esma Altunok Kozan may have had in or around March 2024 at the latest, and, ultimately, received such rent as was paid in 2024 and 2025 (or directed its payment to corporate entities in which they and their associates had interests), however opaque the corporate structures to which the rent was paid may have been.

74. The next question is whether the Respondents were, together, a *"person having control of or managing"* the Property within the meaning of section 263 of the 2004 Act. The evidence shows that the rent was paid to entities associated with the Respondents, at their direction. We reject Mr Abdulwahab's submissions that the Respondents were not persons having control of or managing the Property or that the rent paid was not the *"rack-rent"* as defined in section 263.

75. We are, accordingly, satisfied beyond reasonable doubt that the First and Second Respondents received rent from, or paid on behalf of, the Applicant.

76. We are also satisfied so as to be sure that the First and Second Respondents were additionally and in any event throughout the relevant period, persons managing the Property.

77. Mr Abdulwahab's closing submission, not prefigured in his detailed skeleton argument, that the First and Second Respondents could not be proved to have control of the Property during the relevant period, or part of it prior to September 2024 is accordingly rejected.

The Position of the Third Respondent

78. Although the evidence concerning the Third Respondent is less extensive than that relating to the First and Second Respondents, we are nevertheless satisfied beyond reasonable doubt that he too was a person having control of, and managing, the Property during the relevant period. The documentary evidence demonstrates that Mr Tunc acquired a proprietary interest in the Property alongside the First and Second Respondents, both through the transfer documentation and by his registration as a joint proprietor. Further, Barut Limited, the corporate vehicle into whose account all rental payments relied upon for the purposes of this application, was wholly owned and controlled by Mr Tunc. We reject as implausible the suggestion that rent was directed into the account of a company solely owned by Mr Tunc whilst he had no beneficial involvement in or advantage from the arrangements. The contemporaneous directions given to the tenants as to the payment of rent, the routing of those payments through Barut Limited, and Mr Tunc's position as both co-owner of the Property and sole controller of

the recipient company together admit of no realistic innocent explanation.

79. We accept that there is no direct evidence of Mr Tunc personally communicating with the tenants or arranging repairs. However, section 263 of the 2004 Act is concerned with substance rather than form. In circumstances where the rent from the Property was paid into a company entirely under his control, where he held a proprietary interest in the Property itself, and where no credible explanation has been advanced for his involvement other than as part of the ownership and management structure through which the Property was operated, we are satisfied so as to be sure that he participated in and benefited from the management of the Property and was a person having control of it throughout the relevant period. Accordingly, subject only to consideration of the defence of '*reasonable* excuse', the offence under section 72(1) is established against him to the same criminal standard as applies to the First and Second Respondents.

80. We are also satisfied beyond reasonable doubt that for the whole period of the claim in its truncated form from 06 April 2024 to 05 April 2025 the Property required a licence, and it was not licensed.

The defence of "reasonable excuse"

81. Under section 72(5) of the 2004 Act, it is a defence that a person who would otherwise be guilty of the offence of controlling or managing a house which is licensable under Part 3 of the 2004 Act had a reasonable excuse for the failure to obtain a licence. The burden of proof is on the person relying on the defence.

82. The First and Second Respondents' reasonable excuse defence is that they did not deliberately operate an unlicensed HMO. Their case is that when they acquired and began managing the property there was an existing HMO licence in force, albeit one granted to the former joint owner and sole landlady named on the successive tenancy agreements, Ms Esma Altunok Kosan. They say they believed that the licensing position was in order and did not appreciate immediately that a fresh licence application would be required following the change in ownership and management. They contend that this was a genuine misunderstanding rather than a conscious decision to avoid licensing requirements. The Tribunal accepts this evidence as credible.

83. The Respondents further rely upon their subsequent efforts to regularise the position. They say that specialist licensing consultants (Ada Group) were instructed to provide advice. In this regard, we once more found the Second Respondent's evidence to lack credibility in one key particular, where he insisted in oral evidence that ADA had first been instructed in October 2024 and had provided firm advice that a new licence should be sought by November at the latest. This is belied by a

letter from ADA Group dated 15 May 2026 adduced by the First and Second Respondents themselves, in the supplemental bundle annexed to their second statement, which states in clear terms *"We write to confirm that our client, Homayon Walizada initially contacted us in January 2025 in relation to obtaining an HMO licence for the above property."* The company's invoice is dated 23 January 2025.

84. In response to cross-examination on this clear evidence by Mr Acharya, and in response to questions from the Tribunal, the Second Respondent could offer no explanation for the discrepancy, and simply repeated his evidence that he had been advised by ADA to do all he could to obtain an HMO licence by October, or perhaps November 2024.

85. It is clear to the Tribunal that in January 2025, professional fees were incurred, inspections and documentation were sought, and the eventual licence application was submitted on 15 April 2025. The First and Second Respondents maintain that delays after January 2025 were caused largely by difficulties obtaining access to the Property and gathering the information necessary for the application. They submit that these matters demonstrate good faith attempts to comply with the licensing regime and therefore amount to a reasonable excuse.

86. But for the Second Respondent's disputation of the clear terms of the ADA letter, we accept that the explanation is broadly credible. Nevertheless, an HMO licence is personal to the licence holder and does not transfer upon a sale or change in control: ***Taylor v Mina An Ltd* [2019] UKUT 249 (LC); [2020] HLR 10**. The Respondents accept that proposition.

87. Accordingly, once they became the persons managing or controlling the property, the statutory obligation rested upon them to ensure that the property was appropriately licensed. A mistaken assumption that the previous owner's licence continued to protect them is therefore, at its highest, a mistake as to their legal obligations.

88. In ***Marigold v Wells* [2023] UKUT 33 (LC)**, the Upper Tribunal, provided guidance as to how tribunals should approach a reasonable excuse defence.

> *"(1) First, establish what facts the taxpayer asserts give rise to a reasonable excuse (this may include the belief, acts or omissions of the taxpayer or any other person, the taxpayer's own experience or relevant attributes, the situation of the taxpayer at any relevant time and any other relevant external facts).*
>
> *(2) Second, decide which of those facts are proven.*

(3) Third, decide whether, viewed objectively, those proven facts do indeed amount to an objectively reasonable excuse for the default and the time when that objectively reasonable excuse ceased. In doing so, it should take into account the experience and other relevant attributes of the taxpayer and the situation in which the taxpayer found himself at the relevant time or times. It might assist the FTT, in this context, to ask itself the question "was what the taxpayer did (or omitted to do or believed) objectively reasonable for this taxpayer in those circumstances?"

89. In ***Newell v Abbott*** **[2024] UKUT 181 (LC)**, the Upper Tribunal conducted a close examination of the circumstances of the Appellant, from which it may be discerned that it is not necessarily axiomatic that ignorance of a licensing requirement cannot amount to a reasonable excuse.

90. Applying that objective test, it is not sufficient for the Respondents to demonstrate that their belief was honestly held; they must show that their conduct in acting upon that belief was objectively reasonable.

91. We accept that, following ***Newell***, ignorance or misunderstanding of a licensing requirement is not incapable, in principle, of amounting to a reasonable excuse. Whether it does so depends upon an objective assessment of all the circumstances applying the approach identified in ***Marigold***. However, neither authority suggests that a landlord who simply fails to take reasonable steps to acquaint himself with his legal obligations will thereby establish a defence. The question remains whether the conduct relied upon was *objectively reasonable* in the circumstances.

92. In the present case, the difficulty for the Respondents is not merely that they misunderstood the legal effect of the existing licence. The Tribunal accepts that this misunderstanding was genuinely held. The difficulty is that the Respondents became persons managing and controlling a licensable HMO in or about March 2024, yet did not seek professional advice or take any meaningful steps to ascertain their obligations until January 2025. The evidence relating to ADA Group, access difficulties and preparation of the application provides some explanation for the period after January 2025. It provides no satisfactory explanation for the preceding ten months. The Tribunal is unable to regard as objectively reasonable a failure, over such a prolonged period, to make basic enquiries as to the licensing requirements attaching to a property business which the Respondents had acquired and were operating.

93. We therefore conclude that the First and Second Respondents have established no more than a genuine but mistaken belief that the licence granted to Ms Kosan continued to protect them. In light of ***Taylor v Mina An Ltd***, they were required to secure their own licence once they became responsible for the Property. The prolonged failure to do so

cannot be explained by the later access difficulties or the eventual instruction of professional advisers.

94. Even if the Tribunal were prepared to accept that the First and Second Respondents genuinely misunderstood the licensing position, no evidence at all was adduced by or on behalf of Mr Tunc concerning his understanding of the licensing regime, the steps he took to inform himself of the applicable requirements, or his reasons for failing to obtain a licence. The burden of proving reasonable excuse rests upon the person relying on it. In the absence of any evidence from Mr Tunc, that burden cannot be discharged.

95. The purpose of the licensing regime is to try to ensure – insofar as is reasonably possible – that properties which are rented out are safe and of an acceptable standard, and it would frustrate that purpose if landlords could be excused compliance simply because their personal circumstances and/or failure to appraise themselves of applicable regulations caused them to neglect to apply for a licence.

96. Assessing the matter objectively, and taking into account all of the circumstances relied upon by the First and Second Respondents, we are not satisfied that they have discharged the burden of proving a reasonable excuse within the meaning of section 72(5) of the 2004 Act.

97. The defence therefore fails, and the Tribunal concludes, beyond reasonable doubt, that each of the three Respondents had no reasonable excuse for failing to seek the necessary licence.

The Offence

98. Section 40 of the 2016 Act confers power on the First-tier Tribunal to make a rent repayment order where a landlord has committed an offence listed in the table in sub-section 40(3), subject to certain conditions being satisfied. An offence under section 72 of the 2004 Act is one of the offences listed in that table.

99. The text of Section 72 is set out in the Appendix at the foot of this Decision. For the reasons given above we are satisfied (a) that all three Respondents were, together, "person(s) managing" the Property for the purposes of section 263 of the 2004 Act, (b) that the Property was required to be licensed throughout the period of claim and (c) that it was not licensed at any point during the period of claim.

100. Under section 41(2), a tenant may apply for a rent repayment order only if the offence relates to housing that, at the time of the offence, was let to the tenant and the offence was committed in the period of 12 months ending with the day on which the application is made.

101. On the basis of the Applicant's evidence on these points, and our findings above, we are satisfied beyond reasonable doubt that the Property was let to the Applicant at the time of commission of the offence and that the offence was committed within the period of 12 months ending with the day on which their application was made.

102. We accordingly find that the Respondents each committed the offence under s.72(1) of the 2004 Act.

Process for ascertaining the amount of rent to be ordered to be repaid

103. Based on the above findings, we have the power to make a rent repayment order against the Respondents.

104. The amount of rent to be ordered to be repaid is governed by section 44 of the 2016 Act. Under sub-section 44(2), the amount must relate to rent paid by the tenants in respect of a period, not exceeding 12 months, during which the landlord was committing the offence. Under sub-section 44(3), the amount that the landlord may be required to repay in respect of a period must not exceed the rent paid in respect of that period less any relevant award of housing benefit or universal credit paid in respect of rent under the tenancy during that period.

105. In this case, the Applicants' claim relates to the period 06 April 2024 to 05 April 2025.

106. The entirety of the rent paid to the Respondents during the relevant period, on the evidence, was £6,000.

107. We are satisfied on the basis of the evidence that the Applicant was in occupation for the whole of the period to which this rent repayment application relates and that the Property required a licence for the whole of that period. Therefore, the maximum sum that can be awarded by way of rent repayment is the sum of £6,000, this being the amount paid by the Applicants by way of rent in respect of the period of claim.

108. Under sub-section 44(4), in determining the amount of any rent repayment order 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 the relevant part of the 2016 Act applies.

109. In its decision in ***Acheampong v Roman and others*** **[2022] UKUT 239 (LC)**, the Upper Tribunal recommended a four-stage approach to determining the amount to be repaid, which is paraphrased below:-

(a) ascertain the whole of the rent for the relevant period;

(b) subtract any element of that sum that represents payment by the landlord for utilities that only benefited the tenant;

(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 compared to other examples of the same type of offence; and

(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).

110. Adopting the ***Acheampong*** approach, the whole of the rent in this case means the whole of the rent paid by the Applicant out of her and her husband's own resources, which (where we have been unable to discern any relevant components of Universal Credit) is £6,000.

Utilities

111. It was common ground that the landlord paid all utilities, and council tax. This was a term of the successive tenancy agreements, and upon being asked in cross examination, the Applicant confirmed that she and her husband had not paid separately for utilities.

112. The Respondents adduced a bundle of invoices for payments to utility providers, and council tax.

113. Those invoices related to the entire property and, most unhelpfully, the Respondents had neither prepared any form of schedule summarising the sums spent, nor prepared any form of suggested apportionment to identify the utilities notionally used for the benefit of the Applicant and her family, as opposed to the other residents in the Property. Asked about this in his closing submissions, Mr Abdulwahab said that a figure of 40% attributed to the Applicant might be appropriate.

114. That leaves the Tribunal grappling with the correct approach, whether floor-by-floor, based on square footage, or the number of occupiers of each separate room in the Property, or some other method.

115. Had it been necessary to determine the point, the Tribunal would have made a deduction for utilities. Given our conclusion that the award falls to be reduced to nil by reason of tenant conduct, it is unnecessary to quantify that deduction.

Seriousness

116. In ***Acheampong*** at §20(c), Judge Cooke held that the Tribunal must consider how serious the housing offence forming the basis of the application is, both compared to other types of offences in respect of which a rent repayment order may be made, and compared to other examples of the same offence. As the issue was put in §21 of the judgment, this *"…is an assessment of the conduct of the landlord specifically in the context of the offence itself; how badly has this landlord behaved in committing the offence?"*

117. Failure to license leads – or can lead – to significant health and safety risks for often vulnerable tenants, and sanctions for failure to license have an important deterrent effect on future offending as well as encouraging law-abiding landlords to continue to take the licensing system seriously and to inspire general public confidence in the licensing system. In addition, there has been much publicity about licensing of privately rented property, and there is an argument that good landlords who apply for and obtain a licence promptly may feel that those who fail to obtain a licence gain an unfair benefit thereby and therefore need to be heavily incentivised not to let out licensable properties without first obtaining a licence.

118. Furthermore, even if it could be argued that the Applicants did not suffer direct loss through the Respondents' failure to obtain a licence, it is clear that a large part of the purpose of the rent repayment legislation is deterrence. If landlords can successfully argue that the commission by them of a criminal offence to which section 43 of the 2016 Act applies should only have consequences if tenants can show that they have suffered actual loss, this will significantly undermine the deterrence value of the legislation.

119. Against that expression of policy concerns, it is nevertheless the case that the offence under s.72(1) of the 2004 Act is significantly less serious than those in rows 1, 2 and 7 in the table in section 40 of the 2016 Act, and we take that into account, following the guidance the Upper Tribunal in ***Dowd v Martins* [2023] HLR 7**, where offences of failing to licence in accordance with section 72(1) of the 2004 Act were expressed as being "*…generally less serious than others for which a rent repayment order can be made."*

120. The nature of a landlord has been held to be relevant to the seriousness of the offence. In some cases, it has been argued that there is a distinction to be drawn between "professional" and "non-professional" landlords, seriousness being aggravated in the case of the former. The proper approach is as set out by the Deputy President in ***Daff v Gyalui* [2023] UKUT 134 (LC)**, at paragraph 52:

"The circumstances in which a landlord lets property and the scale on which they do so, are relevant considerations when determining the amount of a rent repayment order but the temptation to classify or

caricature a landlord as "professional" or "amateur" should be resisted, particularly if that classification is taken to be a threshold to an entirely different level of penalty. … The penalty appropriate to a particular offence must take account of all of the relevant circumstances."

121. We have considered the competing evidence as to the condition of the Property, against the parties' respective positions summarised in §§38-44, above. Where there are a series of allegations back and forth, the Tribunal has looked for corroborative evidence.

122. The Applicant has produced a series of photographs showing elements of the Property in a poor decorative condition, and a series of complaints made to LBL's Housing Department regarding the condition of the Property.

123. We note that an electrical safety remedial notice dated 12 February 2026 highlights a lack of SPD/AFDD protection, and the unsafe situation of a light switch above the cooker, amongst other issues. We also take account of the Improvement Notice served by LBL on 20 February 2026, highlighting amongst other matters 4 Category 1 Hazards, and 8 category 2 Hazards. The former include a risk of burns from hot surfaces due to the alignment of the cooker by the kitchen door, a lack of connection to an interlinked fire detection system and the absence of fire protection measures generally, faulty fire alarms and poorly fitted doors. The latter include the lack of an independent hot water supply, where the entire Property is served by one boiler on the first floor, insufficient electrical sockets, leading to use of extension cables with risks of overloading.

124. Although these notices post-date the relevant period, they provide some evidence of the general condition of the Property, albeit the Tribunal recognises that they do not necessarily establish that all of the identified defects existed throughout the period of the offence.

125. Against that, we find that the Applicant and her husband have been particularly obstructive in permitting the Respondents' contractors to gain entry for the purposes of inspection and carrying out works. We have seen photographic evidence that refurbishment and maintenance works have been carried out to what appears to be a reasonable standard on the lower floor, but by letter dated 24 March 2025, JNH Maintenance Ltd wrote to Mr Walizada stating *"…despite multiple attempts to gain access to the second-floor flat … we have repeatedly been denied entry."*

126. By reference to its retainer to assist with an HMO licence application, in the ADA Group letter dated 15 May 2026 that entity reported *"issues"* with the upper floor tenant, who did not permit access and thus prevented the necessary inspection works and completion of drawings at that time. It seems that they gained access at some later point as an application was finally submitted in April. We find that the delays in submitting an application between January and April 2025 were in large

part due to the Applicant and her husband's obstruction. We note also that on 05 June 2026 G&G Maintenance who were contracted to inspect the alarm systems reported that the top floor flat did not provide access for testing.

127. Against disputed evidence of adequate notice being given for visits from contractors, and the Applicant's denials in evidence that she (or her husband) had received 28 days' notice of proposed works, and that they had insisted that works could only take place in the school summer holidays, the Respondents produced compelling evidence in the form of emails demonstrating that they had indeed provided 28 days' notice of proposed works on 07 April 2026, to which they received extraordinary lists of demands by emails from the Applicant's husband dated 14 and 20 April 2026, which followed attempts to impose restrictions on contractors seeking to effect works to the hot water supply system, dated 10 April 2026. The documents also included clear evidence that the Applicant's husband had insisted that the works necessary to comply with the Improvement Notice could not commence until the school holidays, against which we accept that such works are of an intrusive and reasonably extensive nature, and will inevitably cause noise, dust and disruption.

128. We do not accept that all of the defects identified by the local authority can be attributed to access difficulties, nor that the Applicant's conduct absolves the Respondents of responsibility for the condition of the Property.

129. In order to assess the starting point at stage (c), we take account of the now substantial guidance in case law from the Upper Tribunal, including cases in which the Upper Tribunal has substituted its own assessments. In particular, we have considered ***Acheampong*** itself, ***Williams v Parmar and Others*** **[2021] UKUT 244 (UT), [2022] H.L.R. 8**; ***Aytan v Moore*** **[2022] UKUT 27 (LC)**; ***Hallett v Parker*** **[2022] UKUT 239 (LC)**; ***Hancher v David and Others*** **[2022] UKUT 277 (LC)**; and ***Dowd v Martins and Others*** **[2022] UKUT 249 (LC)**. The range of percentage of the maximum possible RRO awarded range from 25% to 90% (i.e. at stage (d) – most of the cases precede ***Acheampong***).

130. We have had particular regard to the cases of ***Newell v Abbott*** **[2024] UKUT 181 (LC)**, where the Upper Tribunal awarded 60% of the rent received by a landlord of a single property based upon a lack of licensing due to a lack of attention or inadvertence, where the accommodation was generally of a good standard, and ***Guinard v Jurevicius*** **[2026] UKUT 226 (LC)** where a starting point of 50% was adopted where the tenant's complaints as to the condition of the Property were rejected.

131. In the light of the obvious problems with the condition of the Property, in particular against the fire safety concerns raised, tempered by what we

find to have been the Respondents' efforts to gain access which were frequently frustrated by the Applicant and her husband, and where the failure to obtain a licence was a matter of inadvertence rather than a deliberate decision to ignore their responsibilities, we consider that the starting point for this offence at stage (c) should be 70% of the maximum rent payable. That provides a figure of £6,000 x 70% = £4,200.

132. We stress that absent what we find to be the mitigating factors of the initial genuine misunderstanding as to the efficacy of the pre-existing licence, the later efforts to regularise matters, and the access difficulties, this starting point would have been higher.

Section 44(4) – Other Factors, Including Conduct

133. At stage (d), we must consider what effect the matters set out in Section 44(4) of the 2016 Act have on our conclusions thus far. Section 44(4) provides that in determining the amount of an RRO, within the maximum, the Tribunal should, in particular, take into account the conduct of the landlord and the tenant, and the financial circumstances of the landlord.

134. As Judge Cooke noted in ***Acheampong***, there is a close relationship in terms of conduct, at least of the landlord, between stages (c) and (d). Insofar as we have already made findings in relation to stage (c) which may also be said to relate to the conduct of the Respondent, we do not double-count them in considering the section 44(4) issues.

135. The most notable factor in dispute, to which the majority of the evidence at the hearing was directed, related to this issue of conduct of the parties.

136. We should clarify that, although the sole applicant is Ms Akin, the tenancy was held jointly by her and Mr Akin and the Tribunal considers the conduct of both tenants relevant to its assessment under section 44(4).

Disrepair

137. We have already addressed the condition of the Property in arriving at the 70% starting point, and take care not to double-count.

Personal Behaviour

138. Each side made allegations of threats and intimidation against the other. The Respondents in particular produced a significant number of video clips showing the Applicant's husband in a variety of more or less unflattering guises, where he is said to have resorted to extremely foul

language, albeit that his speech is in Turkish, which the Tribunal does not understand.

139. We make no particular finding in relation to these allegations, where we consider it unnecessary to do so in light of our findings concerning rent arrears. It is however clear that the ongoing dispute concerning the Property have raised temperatures, and the Tribunal would urge the parties to exercise restraint in what is likely to be a stressful situation on both sides.

Arrears

140. In relation to the question of arrears, the Respondents produced a schedule asserting that between May 2025 and February 2026 the Applicants had accrued arrears of rent totalling some £7,700, based upon monthly rent in the sum of £1,100. By the date of the County Court hearing the Respondents adduced evidence sufficient to satisfy the Deputy District Judge that the arrears had grown to £11,000. No subsequent rent having been paid, the notional figure based upon the use and occupation sum in the Order for possession will have grown to £12,100 or more as at the date of the hearing.

The Addendum

141. In her additional evidence, the Applicant produced a copy of her application to set aside the possession order, which disputed the alleged arrears at least in part in reliance on a purportedly signed Addendum to the tenancy agreement.

142. The Tribunal has considered this addendum, which appears at p.124 in the Applicant's bundle, exhibited by her as 'C4'. It purports to identify Ayhan Altunok, the First Respondent as landlord, and the Applicant and her husband as tenants. It contains the following words, *inter alia*:

"As the property currently does not have an HMO License, does not meet basic living standards, and requires several repairs, the rent payments have been mutually agreed to be suspended as of 06/12/2024."

It goes on to specify various documents that must be obtained and provided to the tenants, including an HMO license, gas and fire safety certificates and an energy performance certificate, whereupon it records that the payment of rent will resume.

143. The document bears the signatures of the Applicant and her husband and the purported signature of the First Respondent, Mr Ayhan Altunok.

144. In oral evidence Mr Altunok vehemently denied that that was his genuine signature, accepting that it appeared superficially similar but stating that it must have been copied from another document. In this regard, the Tribunal notes that the signatures on the tenancy agreement dated 15 May 2025 were witnessed by third parties, while the addendum has not been so witnessed.

145. Mr Altunok asked rhetorically why Mr Akin had paid rent in May and June 2025 if the document had genuinely been signed by the parties. No rent was, in fact paid in June 2025, but it was in July and August.

146. Peculiarly, the Applicant made no mention of this document or of the circumstances of its creation in her witness statement. This was made entirely in the English language where, as stated above, she gave evidence at the hearing in Turkish with the assistance of an interpreter.

147. There was no evidence whatsoever from the Applicant's husband.

148. The original, signed document had not been scanned into the bundle: close consideration of page 124 reveals that what has been produced appears to be a photograph of the document taken as it lay on a surface of real or imitation wood grain.

149. Surprisingly, for such an important document, it is undated, and there is no supporting evidence by way of email or WhatsApp or similar communication discussing its existence or terms. From its terms it might be considered to have been prepared in or around early December 2024, but the evidence of the Applicant was that it had been created later, perhaps around May 2025.

150. If that were correct, and the document was, presumably, fresh in the parties' minds, the Applicant and her husband were in possession of an open-ended agreement not to demand or pay rent until an HMO licence was obtained. Such licence has not been obtained, to date: they could live entirely rent free for a considerable period, were its terms binding.

151. Against that background, were the addendum a genuine expression of the parties' agreement, the Tribunal considers it inexplicable that the Applicant and/or her husband would have made the rental payments to Bereket on 15/05, 15/07 and 15/08/2025. Had a demand been made, they would have said, in effect *'no, we are not liable to pay as you have agreed to suspend the rent, pending an HMO licence'*.

152. No expert handwriting evidence has been called to address the veracity of the First Respondent's purported signature, and the Tribunal makes no express finding in that regard, which may be a matter for ultimate resolution in the County Court proceedings. It is, however, entirely clear from the foregoing analysis that in May, July and August 2025 at the very

least, the Applicant and her husband did not consider themselves to be contractually absolved from the requirement to pay rent. It follows that they did not consider the addendum to be binding, save perhaps in some limited sense.

153. The Tribunal notes also that in a spreadsheet entitled *"Total of Rent Reclaimable for Mahmut Akin"*, Exhibit 'D' for the Applicant, appearing at page 134 in her bundle of documents, the following words appear:

"Due to disrepair issues in the property, an agreement was made between the Applicant and Respondent that rent would not be paid between December 2024 and April 2025, and subsequently for June 2025 (Exhibit C4)"

That might suggest that the Applicant's case is to the effect that there was a waiver of rent in June 2025, but none thereafter, which would go some way to demonstrating why rent was then paid on 15 July and 15 August 2025.

154. Ultimately, the Tribunal is unable to be satisfied that the document accurately records a binding agreement under which rent was indefinitely suspended pending grant of an HMO licence. The circumstances of its production, the lack of supporting evidence concerning its creation, and the parties' subsequent conduct substantially undermine the weight that can be attached to it. While the Tribunal cannot exclude the possibility that some form of temporary arrangement was discussed or agreed between the parties, the document is an unreliable guide to the parties' legal rights and obligations and we attach little weight to it.

The Effect of the Arrears

155. No rent has been paid by or on behalf of the Applicant after August 2025. That is a period of 11 months, at £1,100 per month, suggesting a level of arrears, now, of £12,100, ignoring June 2025, and ignoring the position between December 2024 and April 2025, which is unclear. Based upon the formula contained in the possession order the figure is slightly higher, £11,000 + £1,157.12 (32 days x £36.16) = £12,157.12. That is almost three times the starting point identified in paragraph 131 of this Decision, which falls to be reduced to a not inconsiderable degree by the utilities paid by the Applicant's landlord.

156. We recognise that the possession order remained subject to a pending application to set it aside. However, on the evidence before us at the date of hearing, the arrears were established to at least the extent set out above.

157. The Applicant's representative sought to maintain in submissions that additional sums had been paid by the Applicants which had, wrongly, not been credited to them. He was unable to demonstrate any such sum by reference to the documentary evidence, and unable to provide any particularity of what the Applicant claimed to have paid. We note that the application to set aside the possession order is similarly devoid of particularity.

158. It followed that by the date of the hearing the available evidence is to the effect that arrears of rent had accrued to a minimum sum of £12,100, and appear likely to continue to grow against the Applicants' apparent opposition to paying anything at all.

Summary of Findings - Arrears

159. In ***Yi v Hobbs*** **[2024] UKUT 155 LC** the Upper Tribunal held that rent arrears occurring outside the period for which an RRO can be made are relevant to the tenants' conduct pursuant to section 44(4)(a), and may in the discretion of the First-tier Tribunal be deducted from any award.

160. We regard the Applicant's conduct in relation to the accrual of rent arrears as a very significant adverse factor. She and her husband appear to feel themselves entirely reasonable in paying nothing by way of rent for the Property, which they feel to be justified by the absence of a licence and by the disrepair complained of.

161. This does not appear to be a case in which arrears accrued because of demonstrated financial hardship. Rather, the evidence suggests that the Applicant and her husband considered themselves justified in withholding rent because of their complaints concerning licensing and the condition of the Property.

162. These arrears accrued outside the period for which the RRO can be made. These are, as we have noted, approximately three times the notional starting point identified above.

163. In ***Kowalek v Hossanein Ltd*** **[2021] UKUT 143 (LC)** the Upper Tribunal agreed with the FTT that arrears accrued by the tenant outside the period relevant to the rent repayment order was a matter of the tenant's conduct and relevant to the calculation of the order; it upheld the FTT's decision to reduce the order made from £23,819.98 by 50% to £11909.99, where the rent arrears amounted to over £8,000. That decision was upheld by the Court of Appeal (**[2022] EWCA Civ 1041**).

164. In ***Kowalek***, the arrears amounted to a little over one third of the 'starting point' for the contemplated RRO. In the present case, the arrears are almost three times that starting point.

165. In ***Yi v Hobbs*** the Upper Tribunal considered it appropriate to substitute for the initial decision of the FTT to allow just half of the arrears payable, a determination that the entirety of such arrears should be set against the amount to be repaid:

> *"...it was clearly within the FTT's discretion to allow only half the arrears against the amount payable, and indeed one can imagine circumstances where no reduction might be made to reflect arrears, in light of the conduct of the landlord. But this was not such a case;* ***the only relevant matter of conduct of either party was the rent arears accrued by Mr Hobbs****. The FTT's decision to reduce the amount payable by only 50% of those arrears is inexplicable and I set the decision aside.* ***I can see no reason why the whole of arrears should not be set against the amount to be repaid, since there is no dispute about the amount of the arrears and the FTT found that no satisfactory explanation had been given for the arrears****."* **[at §23,** emphasis added**]**

166. While that decision was of course contingent on its own facts, we consider it would be wholly unjust for the Respondents to be forced to pay an RRO to tenants who demonstrably owe them almost three times the sum we would consider awarding as a starting point, and who have steadfastly refused to pay a penny in rent for a considerable period. The scale of the arrears is such that, viewed as a matter of tenant conduct under section 44(4)(a), they justify the maximum possible reduction from the amount which would otherwise be awarded. We have compared the scale of those arrears with the sum that would otherwise be repayable and note that they substantially exceed it, noting the identical approach of the Upper Tribunal in ***Yi v Hobbs***.

167. The figures for comparison are a notional award of £4,200, as against a minimum arrears balance of £12,100.

168. We have considered carefully whether, notwithstanding the Applicant's conduct, some award should still be made to reflect the seriousness of the offence and the deterrent purpose of the legislation. We have weighed those considerations against the scale of the arrears and the other findings made above.

169. We recognise that rent arrears do not operate as a legal set-off. Rather, they are one aspect of tenant conduct under section 44(4)(a). Having regard to the scale of the arrears, their persistence, the absence of any satisfactory explanation, and the fact that they substantially exceed the amount which would otherwise be awarded, we conclude that no award is appropriate and exercise our discretion to reduce the award to nil.

Financial Circumstances of the Landlord

170. We are also required to consider the financial circumstances of the landlord under section 44(4).

171. Where we have concluded the appropriate sum is £0, we need not address this issue in detail.

Whether the Landlord has at any time been convicted of a relevant offence

172. None of the Respondents has previously been convicted of a relevant offence.

Decision

173. The Tribunal places substantial weight on the Applicant's prolonged failure to pay rent, while (as we have found) causing great difficulty to the Respondents in their efforts to remedy precisely the issues the Applicant seeks to rely upon as matters of conduct.

174. Taking all of the findings explained above into account, the Tribunal finds that we reduce the rent repayment figure by 100%, and we decline to order that the Respondents pay to the Applicant any sum by way of RRO.

Reimbursement of Tribunal Fees

175. The Applicant has applied under paragraph 13(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013 for an order that the Respondents reimburse their application and hearing fees.

176. Where the Applicant's claim has wholly failed, in the circumstances, we do not consider it appropriate to order the Respondents to reimburse these fees.

Postscript: the Application Dated 20 July 2026

177. To place the application dated 20 July 2026 in its proper context, the chronology of the proceedings bears scrutiny. The original RRO application was dated 09 July 2025, and noted as received by the Tribunal on 23 September 2025.

178. On 10 February 2026 Judge Hamilton-Fairey gave detailed directions for the progress of the case, including at §§7-8 directions to the Applicant to serve the evidence upon which she proposed to rely by 27 March 2026, and permission to serve a reply to the Respondents' evidence by 18 May 2026.

179. On the Respondent's application to extend time for service of their case, the Applicant's deadline for a response was extended to 12 June 2026 by Judge Walker, on 24 April 2026.

180. As stated above, on 26 June 2026 the Applicant applied to expand the scope of the financial relief she sought, and thereafter, very much on the eve of the hearing, by application dated 13 July 2026 the Applicant sought permission, amongst other matters, to rely upon evidence derived from the parallel Bromley County Court proceedings. Permission was granted in respect of those matters.

181. The Applicant's application made on 20 July 2026 followed the contested hearing by four days. It sought permission to introduce documentary evidence and commentary thereon falling into two distinct categories.

182. The first was a *"fulsome copy"* of the Applicant's husband's bank statements for the period in issue, which was said for the first time to disclose that a payment of rent had been made to Homayon Walizade, the Second Respondent, on 07 May 2024. The stated purpose of seeking to rely upon such evidence was to seek to demonstrate that Mr Walizade's oral evidence was incorrect where he asserted that he had not received rent from the Applicant or her husband prior to September 2024, and was not involved in the management or control of the Property before then. No explanation was provided for why this evidence had not been adduced previously, whether as part of the Applicant's original document bundle, her response to the Respondent's evidence (for which time was extended), or as part of either of her pre-trial applications to expand the scope of the RRO sought, and to adduce further evidence from the Bromley proceedings.

183. The second was a bundle of documents from the Bromley County Court proceedings, said to have been received by the Applicant on 30 June 2026, over a fortnight prior to the hearing. These include a witness statement dated 26 May 2026 bearing a statement of truth signed by Mr Ayhan Altonuk, the First Claimant in the County Court proceedings and the First Respondent to these Tribunal proceedings, in which he stated that a tenancy agreement had been entered into between the Claimants and Defendants for a term of 6 months from 15 May 2025. This, it was submitted, contradicted the evidence given to the Tribunal.

184. Once more, no explanation was provided for why permission had not been sought for this evidence to be adduced at the final hearing: it would have been in the Applicant's possession 13 days prior to her application dated 13 July 2026 *to adduce further evidence derived from the Bromley proceedings*.

185. Before the Tribunal was able to give directions relating to this application, which would in broad terms have sought in the first instance

the Respondents' response, the First and Second Respondents themselves replied by written submission dated 24 July 2026.

186. The First and Second Respondents oppose the Applicant's application to adduce further evidence after the conclusion of the hearing. They submit that neither category of material constitutes genuinely fresh evidence. The alleged May 2024 bank payment relied upon by the Applicant was a transaction recorded in her husband's own bank account and therefore available throughout the proceedings, while the County Court documents were, on the Applicant's own case, received on 30 June 2026, more than two weeks before the hearing. The Respondents contend that the Applicant has provided no cogent explanation for failing to rely upon either category of evidence in accordance with the Tribunal's directions or at the hearing itself, and that the application is properly characterised as an attempt to remedy perceived evidential deficiencies after the close of the evidence. They place reliance upon the importance of finality in litigation and submit that admission of the material at this late stage would be unfair, depriving them of any opportunity to test the evidence through cross-examination or to call responsive evidence of their own.

187. The Respondents further submit that, even if the additional documents were admitted, they would make no material difference to the issues falling for determination. In particular, they contend that the bank statement does not establish the statutory requirements of management or control for the purposes of section 263 of the Housing Act 2004 and does not cure what they describe as a deficiency in the Applicant's case. They therefore invite the Tribunal either to refuse the application outright and determine the proceedings on the evidence before it at the hearing, or, if the Tribunal were minded to admit the material, to re-open the proceedings so that both sides could adduce further evidence and make submissions in relation to it.

Legal Framework

188. The Tribunal has considered the guidance given by the High Court in ***Foster and another v Action Aviation Ltd and others*** **[2013] EWHC 2930 (QB)** concerning applications to adduce evidence after the conclusion of a trial (the term being, for present purposes, synonymous with a Tribunal hearing).

189. The court there identified a number of relevant considerations, including: (i) the reason why the evidence was not previously advanced; (ii) the significance of the proposed evidence; (iii) the prejudice to the applicant if permission is refused; (iv) the prejudice to the opposing party if permission is granted; and (v) the need to do justice to all parties in accordance with the overriding objective. The court emphasised that the ultimate question is whether there are sufficiently strong grounds to justify reopening the evidential position after the hearing has concluded. The significance of the proposed evidence and the interests of justice are

capable of outweighing considerations of finality, particularly where the evidence relates to a central issue in dispute and where the circumstances giving rise to the late application are themselves attributable to developments during the trial. However, the discretion is an exceptional one and must be exercised having regard to all of the circumstances of the particular case.

Determination

190. Having fully considered the Applicant's application dated 20 July 2026 together with the First and Second Respondents' written response dated 24 July 2026, we refuse permission for the Applicant to rely upon the further material.

191. The proposed evidence falls into two categories: a fuller copy of Mr Akin's bank statements said to disclose a payment to the Second Respondent in May 2024, and documents from the parallel Bromley County Court proceedings. Neither category constitutes genuinely new evidence. The bank statement was always within the Applicant's control and the County Court documentation was, on the Applicant's own case, received on 30 June 2026, more than two weeks before the hearing and before the Applicant's application dated 13 July 2026 seeking permission to rely upon further material from those very proceedings. No satisfactory explanation has been provided for the failure to adduce either category of evidence before or at the hearing. The application merely states that the earlier bank statement *"regrettably omitted"* the relevant transaction. That is not an explanation for the omission, still less for the failure to identify and rectify it during the many months for which these proceedings have been on foot.

192. The Tribunal is acutely conscious of the need to deal with cases fairly and justly. That objective, however, applies equally to the efficient conduct of proceedings and the proper use of finite judicial resources. Parties are expected to place before the Tribunal the evidence upon which they intend to rely in accordance with directions and before the conclusion of the hearing. This application was made after a contested final hearing had concluded and while a written decision was in the course of preparation. The Applicant had already been afforded multiple opportunities to serve evidence and make procedural applications and had, only days before the hearing, successfully obtained permission to rely upon further material from the Bromley County Court proceedings.

193. In the absence of a convincing explanation for the delay, the Tribunal does not consider it fair, proportionate or consistent with the overriding objective to reopen the evidence at this stage.

194. The Tribunal is conscious that judicial resources are finite and that parties whose cases are awaiting determination are entitled to expect those resources to be used efficiently. Applications made after the

conclusion of a contested final hearing, without satisfactory explanation for the delay, risk imposing significant additional burdens on the Tribunal and other court users alike, particularly where fairness may require further directions, evidence, submissions or even a resumed hearing.

195. In any event, even had the additional material been admitted, it would have made no difference to any material finding in this Decision. Bank statements were relied upon to show that the Second Respondent was receiving rent and involved in the management or control of the Property before September 2024. The Tribunal has already found, beyond reasonable doubt, that the Respondents acquired a substantial interest in the Property in or about March 2024, were directing the payment of rent by May 2024 at the latest, and were throughout the relevant period persons having control of or managing the Property. The proposed evidence would therefore have been merely corroborative of findings already made.

196. Likewise, the County Court documents were relied upon principally as material bearing upon credibility. The Tribunal has already undertaken a detailed assessment of the Respondents' evidence, accepting some parts and rejecting others, and the additional documents would not have altered our conclusions on the issues that fell for determination.

197. Most importantly, the additional material could not have affected the outcome of these proceedings. The Tribunal's conclusion that the Respondents committed the relevant offence, and were landlords and persons managing the Property throughout the relevant period, does not depend upon the proposed evidence. Equally, the Tribunal's decision ultimately to decline to make a rent repayment order rests upon its assessment of the Applicant's conduct, and in particular the substantial rent arrears which greatly exceed the amount that would otherwise have been awarded. Nothing contained within the proposed material bears upon that analysis. Accordingly, even if admitted and accepted in its entirety, the evidence would not have affected either the Tribunal's findings on liability or its conclusion that the appropriate amount of any rent repayment order is nil.

198. For all of those reasons, the application dated 20 July 2026 is refused.

Name: Judge M Jones **Date: 12 September 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.

(A) 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.

(B) 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.

(C) 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.

(D) 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.

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

Appendix

Housing and Planning Act 2016 (*"the 2016 Act"*)

Section 40

(1) This Chapter confers power on the First-tier Tribunal to make a rent repayment order where a landlord has committed an offence to which this Chapter applies.

(2) 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 …

(3) A reference to "an offence to which this Chapter applies" is to an offence, of a description specified in the table, that is committed by a landlord in relation to housing in England let by that landlord.

	Act	***section***	***general description of offence***
1	Criminal Law Act 1977	section 6(1)	violence for securing entry
2	Protection from Eviction Act 1977	section 1(2), (3) or (3A)	eviction or harassment of occupiers
3	Housing Act 2004	section 30(1)	failure to comply with improvement notice
4		section 32(1)	failure to comply with prohibition order etc
5		section 72(1)	control or management of unlicensed HMO

6		section 95(1)	control or management of unlicensed house
7	This Act	section 21	breach of banning order

Section 41

(1) A tenant or a local housing authority may apply to the First-tier Tribunal for a rent repayment order against a person who has committed an offence to which this Chapter applies.

(2) A tenant may apply for a rent repayment order only if – (a) the offence relates to housing that, at the time of the offence, was let to the tenant, and (b) the offence was committed in the period of 12 months ending with the day on which the application is made.

Section 43

(1) The First-tier Tribunal may make a rent repayment order if satisfied, beyond reasonable doubt, that a landlord has committed an offence to which this Chapter applies (whether or not the landlord has been convicted).

(2) A rent repayment order under this section may be made only on an application under 41.

(3) The amount of a rent repayment order under this section is to be determined in accordance with – (a) section 44 (where the application is made by a tenant) …

Section 44

(1) Where the First-tier Tribunal decides to make a rent repayment order under section 43 in favour of a tenant, the amount is to be determined in accordance with this section.

(2) The amount must relate to rent paid during the period mentioned in the table.

If the order is made on the ground that the landlord has committed	***the amount must relate to rent paid by the tenant in respect of***
an offence mentioned in row 1 or 2 of the table in section 40(3)	the period of 12 months ending with the date of the offence
an offence mentioned in row 3, 4, 5, 6 or 7 of the table in section 40(3)	a period, not exceeding 12 months, during which the landlord was committing the offence

(3) The amount that the landlord may be required to repay in respect of a period must not exceed – (a) the rent paid in respect of that period, less (b) any relevant award of universal credit paid (to any person) in respect of rent under the tenancy during that period.

(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.

Housing Act 2004 (*"**the 2004 Act**"*)

Section 72

(1) If an HMO is required to be licensed under this Part (see section 61(1)) but is not so licensed, an offence is committed by—

(a) any person within subsection (1A), and

(b) any person who as landlord under a tenancy or licensor under a licence to occupy has an estate or interest in, or a right in relation to, the HMO that is superior (whether directly or indirectly) to the estate, interest or right of any person within subsection (1A).

(1A) The following are within this subsection—

(a) any person having control of or managing the HMO, and

(b) any person who is the landlord or licensor in relation to a person occupying the HMO under a tenancy or licence.

Section 95

(1) A person commits an offence if he is a person having control of or managing a house which is required to be licensed under this Part (see section 85(1)) but is not so licensed.

Section 263

(1) In this Act "person having control", in relation to premises, means (unless the context otherwise requires) the person who receives the rack-rent of the premises (whether on his own account or as agent or trustee of another person), or who would so receive it if the premises were let at a rack-rent.

(2) In subsection (1) "rack-rent" means a rent which is not less than two-thirds of the full net annual value of the premises.

(3) In this Act "person managing" means, in relation to premises, the person who, being an owner or lessee of the premises – (a) receives … rents or other payments from … persons who are in occupation as tenants or licensees of parts of the premises, or of the whole of the premises; or (b) would so receive those rents or other payments but for having entered into an arrangement … 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 …