

45<sup>th</sup> Edition March 2021

## VIRTUAL CONFERENCE & TRAINING

# Thursday 16 September 2021

BOOK at [www.londonlandlords.org.uk](http://www.londonlandlords.org.uk)

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# Welcome to the latest edition of the PReSs

Hope you are all well and it's good that we can see a ray of light at the end of this very long Covid19 tunnel. However, the pandemic has impacted on all aspects of life and all sectors of society, the PRS being no exception. Landlords' report problems with access for legally required visits and inspections and whilst guidance has been provided by the Government inferring that provided landlords take all reasonable steps to comply, enforcement action is unlikely. It is clear though that there is no absolute amnesty. Landlords and agents must keep records of all attempts to visit and it is strongly recommended that all verbal discussions be confirmed in writing, or at least by email. Good records may be invaluable once the pandemic is over especially if enforcement action by Councils or tenants or possession proceedings are commenced.

Rent arrears are continuing to rise, in many cases not due to an unwillingness to pay, but due to lack of income due to lockdown, the younger renter being the most affected. Whilst the Government has spent £ billions supporting many areas of the economy, the rented sector, both residential and commercial, is one of those which has fallen through the safety net. Several European countries have provided loans and grants to tenants to help with rent arrears.

The UK response in England has been legal extensions to prevent legal evictions by extending possession notice time periods, curtailing the granting of possession orders, and preventing the use of bailiffs where possession order has been granted. The recent extension means, from 31 March 2021 that for residential premises a landlord will need to give six months' notice for both s21 and s8 action (some exceptions apply) until 31 May 2021 and the ban on bailiff enforcing evictions is extended until 31 May 2021. There are some exemptions particularly where anti-social behaviour (ASB) is involved and if a tenant is behaving badly then this is an area where possession is still available. Get legal advice and the Councils ASB team also may be able to assist.

The support the Govt have given in some sectors will need to be paid back somehow. Many landlords, especially in London and the South East have set up limited companies to reduce tax liability but the budget stated that for those with a profit above £50,000 pa tax will rise from 19% , up to a maximum of 25% from 2023. For personal landlords the freezing of the personal allowances for the next 5 years will bring many landlords into the higher tax rate. The Govt continue to encourage home ownership by underwriting those who can only provide a 5% deposit.

Despite the Govt stating they were going to build back greener homes after the pandemic and their proposal to significantly tighten up on energy efficiency requirements in the PRS to a minimum EPC rating on Band C by 2025, there was little support for energy efficiency and climate change initiatives in the budget, apart from the setting up of a green bank. Their flagship green Home Grant scheme has run aground, despite it having to be extended until March 2022 due to poor take up and continuing administrative problems, the total funds available has been significantly cut and the scheme has not been extended further. The last provider of the Green Deal has also recently stopped taking new business, so that scheme has now effectively completely ended just as it could have been a lifeline for many smaller landlords seeking to reach the higher EPC band.

Hopefully the relaxation of the Covid19 lockdown will go smoothly.

Hope you enjoy this edition

**Dave Princep (Chair of LLAS & ATLAS)**

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## LLAS & ATLAS Virtual Conference & Training

iHowz were privileged to chair the annual LLAS/ATLAS Conference held at the end of February. It turned out to be a successful day, and very educational for us all - it is interesting to see how quickly we have all adapted to on-line conferences.

As chair, I would like to thank LLAS/ATLAS for the organisation, and the good range of speakers for their input. I would also like to thank the sponsors and everyone that booked a ticket and participated in the event.

The only complaint was that I had to cook my own sausages, rather than the normal excellent BBQ!

We look forward to seeing you all at the next Virtual event in September 2021.

## Breathing Space legislation

A new law is scheduled to come into place May 4<sup>th</sup> that will allow eligible people in problem debt, who receive professional debt advice, access to a sixty-day period in which interest, fees and charges are frozen and enforcement action is paused – referred to as “**breathing space**”.

It will include:

- credit cards; store cards; personal loans; pay day loans; overdrafts; utility bill arrears
- mortgage or **rent arrears**

The Breathing Space moratorium can only be arranged by a licensed Debt Adviser, and is for 60 days; reviewed at the half way stage. During the time of the moratorium the tenant remains liable to continue paying rent, but no action regarding existing arrears can be actioned during these 60 days.

Note that there is also a Mental Health Breathing Space moratorium, where the tenant is deemed to be sufficiently incapacitated to not be able to manage their own affairs, and will probably have been Sectioned under the Mental Health Act. As you can imagine, this is a far more serious affair, and is in place all the time the debtor (tenant) is hospitalised, plus 30 days.

It has always been the case that anyone deemed not to have sufficient capacity to manage a tenancy, and pay rent, has always had to be handled very carefully. Always take specialised advice.

## Evictions

Always a thorny subject, but even more so with all the shenanigans with the courts.

We have always said:-

1. ensure due diligence before offering a new tenancy. It is worth spending the time and money to get it right at the outset, rather than (potentially) losing many months of rent. Don't forget to get referencing done, as well as Rent Guarantee insurance
2. keep a good eye on your let whilst it is progressing
3. and the most important one; keep communicating with your tenants, even if you have the Tenant from Hell!

And, at the moment, we suggest you seriously consider getting specialist help if you do have to evict. With things changing so frequently at the moment, it could be easy for you to get it wrong and could cost you a lot more than the fees to be charged.

## HHSRS (Housing Health & Safety Rating System)

The Government is conducting a review of the Housing Health and Safety Rating System (HHSRS) Operating Guidance.

Developed in the 1990's, and has been in place for 15 years, HHSRS has always had criticism. In that time, building technology and knowledge about risks and hazards in buildings have developed.

It is a tool for assessing risk relating to health and safety matters arising from deficiencies within the dwelling and is the first step local authorities take before considering which, if any, powers under Part 1 of the Housing Act 2004 Act should be used. It is also a component of the Decent Homes Standard.

HHSRS looks at 29 recognised hazards, and the potential impact on anyone if there is a defect, it applies to all property whether rental or owner occupier; although perversely any property owned by a Local Authority is not subject to HHSRS – a matter we are pushing to have amended.

iHowz sit on the committee looking at potential amendments/improvements to HHSRS, especially the guides available.

The main recommendations we have made so far are to substantially improve the guide for landlords, especially to encompass worked examples to aid understanding. We are also pushing for a lot more consistency in its use. If different Environmental Health Officers (EHO's) visit a property they will give different scores to the property. We are urging Centralised Auditing to be set up to help standardise EHO assessments.

There are two surveys being undertaken that you and your tenants can take, to help improve HHSRS:-

- **Landlords Survey:** Aimed at private and social rented sector landlords. Stakeholders may include local authority or housing association providers, lettings and managing agents, block managers or private and purpose-built student accommodation. LLAS would have already emailed it out to you, but if you have not yet completed it, here is the link ([www.surveymonkey.co.uk/r/CRX2TTD](http://www.surveymonkey.co.uk/r/CRX2TTD) )
- **Tenants Survey:** Aimed at private rented sector and housing association tenants and owner-occupiers. Here is the link, please forward to your tenants ([www.surveymonkey.co.uk/r/CSD573Z](http://www.surveymonkey.co.uk/r/CSD573Z))

## **EPCs (Energy Performance Certificates)**

The Government are also conducting a review of the EPC system; its place in implementing MEES (Minimum Energy Efficiency Standards), and how it can be made more usable for helping a decision for potential purchasers of property, or potential renters of property to be let.

### **Some of the matters being considered: -**

- how to ensure EPC compliance is adhered to by working together with mortgage companies and letting agents
- raising the current fine of £200 for non-compliance with EPC regulations
- changing the EPC period from its existing 10 years – probably to 5 years
- allowing major works on a property to require a new EPC to be done
- to ensure EPCs move from a reflection of the features of a building (fabric, services, and installed improvement measures) to a true measure of 'in use' building performance. This can be based on more sophisticated building modelling that takes actual energy consumption into account (while remaining a measure of building performance and not occupant behaviour)
- to find an alternative will be needed for large, complex non-domestic buildings, where it can be difficult to model energy use accurately.

## **MEES (Minimum Energy Efficiency Standards)**

To remind landlords that the requirements for MEES (Minimum Energy Efficiency Standards) are now in place, and that it is illegal to let a property with an EPC rating of less than 'E' ('F' or 'G'), unless an exemption has been sought on the exemptions database. Note that it is intended to raise this requirement, and that it is likely by 2035 all rental property will need to meet a minimum of 'C' – many organisations are pushing for this time to be telescoped.

A number of exemptions are available. The majority of them are valid for only five years, and only once the exemption has been registered in the exemptions register.

## The exemptions that are expected to be used most commonly are:

- **Cost-effective improvements:** all cost-effective energy efficiency improvements have been carried out (or there are none that can be made) and the property remains sub-standard. For this purpose, cost-effective means that improvements pay for themselves within seven years, based on a formula in the MEES regulations. This exemption applies only to commercial properties.
- **High cost exemption:** the improvements would exceed £3,500
- **Devaluation:** an independent surveyor states that making energy efficiency improvements would reduce a property's value by more than 5%.
- **Consent is not available:** the tenant itself, or a third party, refuses to consent to the energy efficiency improvements.
- In addition, there is a temporary exemption of six months for new owners.

We have been advised that all Local Authorities are to be given money by the Government to help tackle energy inefficient properties.

This is being overseen by **Greater South East Energy Hub** and Local Authorities will be seeking any property in the 'E','F' or 'G' EPC rating to apply for this money. It will be limited to £10,000 per property for owner occupiers, and to £5,000 for any rental property. Although landlords can seek extra funds where they agree to match the fund being made available.

Details are very sketchy at the moment, and funds are limited to £300,000 per Local Authority, which only equates to 30 owner occupier properties/60 rental - so be quick to apply to your local Environmental Health Department to get more details, when the funding becomes available.



Peter Littlewood, iHowz Director  
For more info on iHowz Landlord Association, visit <http://ihowz.co.uk/>

## LLAS & ATLAS Conference & Training 25 Feb. 2021 Feedback Summary

very enjoyable and informative - thank you

Fantastic presentation

Perhaps some live questions from the audience to give interactivity but content with the overall delivery and subject matters was good.

The online presentation generally worked very well - with hardly any technical issues.

Overall while some of the content was good, the presentation was quite amateur. After more than a year of lockdowns, there is no excuse to NOT know how to use the software. We should now all be proficient in Zoom, Teams & Webex. It just shows a lack of preparation by both the team and individual presenters. As I said; some good content, spoiled by poor delivery.

Women speakers were conspicuous by their absence in the webinar. It would be appreciated if you would kindly endeavor to find an evenly balanced team of speakers comprising 50% women instead of 100% men in future. Would you be prepared to achieve this?

I did not find the webinar very interesting

It was a good session, thank you

Very useful, thank you to organizers.

Would like to receive slides in advance as think previous in person lectures get these with talks and that is helpful as can add my own notes to what speaker says & mark what i want to refer back to. Also think be good to have 5 minute break between each [half hour] talk to stretch or for comfort break.

Please can you increase the questions and answers period in future training

This virtual training was very convenient for such a time as this.

Really excellent event and all presentations were useful. Thank you very much for organising so well. nice presentation in a relaxing atmosphere without the hassle of going to a specific location, no travelling and learning at our convenience. Many Thanks.

No female speakers? I think at least one would have been useful!

Only to request a copy of the presentations and if I can get some feedback on my answers to questions 8&9. Otherwise, thank you for providing such insight on an excellent course.

Thank you, it is a spur to look more deeply into my type of situation

Keep up the good fight. We Landlords maybe soon be an extinct species!

Thank you for running this amazing event!

On-line format worked very well. Saved putting a day aside to come into London for the seminar!

Very informative, useful and interesting

Sandra & Fatima and Jessica doing a great job, under what must challenging and unexpected circumstances, well organised. Clear messaging and instructions & both the Virtual Tax & Pandemic impacts on PRS were well worth it - actually better than attending in person. Many thanks.

**very useful thanks**

truly excellent. not sure I would want to go to stuffy room to attend one of those training, every speaker was brilliant. Many thanks.

Great session. It was my first LIVE event as a landlady and I am glad I registered as I took away quite a few points to think about.

I thought we would be using Zoom so it was a surprise when the seminar was hosted on Webinar. Managed to load the app and everything worked well but it would have been good to know in advance how Webinar works and what, if any, difference there is between it and Zoom. Found the seminar stimulating.

Well organised, arranged and presented considering the circumstances we are in. Thank You!

David Smith had lots of abbreviations in his presentation and on his slides, which made it difficult for me to follow.

I have one comment to make to whoever chose the speakers, who, although all male, were excellent or good. As you must surely know, women in the United Kingdom made up 50.61% of the total population of 66.65 million in 2019. Let us assume that there has been no significant change since then. I should be interested to know why no effort appears to have been made to find any suitable women to speak. They exist and they don't hide; they write articles; and they are on the radio and television - to name but a few of their professional activities in the areas you cover.

# Specialist landlord & tenant lawyer -Tessa Shepperson Answers landlords' FAQ: What is the situation about landlords and pets?

I have had a lot of queries from landlords recently about 'this new law about pets' so I thought I would use my article this issue to explain what has happened. And maybe more importantly what has NOT happened.

## What has NOT happened

There is no new law! Nothing has changed on the statute book and landlords are not going to be forced to accept pets against their will. For the time being anyway. However, I would point out that landlords do need to be careful about the wording in their tenancy agreement clauses.

The Unfair Terms rules (now part of the Consumer Rights Act 2015) apply to tenancy agreements. This means that clauses which are prohibiting something which otherwise tenants would be able to do (like keep a pet) must contain special wording which says that the tenant has the right to request permission in writing to – in this case – keep a pet, which the landlord cannot refuse unreasonably.

**DO NOT DELETE THIS WORDING!** If you do you will invalidate the clause!

If your tenant requests permission then all you need to do, if you do not want to permit the pet, is reply giving your reason. There are many reasonable reasons for refusing a pet – potential damage to the property is one of them. However, do consider the application and try to grant it if you can.

Although you cannot charge a deposit of more than 5 weeks rent or make special charges, you can increase the rent to take account of the increased wear and tear. This is known colloquially as a 'pet rent'.

## What has happened?

The government has a model tenancy agreement which is available for anyone to use free of charge. You will find it online at <https://www.gov.uk/government/publications/model-agreement-for-a-shorthold-assured-tenancy>.

What the government has done is amend the clause relating to pets making it harder for landlords to refuse permission. The clause makes a landlord's consent to keeping a pet the default position unless the landlord objects to a tenant's request within 28 days.

However, there is no requirement to use the model tenancy agreement. I am not aware of anyone who does. Most landlords would balk at using it as, quite apart from the new pets' clause, it is some 65 pages long and is really aimed at tenancies with a fixed term of over one year.

Most landlords tend to use either:

- The tenancy agreement provided by their letting agency, or
- An agreement purchased from a membership organisation such as the NRLA or my Landlord Law service,
- Or buy an agreement from one of the law stationers such as Oyez or Lawpack.

So although there has been quite a bit of publicity about this new clause, it need not affect you at all.

## What might happen

Conservative MP Andrew Rosindell is sponsoring a private members bill, The Dogs and Domestic Animals (Accommodation and Protection) Bill, which aims to give tenants the right to have a pet – provided they can prove they are responsible and caring.



The draft bill provides for the right to be subject to the pet owner holding a 'a 'certificate of responsible animal guardianship' and the bill goes on to provide for the Secretary of State to make provision for a number of regulations regarding the certificate and various other matters relating to the pet.

The bill as drafted also provides for landlords to be able to apply for a 'certificate of exemption' which may be issued:

- because the landlord or another tenant has a religious or medical reason to not come into contact with a dog or domestic animal, or
- because the accommodation is unsuitable for a dog or domestic animal.

Anyone interested in reading the draft bill will find it linked from <https://bills.parliament.uk/bills/2791>. Whether this bill will ever make it onto the statute book is uncertain. It is actually quite rare for private members bills to become law, so I suggest landlords don't worry about this for the moment.

I suspect the government has more than enough to do at the moment with Brexit issues, COP26 and Covid19, without drafting complex regulations about the keeping of pets.

## And finally

Although I know many landlords are totally opposed to allowing tenants to keep pets due to the damage they can cause, you may want to consider permitting it in some cases.

Many pet owners are responsible people and if they are allowed to keep their pet, will be unlikely to move for some considerable time – which means you would avoid those expensive voids!

However, if you do permit pets you need to make sure that suitable clauses are included in your tenancy agreement regarding the pet to protect your position. Note that my Landlord Law service has a form which can be used. You can find out more about it [here](#).

## Tessa Shepperson.

Tessa is a specialist landlord and tenant lawyer and runs the Landlord Law online information service at [www.landlordlaw.co.uk](http://www.landlordlaw.co.uk)



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## **David Smith - Specialist in residential landlord and tenant law**

David is a specialist in residential landlord and tenant law. He advises landlords and agents in this field with a particular focus on changes in the law. He is well known for his work on tenancy deposit protection, houses in multiple occupation and consumer protection legislation. David acts for clients needing specialist drafting of tenancy agreement, terms of business and other documents, in relation to complex landlord and tenant litigation, and also in defending clients faced with prosecution for alleged breaches of landlord and tenant and related consumer protection legislation at which he has an enviable record of success. David also provides specialist training and lecturing on his areas of expertise at all levels having spoken and provided training courses for solicitors, surveyors, letting agents, and large and small landlords.

Visit: <https://www.jmw.co.uk/>



## **Tony Gimple- Private Rented Sector commentator, Speaker & Adviser**

Brand Entrepreneur is the culmination of Tony Gimple's 45-years of hard won practical experience across a range of sectors, not least of which is the Private Rental Sector (PRS) where he's been primarily working with Buy-To-Let (BTL) Landlords, Property Investors and Developers. Known for his direct no-nonsense approach, Tony is a leading property tax and succession planning commentator, as well as being an accomplished and sought-after speaker at national property events. An active networker with many high-level contacts, Tony is an accomplished public speaker and has written for professional publications and national newspapers, often being asked for comment as a thought leader. He is a natural leader, organiser and communicator, a creative and original free thinker, disrupter, innovator, motivator, mobiliser, facilitator, relationship builder and broker and, most of all, remembering who his friends are and not leaving his humanity at the office door. For more info visit: [bel.gb.net](http://bel.gb.net)



## **David d'Orton-Gibson -CEO of Training for Professionals**

David has worked for many years in the letting industry and has first-hand experience of most roles involved in lettings. For the last 30 years he has worked full time running training and consultancy for landlords and agents throughout England and Wales. He teaches public courses as well as running In House courses for local authorities, letting agents, landlord associations, housing associations, colleges and other bodies. Widely respected for his technical knowledge and teaching style, David combines an authoritative understanding of the legal framework with practical suggestions on working with people and presents in an engaging style. For more info visit: [www.tfponline.co.uk](http://www.tfponline.co.uk)



## **Peter Littlewood- Founder & Director of iHowz & LLAS/ATLAS Trainer**

Peter has been involved in the rental market since the early 80's – so has a wealth of knowledge. Peter is anxious to rid the industry of its negative views, especially that it is full of 'rogue landlords'. In his view there are three types of landlords:- those who know what they are doing; those who don't, but try hard – they to be trained through LLAS; and those who won't do as they are supposed to do, even if they know. They are not 'rogues' but criminals and should be prosecuted. The industry does not want them. For more info on iHOWZ visit: [www.ihowz.uk](http://www.ihowz.uk)



## **Dave Princep, an Independent Housing Consultant**

Dave was instrumental in establishing, and currently Chairs, the London Landlord Accreditation Scheme (LLAS) & Accreditation and Training for Landlords and Agents Services (ATLAS). He has over 31 years' experience of working in the private rented domestic sector (PRS). His current work includes advising and training on property standards, landlord tenant issues, health and safety and sustainability issues and he is an adviser to the Residential Landlords Association (RLA). Dave has been involved in energy efficiency and sustainability for several years and chairs the PRS Working Group on energy efficiency and chaired the Government's working party advising on the new PRS regulations to be established under the Energy Act.



## **Richard Bowser - The editor of - 'Property Investor News' - the UK's leading property investment magazine**

Richard as well as being the editor of - 'Property Investor News' - the UK's leading property investment magazine which he founded in early 2002, Richard has been a hands-on landlord and active property investor for over 25 years. He was also for almost five years, the editor of 'Successful Renting', a magazine he produced for the national landlords' group NFRL, which merged with the NLA in 2008. Having lived in London for over 45 years Richard is now based near north Oxford with a residential portfolio in north London. For more info visit <https://property-investor-news.com/>



## **Ben Rose - Group Head of Marketing – Less Tax 4 Landlords & Co-owner of hands-on growth consultancy firm The Key 2 Growth**

Ben has been helping professional advisers maximise the positive impact of their expertise since 2010. For the last 5 years in particular Ben's top focus has been on supporting landlords through the development of Less Tax 4 Landlords from a start-up venture between three companies to the award-winning and market-leading firm it is today. Working very closely with top experts in their fields, Ben is well placed to provide insights from multiple authorities across different specialisms to provide the best advice and long-term solutions to clients. For more info, visit <https://lesstaxforlandlords.co.uk>



## **Azad Ayub - Founder and Managing Director of Azad Ayub Limited**

Azad is a civil engineer with an MSc and DIC - Diploma of Imperial College, London. He has worked on and led numerous design and construction projects both within the United Kingdom and Overseas. Azad now focuses more on his property ownership, management and development business, which was established over 40 years ago and has been operating successfully since 1980, catering to the niche student and young professional accommodation market. The business employs around 20 staff and tradesman, with property assets in the UK, USA, Spain and Pakistan. Azad continues to maintain strong associations with well-known local and international professional bodies and engages in charitable projects both locally and abroad. Over the years, both Azad and his business have won numerous awards for their continued commitment to green issues, staff training and talent development.

For more info visit: <http://azadayub.co.uk/>



## **Chris Bailey – Co-Founder & Group Director – Less Tax 4 Landlords**

Chris Bailey is a successful business owner and Chartered Accountant who has been involved in the property industry for almost 30 years. He runs five award-winning accountancy practices, a tax advisory company and a property Capital Allowance business. Chris has over ten years' experience of Capital Allowance claims and he has extensive knowledge of the complexities and challenges of property tax law. His first role after qualifying as a chartered accountant was as the group accountant to one of the largest private property groups in Yorkshire. After moving back into private practice, over the next 7 years he built an accountancy practice that was eventually floated on the AIM market. He and his wife own numerous buy to let properties and during the early 2000s developed an international property business.

<https://lesstaxforlandlords.co.uk>

## **Thank You Sponsors**



# Belt's Too Late for 2021 – How to Make 2022 Your Best Year Yet - Landlord Tax Payments

2020 was not an easy year for landlords and 2021 is not looking any better either – at least from a cashflow perspective. This is particularly true if you are a mortgaged portfolio landlord and a higher rate taxpayer with property in personal names. For those who didn't take any action then you may be wondering why you faced your highest ever payment to HMRC on 31st January 2021. This was due to two crushing factors:

- **Section 24 continues to push up landlord tax bills**
- **The end of Covid-19 payment holiday meant deferred July 2020 tax payments became due**

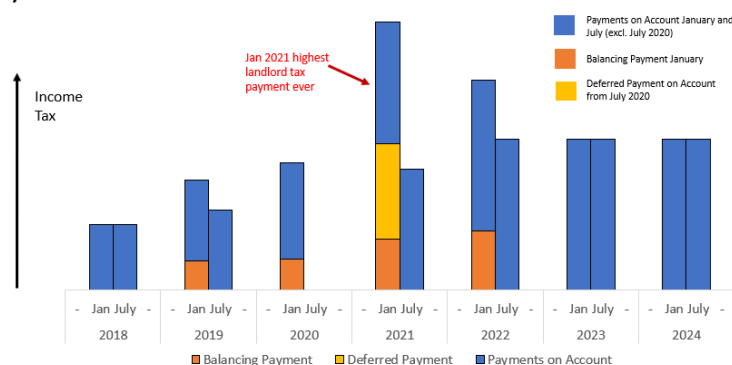
However, it is never too late to become more tax efficient in general.

This article explores why 2021 will likely be the worst ever year for landlords from a tax payments perspective, and why 2022 will hardly be any better (**if you do nothing**) and in many cases worse.

On a brighter note – we will also show how effective tax-planning can turn what is expected to be landlords' worst projected year (2022) into their best year yet. That is, where landlords take action to become more tax efficient and to incorporate their portfolio as a recognised business structure. **Note this doesn't have to mean incorporation to limited company ownership).**

This will be of particular interest to those landlords who might self-describe as being 'asset-rich cash-poor' – and who find themselves in need of a cashflow respite. After all, profitable businesses can still go bankrupt with poor cashflow planning. And so, if the shock of your last tax bill does not sit well with you, it may be time to ask yourself if you are confident that your Property Portfolio is as **tax efficient as possible?** If not, then there could be some good news, as 2022 could see you paying next to nothing in taxes (comparatively) on your property business.

Why so many Landlords have just paid their highest ever payment to HMRC



Usually when a business is paying more tax it is down to one of two reasons.

- **The business is more profitable, making more money, and so more tax is due**
- **The government change the rules and increase taxes**

Unfortunately, with Section 24 it is the latter that is impacting most landlords – and only landlords – as the tax changes are focussed solely on the Private Rented Sector. This leaves landlords facing a 'tax-escalator' effect

Fortunately, landlords were given some respite in 2020 as the government allowed a deferral of the July 2020 payment on account, in order to help all self-employed with cashflow in the wake of the Coronavirus pandemic. This was very much welcomed by landlords, although repayment in January 2021 came around far too soon for many.

On the other hand, I'm happy to take a punt and say that the majority of landlords and the wider business community could not wait to leave 2020 behind.

After all, there's more to life (and business) than taxes. And with the vaccination program seemingly off to a good start, we are all hopeful for a better end to 2021 than many families faced in 2020.

We have a saying here at Less Tax 4 landlords which is "don't let the tax-tail wag the planning dog," and being such an unprecedented year in the wake of a global pandemic, landlords may have had difficulty in forming coherent plans in 2020. It is still a fact though that far too many landlords are paying more taxes than necessary. Certainly, paying more taxes could be the best short-term option for some. Many landlords are exiting the market and restructuring their business may not make sense at this time.

After all, when deciding on how to structure your business, where you are now is not as important as where you are planning to be (and can realistically get to). For some landlords, especially those without mortgages and with no plans to grow their business, staying as they are will be the best option. That said, for those landlords who were higher rate taxpayers before the tax changes – and who are now paying even greater amounts of tax – building, running and growing a professional property business in personal names is simply no longer a viable option.

### **Making 2022 Your Best Year Yet**

Widely attributed to ancient China, you have likely heard the proverb: **'The best time to plant a tree was 20 years ago. The second-best time is now.'**

Well the best time to take action ahead of the Section 24 changes was probably 2015. The second best time is now.

For those taking action, most have followed one of two routes:

- **Arranging for property assets and income to be gifted to a lower rate tax paying relative**
- **Arranging for property assets and income to be accounted for in a business structure**

Less Tax 4 Landlords can help with both of these, and if you've been impacted by any of the issues raised in this article, you can request a free initial assessment with Less tax 4 Landlords at [www.lesstaxforlandlords.co.uk/llas-assess](http://www.lesstaxforlandlords.co.uk/llas-assess).

You can also access the LT4L Video Vault which is free of charge and comes with instant access to lots of video content, a selection of written case studies and articles, plus extracts from our private webinars and client events. Visit [lt4l.co.uk/access-video-llas](http://lt4l.co.uk/access-video-llas) to subscribe

**Editorial by Ben Rose, Group Head of Marketing for Less Tax 4 Landlords and the Less Is More Property Business Group**



**VIRTUAL CONFERENCE & TRAINING**  
**Thursday 16 September 2021**  
**BOOK at [www.londonlandlords.org.uk](http://www.londonlandlords.org.uk)**

# Landlords! Are you up to date with the law?

If you read the landlord press you will see that the authorities are becoming more and more proactive in enforcing the myriad rules and regulations that apply to rented property. This can be VERY expensive!

Your only real protection is to be up to date with the law. But how can you do this?

The answer is to attend the Landlord Law Annual Conference - now a virtual two-day event due to take place on 11 and 12 May 2021.

You will hear talks by top lawyers (mostly barristers and solicitors) on the regulations you need to know about. For example, the new electricity rules, the gas regulations and MEES. We also have talks on less well-known areas such as radon, asbestos and legionella and the Construction (Design & Management) Regulations.

Headline talks are from Ben Beadle of NRLA and David Cox of Rightmove on the future of landlording.

Other talks are on scams and frauds, pets and dealing with tenant rent arrears, plus there are **two 1hr Q&A** sessions for your questions.

The Landlord Law Conference is a great way for you and your staff to get up to date quickly. But if you can't attend all the talks, don't worry! You get access to the recordings for three months.

Find out more at [landlordlaw.co.uk/conference](http://landlordlaw.co.uk/conference). **LLAS Newsletter readers can get a 20% discount with the coupon code CONF21LLAS.**



**Landlord Law**  
**Virtual Conference**  
11th - 12th May 2021  
Keeping you up to date with  
the ever increasing regulation

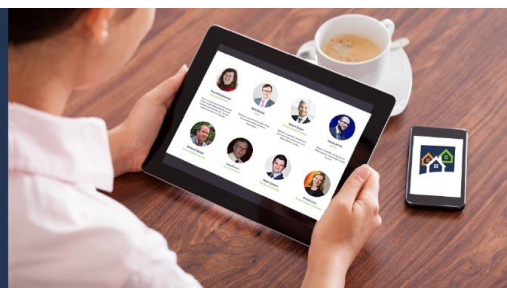
The Landlord Law Conference (now in its 9th year) is an annual event for landlords, letting agents and all in the private rented sector.

Conference this year is focusing on the condition of the property and will include talks on:

- ✓ Gas and electricity regulations
- ✓ The HHSRS and MEES
- ✓ The Construction (Design and Management) Regulations
- ✓ Radon, asbestos and Legionella (the three secret killers)

Along with talks on:

- ✓ The future of the profession
- ✓ The year in review, and
- ✓ Frauds and scams to beware of



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**CONF21LLAS**

Find out more and book your place at  
[www.landlordlaw.co.uk/conference](http://www.landlordlaw.co.uk/conference)

Watch in the comfort of your own home.  
Recordings will be available to view for all  
delegates for three months after the event.



# No DSS' Policy Deemed Unlawful

Two different cases on alleged discrimination against tenants on benefits have been successfully brought before the court. Has the policy of refusing to let to tenants in receipt of benefits now come to an end? **Training for Professionals** outline the cases.

## York County Court

In the York County Court in July 2020, a prospective tenant (parties' details redacted) challenged the legality of a policy operated by the defendant letting agent, whereby it did not accept tenancy applications from people who were in receipt of Housing Benefit. The details relate to a single mother of two children aged 21 and 16. The claimant, who suffered Attention Deficit Hyperactivity Disorder, anxiety and depression, made an application to the defendants stating: "I am interested in the property you have for rent; I work part-time and receive some Housing Benefit. Please could we arrange a viewing"? The agent's response was that it did not accept Housing Benefit claimants and could not proceed with this application.

The claimant brought a claim under the Equalities Act 2010 citing that one of these protected characteristics is a disability as defined by section 6 of the Act: "*has a physical or mental impairment*" which has a "...*substantial and long-term adverse effect*" on the person's "*ability to carry out normal day-to-day activities*".

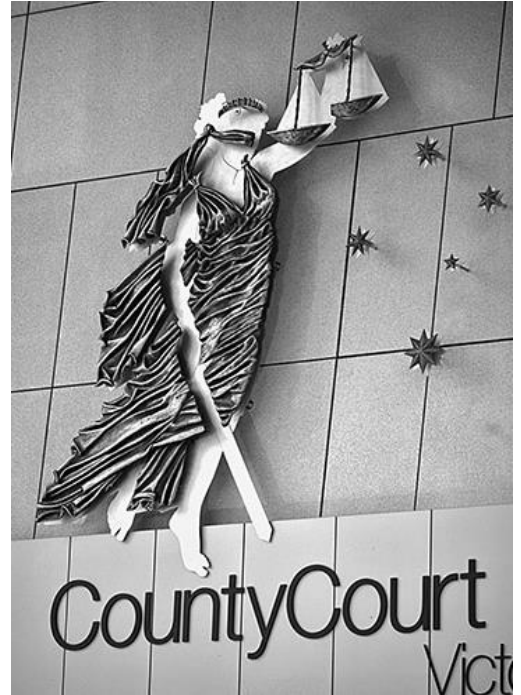
Another protected characteristic is "sex", defined in section 11 of the Act as being a man or a woman. It prohibits discrimination on the basis of these protected characteristics in certain situations. Discrimination may be direct or indirect. This case concerns indirect discrimination. The Court found that the defendant's policy was in breach of section 6 and section 11 as unlawfully indirect discrimination and ordered the defendant to pay damages of £3,500 plus costs.

## Birmingham County Court

In a similar case at Birmingham County Court, also in July, Stephen Tyler who is disabled secured a judgement against Paul Carr Estate Agents which had a policy of not letting to tenants on Housing Benefit. The Tyler family lost their home in February 2018 after they asked the landlord to make some disability adaptations to their rental property. Unfortunately, the landlord responded by serving the family with a section 21 notice. The Tyler family's search for a new home proved abortive because other local agents also operated 'no Housing Benefit' policies. The family were eventually rehoused by the local authority. Shelter sponsored the claim for damages against one of the agents who refused to rent to them on the basis that the defendant's policy amounted to indirect discrimination contrary to section 6 of the Equalities Act 2010. The court awarded damages based on indirect discrimination under that section.

## Writer's comment

Will these cases add to the pressure to bring an end to the policy of refusing to let to tenants in receipt of benefits? On 14 October 2020, the House of Commons Library published a briefing paper<sup>1</sup> considering evidence of private landlords' reluctance to let to prospective tenants in receipt of Housing Benefit / Universal Credit. The paper looks at the reasons behind this reluctance and the action being taken to challenge landlords/agents who operate a 'no DSS' policy. In the wake of the findings of indirect discrimination in July 2020, it seems likely that instances of blanket 'No DSS' adverts will now disappear. However, affordability checks based on a tenant's individual circumstances will still be possible





# Tony Gimple

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# Why addressing the UK's housing crisis is as much an issue for the PRS as it is for both Central Government and Local Authorities

On March 23<sup>rd</sup>, 2021, a year would have passed since Boris Johnson told the country that due to the pandemic people 'must' stay at home and certain businesses must close. For the first time since the Spanish Flu of the early 20<sup>th</sup>-century (wherein over 26-months a third of the world's population was infected and 50,000,000 died), society as we know it was under attack from an unseen enemy that couldn't care less about nationality, borders, politics, race, colour, creed, wealth, poverty, having all of life's advantages or having none.

None of us knew how this would turn out, and anyone old enough to remember the Cold War and the Cuban Missile Crisis or who grew up reading books or watching films such as 1984, The Day of the Triffids, The Andromeda Strain, A Clockwork Orange or any of a least a dozen other dystopian themes might well have been correct in thinking that the man who could often be seen walking up and down London's Oxford Street wearing a sandwich board bearing the phrase 'The End is Nigh', was right after all.

Thankfully though the State Protection racket broadly speaking did its job, albeit looking at Rishi Sunak's March 3<sup>rd</sup> Budget it was a pretty close-run thing, and who knows what the final bill will be. And whilst many have undoubtedly suffered great financial hardship and bitter personal loss, the silver lining if you like is that the post-Covid19 post Brexit UK will, by the time lockdown is finally lifted, almost be like it was in 1957 when Harold Macmillan, the then Prime Minister, said; *"You will see a state of prosperity such as we have never had in my lifetime - nor indeed in the history of this country. Indeed let us be frank about it - most of our people have never had it so good"*.

There are many similarities between the austerity of the post-Second World War period after which Britain began to enjoy increasing prosperity and a general upturn in the national mood (hence Supermac's upbeat words), and where we are today, not least of which is how the 'recovery' budget has managed to encourage property ownership, entrepreneurship and growth whilst at the same time beginning to set the scene for replenishing the coffers for the next time the government of the day has to keep us going.

Yet in the wholly natural and completely understandable rush to once again be social animals, I wonder how long it'll be before we forget the pain of a being socially isolated and what the 'new normal' and 'the big reset' taught us about ourselves.

And here lies the rub – during lockdown everyone was talking about how as a species we would suddenly reconnected with what made us human in the first place; i.e. the undisputable truth that we owe our strength in the struggle for existence to the fact that we are social animals.

Whichever way we look at things a simple fact remains, that as a nation we're simply not building enough homes in which people can live either as owner-occupiers, private renters or social housing tenants as the figures below clearly illustrate.

The latest House of Commons Library briefing paper estimates the number of new homes needed in England alone at up to 345,000 per year. Yet the number of households in England is projected to rise from 23.2 million in 2018 to 26.9 million in 2043 – an average increase of around 150,000 households per year.

The Housing, Communities and Local Government (HCLG) Select Committee's inquiry into Building more social housing reported in July 2020 that there was " ... *compelling evidence that England needs at least 90,000 net additional social rent homes a year ...* ".

As part of The Local Government Council Consortium Group 2018 exploration of the benefits of the Relational Partnering model, independent economics consultancy Regeneris explored the socio-economic impacts of the completed and ongoing Relational Partnering projects across the then current 21 partnerships. These include delivering £374 million investment in construction, the building of an additional 2,300 homes, and supporting up to 6,270 long term jobs and up to 3,000 short term construction jobs.

They further explored the potential socio-economic and wider benefits that could be generated as a result of Relational Partnering being adopted across the then 353 councils in England. These include delivering up to £6 billion of investment in construction, building up to 38,000 new homes, supporting up to 104,800 long term jobs and up to 50,600 short term construction jobs.

They went on to say that, “...many schemes also deliver broader socio-economic or regeneration benefits ... of which addressing the UK's housing crisis is as much an issue for the PRS as it is for both central government and local authorities ...”.

So where do we go from here and how do you make the most of the opportunities that 2021 and beyond presents?

Simple – reread this article and remember that some of the world's most successful people started with nothing and made their fortunes by providing products and services that everyone needed, not least of which is a roof over their heads. And if you don't believe that being homeless or living in sub-standard accommodation is bad news, then try sleeping rough for one single night!

By the way, working with local authorities is every bit as profitable for a private landlord as it is doing it yourself; in fact, the local authority becomes your tenant and managing agent all rolled into one. Best of all, you get to feel really good about yourself whilst making money.

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Ongoing property management along with comprehensive property inspection

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Longer ASTs and help to ensure that tenancies are sustained

Named point of contact throughout the lifetime of the tenancy to ensure everything is hassle-free

A professional service at no cost.

Like I said SIMPLES!

### **Tony Gimple**

Private Rental Sector commentator, speaker and adviser

For more information on working with local authorities, please visit

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# Calling all landlords

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[www.brent.gov.uk/rwb](http://www.brent.gov.uk/rwb)



## Full Details of 2021 Budget, Landlord Commentary & 19 Minute Video Explanation

Following the talk at our online conference, Less Tax 4 Landlords have pulled together everything you need to know about the recent budget. The 'big news' story is of course that Corporation Tax will be increasing to 25% in 2023. Many landlords that now have limited companies as part of their business structure will see their tax rates increase and the proposal is that landlords (and all close investment companies) will have to pay the full 25% on profits made in their investment companies. For landlords deemed to be running a trading business this will only impact those with at least £50,000 of profits, with a tapering to the full 25% rate on profits above £250,000.

You can read the full summary of points below, & watch the video at <http://lt4l.co.uk/b21>

### Measures to mitigate the impact of Coronavirus

- Extension of the Coronavirus Job Support Scheme ('furlough payments') to September 2021 across the UK, with employer contributions to salary from July
- Fourth Self Employment Income Support Scheme grant covering February to April 2021 to claim from late April, similar to first three grants – and newly self-employed people who filed 2019/20 tax returns by 2 March may be eligible to claim for the first time.
- Fifth Self Employment Income Support Scheme grant covering May to September to be claimed from late July, varying in amount according to the fall in turnover during the pandemic
- No further support announced for people working as directors through their own personal companies
- 6-month extension of the £20 per week Universal Credit uplift, with an equivalent £500 grant to eligible Working Tax Credit claimants
- Range of 'Restart' grants for businesses reopening after lockdown

- Recovery Loan Scheme from 6 April 2021: government to guarantee 80% of eligible loans from £25,000 to £10 million to give lenders confidence to support UK businesses, with some other loan schemes coming to an end on 31 March 2021
- Business rates holiday for eligible retail, hospitality and leisure premises in England continues for the first 3 months of 2020/21, followed by a 66% discount for the rest of the year
- 5% reduced rate of VAT for hospitality and leisure industry extended from 1 April to 30 September 2021, followed by 12.5% intermediate rate to 31 March 2022

### Reliefs extended

- Nil rate of Stamp Duty Land Tax on property transactions up to £500,000 extended from 31 March to 30 June 2021, with £250,000 threshold up to 30 September 2021
- Duties on alcoholic drinks and fuel frozen for the second year running

### Tax year 2021/22

- Small increases in main Personal Allowance, Basic Rate Band and National Insurance thresholds confirmed, as already announced
- Lifetime Allowance for tax-advantaged pension funds, Inheritance Tax nil rate band, Capital Gains Tax annual exempt amount, ISA subscription limits all frozen at 2020/21 levels
- No increase in CGT rates announced, contrary to some speculation in advance
- Corporation Tax rate remains 19% until 31 March 2023
- New 'super-deduction' for investment by companies: 130% of qualifying expenditure on general plant for two years from 1 April 2021 can be deducted from taxable profit (50% for 'special rate' assets, and cars are excluded)
- Trading losses (up to £2 million) for companies and self-employed businesses to be carried back up to 3 years instead of the usual 12 months, making it possible to set current losses against pre-pandemic profits to obtain a repayment
- Cap on Research and Development claims: payable tax credit not to exceed £20,000 plus three times PAYE & NIC liability
- No significant changes announced to 'off-payroll working' (IR35) rules, which will apply to large and medium-sized private sector employers from 6 April 2021, as previously announced.

### Tax measures coming into effect later

- Personal allowances and income tax rate thresholds frozen at 2021/22 levels until the end of 2025/26
- Lifetime Allowance for tax-advantaged pension funds, Inheritance Tax nil rate band and Capital Gains Tax annual exempt amount all frozen at their current levels until the end of 2025/26
- VAT registration threshold fixed at current level of £85,000 until 31 March 2024
- Corporation tax rate on profits over £250,000 to increase to 25% from 1 April 2023, with the current 19% rate applying to profits below £50,000 and a tapering calculation on profits between £50,000 and £250,000
- Establishment of 'Freeports' enjoying significant tax breaks announced in 8 areas of England, with further areas to be discussed with devolved administrations

**IMPORTANT NOTE: *Please note that none of the content in any of our videos or on our website should be considered advice and is meant for illustration purposes only.***

Estate, tax and business planning is a complicated subject and no two clients circumstances are the same; the impact on your situation will depend upon your individual circumstances and you should always seek advice before taking action or deciding not to act at all.

With thanks to LT4L Co-founder Chris Bailey and the SKS Bailey Group for providing this information. You can see the source of all Budget Information on the government website at <https://www.gov.uk/government/publications/budget-2021-documents>

# Do you have a property to let in Lewisham?

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## Ban on commercial evictions extended to 30 June and bailiff enforced eviction ban extended to 31 May to protect residential tenants

- Ban on commercial evictions extended to 30 June to ensure businesses are supported as they re-open
- Six-month notice periods and bailiff enforced eviction ban extended to 31 May to protect residential tenants
- Follows unprecedented package of support for businesses and renters during pandemic

Business owners – many of whom have had to cease trading entirely during lockdown – are being given extra support after the government extended the ban on commercial evictions for a further 3 months, Housing Secretary Robert Jenrick announced on 10 March 2021.

The decision will help those worst affected by the pandemic, such as bars and restaurants, get back to business in May when doors fully reopen for hospitality no earlier than 17 May.

Residential tenants will also be supported as the ban on bailiff-enforced evictions in all but the most serious circumstances – such as incidents of fraud or domestic abuse – and the requirement for landlords to provide 6-month notice periods to tenants before they evict will also be extended until at least 31 May.

This will ensure residents in both the private and social sector can stay in their homes and have enough time to find alternative accommodation or support as we move through the roadmap.

With around 49% of hospitality workers and 36% of retail workers currently renting, the new measures will protect jobs as businesses reopen and many more renters can return to work

Housing Secretary, Rt Hon Robert Jenrick MP said:

It is right that as we move through the roadmap, we ensure that businesses and renters continue to be supported. We have taken unprecedented action to support both commercial and residential tenants throughout the pandemic – with a £280 billion economic package to keep businesses running and people in jobs and able to meet their outgoings, such as rent. These measures build on the government's action to provide financial support as restrictions are lifted over the coming months – extending the furlough scheme, business rates holiday and the Universal Credit uplift.

Business Secretary, Rt Hon Kwasi Kwarteng MP said: We're doing everything we can to ensure businesses get the support they need to get through this pandemic and reopen when it is safe to do so. I know business owners will welcome this latest package of support and the breathing space it will give them to prepare for a safe reopening, and, ultimately, to build back better.

Throughout the pandemic, the government has put in place an unprecedented £280 billion package to support businesses and keep people in work and able to meet their rent and other outgoings and the confirmed 6-month extension to the furlough scheme and Universal Credit uplift will continue to provide financial security for millions.

For those who require additional support, the government has made £180 million of funding for Discretionary Housing Payments available this year for councils to distribute to support renters with housing costs. The £1 billion increase in Local Housing Allowance (LHA) rates – covering the lowest 30% of market rents – brings the total spend on supporting households to meet the cost of rent in the private and social rented sectors to almost £30 billion this financial year.

Ensuring that renters remain protected until the end of May, whilst national restrictions remain in place will align with the broader strategy for protecting public health and will continue to help reduce pressure on essential public services as we start to move out of lockdown. The government will consider the best approach to move away from emergency protections from the beginning of June, taking into account public health advice and the wider roadmap.

The government's current position is to support commercial landlords and tenants to agree their own arrangements for paying or writing off rent debts by 30 June. This is supported by the code of conduct published by the government last year, setting out best practice for these negotiations. But, if these discussions do not happen and there remains a significant risk to jobs, the government is also prepared to take further steps.

We are therefore launching a call for evidence on commercial rents to help monitor the overall progress of negotiations between tenants and landlords. The call for evidence will also set out potential steps that government could take after 30 June, ranging from a phased withdrawal of current protections to legislative options targeted at those businesses most impacted by COVID-19. We would welcome a broad range of feedback to this call for evidence.

**For more info visit:** <https://www.gov.uk/government/news/further-support-for-commercial-and-residential-tenants>

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**HHSRS (Housing Health and Safety Rating System)\* Inventories**

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**Tenancy Deposit Protection\* &**

**Immigration Act 2014**



# Updated cladding guidance means 500,000 leaseholders will no longer need an EWS1 form

New guidance aimed at reducing the number of wall safety surveys being requested by banks and building societies on blocks of flats has been broadly welcomed

The guidance issued by RICS aims to help lenders save time when the inspections are not needed, with most lenders expected to follow the advice.

The checks were first developed to assess the potential financial impact of cladding on high-rise flats following the Grenfell tragedy in 2017.

Initially, only those who owned flats in tall buildings with dangerous flammable cladding were affected. But since mortgage lenders started requesting fire surveys from a much wider range of sellers, hundreds of thousands of leaseholders have since been asked for EWS1 external wall safety forms when they sell or remortgage, which has led to severe delays, owed in part to a shortage of qualified surveyors available to do the checks, leaving thousands of owners in limbo.

The 'valuation of properties in multi-storey, multi-occupancy residential buildings with cladding' guidance was consulted on by lenders, valuers and fire safety experts for two months, and the recommendations are now set to be implemented by 5 April.

Dame Janet Paraskeva, chair of the RICS standards and regulation board, said: "This announcement is a crucial step in unlocking the market, by ensuring that only those buildings where there are risks of costly remediation as a result of safety concerns from cladding are subject to additional checks.

"The guidance is anticipated to result in a reduction in the number of EWS1 requests which will therefore allow more focus on the assessments of higher risk buildings, which should speed up the overall process while ensuring appropriate protection for lenders and purchasers."

In a joint statement, UK Finance and the Building Societies Association (BSA) said they welcomed the final guidance and expected the number of EWS1 requests to fall as a result. But they said it would still be up to lenders to have the final say.

It states: "Government confirmation that it supports the guidance produced by RICS as an appropriate, risk-based and proportionate basis on which to proceed with valuation assessments, in line with the building safety Consolidated Advice Note published in January 2020 is a welcome and necessary step for lenders. "We anticipate that many lenders will implement this guidance, which should see the number of EWS1 requests fall. However, this is a decision for each lender to make based on their own risk appetite.

"Those buying a flat should understand that a decision made by a valuer not to require an EWS1 inspection under the new guidance is no guarantee that fire safety remediation works will not be required in the future."

Housing secretary Robert Jenrick has welcomed the new guidance from RICS. He said: "I welcome RICS new guidance which will mean nearly 500,000 leaseholders will no longer need an EWS1 form – helping homeowners to sell or remortgage more quickly and easily. "We need a sensible, proportionate approach to risk and costs should only be incurred where they are absolutely necessary and less costly and intrusive mitigations can't be put in place."

"Backed by nearly £700,000 government funding, over 500 assessors have now started training so that where valuations are needed these can be done more quickly, speeding up the process for homeowners."

# Rogue landlord ordered to pay back £739k in illegal rent or face jail

An unscrupulous landlord who operated multi-tenant properties in north-west London without consent has been ordered to pay back £739,263.58 in illicit earnings or face jail, in one of the biggest confiscation orders of its kind.

Planning enforcement officers at Brent Council, which investigated the case, found up to 15 people, mainly from eastern Europe and Brazil, living in some of the homes, including one property where there was a family of four in one room, a family of three in another and three single men in another.

The council said the properties in Willesden, owned by Mohammed Mehdi Ali and his father, were some of the worst its officers had ever seen.

Ali was told by the court that he would face a prison term of five years and nine months if he did not pay the order in full within three months.

It follows an earlier £544,000 confiscation order against his father, Salah Mahdi Ali, in the court of appeal in 2014 that involved criminal earnings on two of the same properties. He had converted four homes into 38 flats without planning permission.

Ali was found guilty of failing to comply with planning enforcement notices in April 2018 at Willesden Magistrates Court, after investigations by Brent's planning enforcement team. The case was then referred to Harrow Crown Court for confiscation proceedings under the Proceeds of Crime Act 2002. Brent was represented in the crown court by Edmund Robb of Prospect Law.

Detailed investigations carried out by Brent's financial investigators and Brent's planning enforcement officers revealed the extent of the number of illegal dwellings created and the illicit earnings made by illegally renting out the properties, which were owned by Ali and his father. The properties were used as houses in multiple occupation and as undersized flats.

Ali was also ordered to pay Brent council £30,000 to cover its legal costs in the long-running case.

Cllr Shama Tatler, Lead Member for Regeneration, Property & Planning, said: "This is another huge win for Brent. The council will take robust action to prevent the creation of poor quality housing.

"This penalty sends a clear message that rogue landlords will not be allowed to get away with ignoring planning laws. The accommodation provided was some of the worst residential accommodation that officers have ever come across. Brent will not tolerate this type of behaviour, landlords providing such horrible conditions. Brent residents deserve better."

Source: <https://propertyindustryeye.com/rogue-landlord-ordered-to-pay-back-739k-in-illegal-rent-or-face-jail/>

## Hundreds of letting agents could face fines of up to £30,000

Hundreds of letting agents in London have still not signed up to an approved Client Money Protection (CMP) scheme and now face fines of up to £30,000, according to London Trading Standards, which is a partnership between the capital's 33 boroughs and the National Trading Standards Estate and Letting Agency Team. Almost 100 agents in London have already been served with a formal 'Notice of Intent' by their local council, warning of an intention to impose a financial penalty, and many more firms will receive similar notices over the next few weeks. These agents have 28 days to provide any evidence or mitigation

in their defense before councils will make a final decision on issuing a financial penalty, which can be up to £30,000 for failure to belong to a CMP, or up to £5,000 for other breaches of the law.

Nishi Patel, chair of London Trading Standards, commented: "London letting agents are handling billions of pounds of tenants' and landlords' money every year, so it's vital that this money is protected in the event of business failure.

London borough trading standards teams have been increasingly active in tackling rogue lettings agents in recent years, and this London-wide operation has enabled us to step-up our efforts to a new level. I warn any London agents out there who think they can get away with failing to comply with the law that they need to think again and get their affairs in order without delay."

The London-wide crackdown is being supported by the National Trading Standards Estate and Letting Agency Team, which provides specialist advice, guidance and support to local authorities across the UK.

James Munro, head of the National Trading Standards Estate and Letting Agency Team, said: "Our officers are providing advice and guidance to support this landmark enforcement initiative, helping to safeguard billions of pounds of consumers' money. The intelligence gathered from this campaign will be used to support local authority investigations across the country, which will help protect consumers, raise compliance across the industry and boost consumer confidence.

"Agents who hold client money are required by law to be registered with an approved CMP scheme – and to inform tenants who they are registered with."

**Source:** <https://propertyindustryeye.com/hundreds-of-letting-agents-could-face-fines-of-up-to-30000/>

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