The Bulletin

SWLA
South West Landlords Association

March 2020

The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020

Mandatory five-year electrical installation checks on private rented housing in England will be introduced in a phased approach. The implementation date has **not yet been clarified**. Subject to approval by both Houses of Parliament, landlords and letting agents will need to ensure electrical installation inspections and testing are carried out for all new tenancies in England from **1 July 2020** or from **1 April 2021** existing tenancies

We will update members as soon as Government guidance is published.

The inspections are to be carried out at least every 5 years (or more regularly if confirmed necessary on the electrical certificate).

Landlords/agents must ensure that any inspectors hired to issue an Electrical Inspection Condition Report (EICR) hold the correct qualifications and are competent to carry out the inspection.

Proven breaches of the Regulations can result in the local housing authority imposing a financial penalty of up to £30,000.

Here's what to expect as taken from the **draft** regulations, please note this could change;

Once the electrical installation has been tested, the landlord needs to receive a written report from the inspector, with the results and next inspection date. They must then;
– Give a copy of the report to tenants within 28 days
– Give a copy to the local authority, if it asks for one, within seven days
– Keep a copy and give it to the person carrying out the next inspection.

For new tenancies, the landlord must:
– Give the tenant a copy of the most recent report before they move in
– Give a copy of the most recent report to any prospective new tenant who asks for it in writing, within 28 days

We advise our members to get ahead and book a qualified, competent electrician to inspect your private rented properties. There will be a rush and limited availability of electricians once the legislation is confirmed. Feel free to look up an electrician on the SWLA Trade Listing.

The draft regulations can be read on the ***gov.uk*** website.

Important Dates

06 April 2017 – 06 April 2020 - Mortgage Interest Relief; New BTL Tax System Phased In
01 April 2018 – MEES (Minimum Energy Efficiency Standards) E or above for new tenancies
06 April 2018 – Rogue Landlord Database Introduced
25 May 2018 – GDPR Introduction
01 October 2018 – Extension of Mandatory HMO Licencing
20 March 2019 – Homes (Fitness for Human Habitation) Act 2018 on new tenancies
01 April 2019 – Letting Agent Mandatory CMP (Client Money Protection) Membership
01 June 2019 – Tenant Fees Act (tenant fees ban and cap on deposits)
01 April 2020 - MEES E or above for all tenancies in scope of regulations
01 June 2020 - Tenant Fees Act (tenant fees ban and cap on deposits) on all tenancies
01 July 2020? (Date to be confirmed) – Mandatory 5 Year Electrical Safety Checks on new tenancies
01 April 2021? (Date to be confirmed) – Mandatory 5 Year Electrical Safety Checks on all tenancies
Date to be confirmed – Making Tax Digital will apply to most landlords earliest 2021

Capital Gains Tax Changes for Landlords

From April 2020, UK residents disposing of residential property, in the UK, which gives rise to Capital Gains Tax (CGT) must report the disposal and make a payment on account of the tax due within 30 days of completion.

With this in mind, it is important for landlords to be contacting their advisers at the time where there is a planned sale in order to allow time for all the relevant information to be collated and relevant planning to ensure that filing requirements are met and calculations are made in the most tax efficient way.

This change will take effect for any disposals made on or after 6 April 2020. However, there will be no requirement for filing a CGT return for no gain/no loss disposals or where there is no liability due.

Therefore, it is now a requirement that standalone CGT report must be made to notify HMRC of any disposal along with the individual payment relating to the CGT liability due, all within 30 days. It is important to note that it will remain that a declaration will need to be made on your end of year Self-Assessment report.

The tax due will also need to be paid within the 30 day period, however will be referred to as an amount notionally due and in essence will be a payment on account for the CGT due for the year.

What will remain the same, is the time period for amending a return, which will continue as a 12 month period in which a return can be amended from when it was previously submitted.

These changes also come at the same time where the final period for Primary Private Residents Relief will be reduced from 18 months to 9 months and the abolishment of letting relief, which will have huge implications for landlords that find themselves with CGT payable on property where they have previously lived.

This is a complex area of change which needs careful planning and consideration, for further advice please contact your accountant or Thomas Westcott Chartered Accountants: 01752 666601 or ***Sarah.Wilkins@thomaswestcott.co.uk*** ***Annette.Stone@thomaswestcott.co.uk***, ***Sean.Bolter@thomaswestcott.co.uk***

Article from Thomas Westcott Chartered Accountants

Homes (Fitness for Human Habitation) Act

20 March 2019 saw the Fitness for Human Habitation Act come into force for tenancies in England. It applies to any new tenancy starting on or after that date. Pre-20 March 2019 tenancies have 12 months to comply, so all existing tenancies will be affected from 20 March 2020. This legislation amends the Landlord and Tenant Act 1985 so that landlords must ensure their property is fit for human habitation at the start of the tenancy and then maintain this standard throughout the tenancy. There are no new obligations for landlords under this act, it's simply to ensure that a landlord meets their existing responsibilities.

The legislation allows for tenants to bring court actions directly without first involving the council, allowing the judge to decide whether a property is unfit for human habitation based on evidence.

A number of issues will be considered before a judgement is made. These include; repairs, stability, damp, internal arrangement, natural lighting, ventilation, water supply, drainage and sanitary conveniences, facilities for preparation and cooking of food and for the disposal of waste water and finally hazards under the Housing Health Safety Rating System. Where one or more of these criteria is present, the courts will then objectively assess whether the property is so defective that it is considered unfit for human habitation.

Landlords can potentially be sued for damages for the entire length of the contract. In addition, remedies such as forcing the landlord to perform the repairs are available to tenants in this case.

The expectation is that the landlord must be notified by the tenant of any defect that arises in the interior of the property during the tenancy. They should then be allowed a reasonable time to fix this. Landlords should consider increasing the frequency of their inspections to ensure their property remains fit for human habitation. If the defect relates to the exterior of the property, then no notice by the tenant is required and the landlord's obligation to maintain the property to a fit standard will be triggered immediately.

In HMOs; the landlord does not need to be notified of defects arising in the communal areas, making it even more important that landlords are checking their HMO properties regularly to make sure no defects have arisen. If the defect occurs in the tenant's room, then the landlord's obligation to fix the defect should only start after the tenant has notified them.

The landlord will not be required to remedy unfitness when -

- defects caused by the tenant's negligence or intentional damage
- rebuilding the property in the event of destruction or damage by fire, flood, or other catastrophic weather event
- repairing items that the tenant is entitled to remove from the property (ie their goods)
- carrying out works that the head landlord will not authorise. The landlord must make reasonable endeavours to contact the head landlord in this case.

For more information see the ***gov.uk*** landlords guide.

GDPR – ICO Chasing Companies Who Have Not Registered and Paid Their Data Protection Fee.

GDPR came into force on 25th May 2018. The majority of UK businesses that process personal information (private landlords included) need to register with the Information Commissioners Office and pay the yearly Data Protection Fee. If you haven't registered – make this a priority!

The ICO have launched a postal campaign to remind all registered companies of their legal obligation. The fee is £40.00 per year for most companies (dependant on turnover). A Direct Debit can be set up for automatic yearly payments.

There are a range of services and support that the ICO provide to help you comply with the law and give your tenants/clients confidence in the way you process personal information.
Very few companies are exempt, you can complete the online ICO self-assessment to check.
If you have any queries on GDPR, you can call the ICO information line on 0303 123 1113 or check the ICO website.

Tenant Fee Ban Reminder!

The Tenant Fee Ban came into force on 01 June 2019. It currently affects tenancies signed on or after 01 June 2019, including renewal fixed term tenancies.
Agents and landlords do not have to pay back any fees that have been charged to a tenant before 01 June 2019.

If a tenancy agreement was entered before 1 June 2019, you can continue to require a tenant to pay fees written into that agreement (e.g. check-out or renewal fees) until 31 May 2020. After 1 June 2020, the term requiring that payment will no longer be binding. Should you, in error, ask a tenant to make such a payment, you should return the payment immediately and must return this within 28 days. If you do not return the payment within 28 days, you will be treated for the purposes of the Act as having required the tenant to make a prohibited payment (a payment that is outlawed under the ban).

For tenancies signed before 01 June 2019 and not renewed since, you do not need to reduce the deposit below the cap unless you enter a new fixed term tenancy agreement.

The only payments you can charge in connection with a tenancy are:
- the rent
- a refundable tenancy deposit capped at no more than five weeks' rent where the annual rent is less than £50,000, or six weeks' rent where the total annual rent is £50,000 or above
- a refundable holding deposit (to reserve a property) capped at no more than one week's rent
- payments to change the tenancy when requested by the tenant, capped at £50, or reasonable costs incurred if higher
- payments associated with early termination of the tenancy, when requested by the tenant
- payments in respect of utilities, communication services, TV licence and council tax; and
- A default fee for late payment of rent and replacement of a lost key/security device, where required under a tenancy agreement

If the fee you are charging is not on this list, it is a prohibited payment and you should not charge it. A prohibited payment is a payment outlawed under the ban.

Charity Looking for Properties to Rent

BROOK HOUSING - looking for 1/2 bedroom flats in Cornwall & Devon
Brook Housing are a Plymouth based non-profit charity with a goal to find suitable housing for people with learning disabilities and Autism across Devon and Cornwall.
They are looking for landlords who are flexible and willing to accept a company let (ideally on a longer term basis). Tenancies and rent would be guaranteed by Brook Housing. Also, a guarantee that your property will be returned to you in the same, if not better condition.
For further information and discussion, call Brook Housing on 01752 230185.

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TRADE POINT

SWLA South West Landlords Association

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Minimum Energy Efficiency Standards - Reminder

Any home that is rented, bought or sold in the UK needs an Energy Performance Certificate. This shows how energy-efficient the property is and offers some advice for what could be done to improve its energy efficiency, as well as the likely costs and savings for any work carried out. Once issued, the EPC is valid for ten years.

On 01 April 2018, a major new piece of legislation came into force to encourage improvement in the energy efficiency of homes in the private rented sector. MEES made it mandatory for all rental properties being let out as new tenancies from 01 April 2018, or on the renewal of existing tenancies after that date, to have an EPC rating of E or above.
From 01 April 2020, this will apply to all privately rented properties that are under the scope of MEES regulations, which means it will be unlawful to rent out a home which has a rating of F or G.

Any landlords renting a property rated F or G could face a penalty of up to £4,000. Landlords currently have until 1 April 2020 to improve any property being rented out – or to register an exemption.

EPC Assessors will look at the following;
- How well-insulated the loft, flooring and walls are
- Whether windows are single, double or triple-glazed
- How energy-efficient the boiler, plumbing and radiators are
- When the property was built and the structure and materials used
- Whether any electrical heat sources (such as plug-in radiators or fan heaters) are being used
- Whether modern, energy-efficient lightbulbs are installed
- The general air-tightness of the home

All of this data will be gathered and entered into a system which will calculate the overall grade for your property. The grades run from G, which is the lowest, up to A, which is the highest.
If you do not have a copy of your EPC, it can be viewed and printed from the EPC Register website.

What can landlords do to improve the EPC rating?
- Replace glass in windows and doors with double or even triple-glazing
- Insulate the loft, walls and floors with modern, high-quality insulation
- Replace your old boiler with a new, more efficient model
- Upgrade all light bulbs to LED light bulbs
- Install low-flush toilets and water-saving showers
- Make sure all white goods and appliances are modern and come with ‘eco’ or ‘energy-saving’ modes

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Landlord’s Fine Slashed by Tribunal

A HMO landlord who was wrongly fined £31,500 by a council over alleged fire safety breaches putting tenants at risk has won a legal challenge to reduce the penalty to just £3,300.

Tan Sandhu appealed the penalties to the First Tier Tribunal Property Chamber claiming the fines imposed by Coventry City Council were excessive and did not follow the council’s own policy or government guidelines.

The house in multiple occupation in Coventry, was inspected as part of a campaign to improve a neighbourhood in the city.

Phil Turtle, a compliance consultant with Landlord Licensing and Defence Ltd, who represented Mr Sandhu at the hearing, said, “While we cannot condone a landlord not knowing and or failing to comply with the HMO management regulations, this case is a clear example of a council mis-applying the legislation for their own purposes. Coventry City Council had originally tried to extract £31,499 from this landlord when in fact, as the tribunal determined, they were only entitled to fine the landlord a total of £3,300. An attempted over-charge of £28,199.”

Article Abridged from Landlords Guild

Washing Machine Recall (Hotpoint & Indesit Brands)

More than half a million certain models of washing machines manufactured between 2014 and 2018 are been recalled by Whirlpool (Hotpoint and Indesit Brands) – landlords should check appliances by using the 'model checker online' https://washingmachinerecall.whirlpool.co.uk/ entering the model and serial number found inside the door or on the back.
Alternatively, call the Whirlpool helpline on 0800 316 1442.

If your/your tenant's washing machine is affected, you can choose a like for like replacement or a free in home repair of the appliance.

Compulsory CMP for Letting Agents

01 April 2020 is the deadline for agents to become members of an official Client Money Protection scheme.

Rules were introduced making membership of a scheme compulsory on 01 April 2019, however agents were given a 'grace period' of 12 months to set up a client account, following technical issues.

'Save the Date; Teignbridge Landlord Open Evening, Newton Abbot Racecourse, Tuesday 19th May 2020, 4.30pm, all landlords welcome.'

Carbon Monoxide & Gas – Landlord's Responsibilities

What are the risks of carbon monoxide?

Carbon monoxide poisoning is caused by faulty or badly serviced gas and other fossil fuel-burning appliances and systems. Carbon monoxide is known as the silent killer because you can't see it, hear it, smell it or taste it.

Landlord responsibilities

The Smoke and Carbon Monoxide Alarm (England) Regulations 2015 came into force in October 2015 which put requirements in place for landlords.

Private sector landlords are required to have at least one smoke alarm installed on every storey of their properties and a carbon monoxide alarm in any room containing a solid fuel burning appliance (e.g. a coal fire, wood burning stove). Landlords must make sure the alarms are in working order at the start of each new tenancy. Local authorities can impose a fine of up to £5,000 where a landlord fails to comply with a remedial notice.

Landlords have a legal duty to keep tenants safe by maintaining gas appliances and ensuring a gas safety check is carried out every 12 months, by a qualified Gas Safe registered engineer. Always give your tenant a copy of the current gas safety certificate at the start of each new tenancy. A copy should also be given to the tenant on each annual gas safety check. You can book your gas safety check in 2 months before it's due without bringing your expiry date forward. You must give your tenant at least 24 hours' notice and get permission for the gas engineer to enter the property. If a tenant refuses access to the property for the inspection, contact SWLA for advice.

You have to keep records for at least 2 years. However, if you wish to take advantage of the flexibility introduced under the Gas Safety (Installation and Use) (Amendment) Regulations 2018 to have gas safety checks carried out up to 2 months before the date the check needs to be carried out but still retain the original deadline date (as if the check had been carried out exactly 12 months after the previous check) you will have to demonstrate that you have complied with the law and carried out the gas safety checks within the required timescales. The record will need to be kept until two further gas safety checks have been carried out.

SWLA recommend that you keep all previous Gas Safety certificates should there ever be any queries.

Article abridged from ARLA

19th December 2019 saw the State Opening of Parliament. What does this mean for landlords?

The Queen announced a Renters' Reform Bill that will abolish the use of Section 21 (no fault) evictions. The grounds for possession via Section 8 will be reformed. Landlords will have more rights to gain possession of their property through the courts where there is a legitimate need to do so. The court process will be improved to make it quicker and easier for landlords to gain possession. It is hoped that a dedicated housing tribunal will be introduced making the process better for all parties involved.

The Government's Renters' Reform Bill will also introduce a lifetime deposit so that renters don't need to save for a deposit every time they move house.

SWLA encourage members to engage with MPs to ensure that the reforms are fit for purpose.

For further information on the reforms see the gov.uk website.

Information Abridged from ARLA & gov.uk

Escape of Water Claims

It's the time of year when we can get a cold snap, leading to frozen pipes and the resultant deluge of water! Escape of water damage is one of the most common types of residential property damage claims, with insurers paying out £1.8 million for it every day.

If your let property suffers a leak, the first thing you will need to do is locate the leak and then get the actual leak stopped. The damage caused by an escape of water is normally covered but the repair to the leaking pipe/appliance is not.

If you need to claim, your insurer may cover the cost of locating, accessing and repairing the leak, as well as the cost of any water damage restoration. However, 'trace and access' cover or 'Landlords Emergency' cover isn't always offered as standard, so you may want to check if your policy includes these.

Most policies will exclude any damage that is caused by not properly maintaining your property or by preventable damage such as a slow, gradual leak. The best way to avoid this is by keeping your pipes properly maintained all year round, fixing any leaks you discover immediately, and by protecting your property against frozen pipes in cold weather

In summary;

• Ensure that a regular check of pipework/areas where a leak could occur such as the bathroom or under kitchen sink is carried out at your property

• Explain to your tenant(s) the importance of reporting any sign of a leak as soon as possible

• Check your policy cover – does it include cover for 'trace & access' and emergency repairs?

Jeremy Wood at Excaliber Insurance Services, who are a specialist provider of competitive landlord insurance, is happy to answer any questions about landlord insurance and the cover mentioned in the above article. You can call him on 01752 340183.

Where Should You Serve Documents and Notice to Your Tenant?

If you provide any tenancy related documents to your tenant by email, their tenancy agreement must say that they have agreed to receive documents in this way (this needs to be signed by the tenant).

If the tenancy agreement does not state that documents can be served by email, all documents would need to be served to the tenant as a hard copy.

Remember all tenancy related documents need to be served before the tenancy begins. It's best practice when providing hard copies to get the tenant to sign the tenancy agreement to acknowledge their receipt. The SWLA tenancy agreements have a section dedicated to this.

Where Should You Serve Notice to Your Tenant?

When it comes to section 21 and section 8 notices, it is vital that you serve them correctly to the correct place, the tenants home address. Even if a tenant has agreed to receive documents via email, the notice will still need to be served at the tenant's address, preferably by hand through the letterbox (or in a HMO under the tenants door). Serving a document in this way is the safest way to do so, you must keep a copy of the document and once delivered, complete a Certificate of Service to keep for your records. This is your proof that the document has been served. You may also take a witness or a photograph of the delivery taking place in case the tenant denies receiving the document. Note, if a document is served to a tenant before 4.30pm, it's classed as being served that day. If it's after 4.30pm, it's classed as being served on the next working day.

If you cannot hand deliver the notice, you can post 1st class making sure that you get a receipt for postage. Do not send by 'signed for' as the tenant may not sign for the post and it will make the notice invalid. If posting 1st class, ensure to add enough time to the notice period to allow for delivery. Note, if there is a Bank Holiday, this can delay postal timings. See the Certificate of Service Document for further information on post timescales.

Landlord Fined £25k for Leaving Vulnerable Tenants in Horror House

Landlord Jack Collins of Yeadon has been fined for the fourth time for failing to properly manage his rental properties. He was found guilty of leaving vulnerable tenants in appalling conditions at a property in Beeston. He left the house with defective fire doors and a broken fire alarm, exposed electrical cables, rotten windows and no heating or hot water. One tenant was left without washing facilities for six months.

Leeds Council ruled that Mr Collins had left tenants in considerable distress, forcing them to live day to day in sub-standard conditions.

The rogue landlord was fined £25,324.60 for failing to maintain the property. He had already been prosecuted for offences at the same property in December 2018 and had to pay £8,655 in fines and costs. He has also been fined on two other occasions, racking up £59,217 in fines over the four prosecutions.

Mr Collins' property is one of two recently designated 'Selective Licensing' areas that Leeds Council have initiated to improve the standard of rented homes in parts of Beeston and Harehills.

SWLA reminds all members to keep up to date with happenings within the locality where their rented properties are. Some areas have introduced selective licencing where all properties that are rented out require a licence. You can sign up for alerts with the local authority so that you are kept informed.

Reminder – If your property has 3 or more tenants forming more than one household, you need to comply with HMO management regulations. If you have 5 or more sharers forming more than one household, you need to have an HMO licence. If you are in this situation, contact the local authority urgently and start your HMO application. Local authorities are fining landlords who should have a licence but have not applied for one.

For more information, see your local authority website.

Article abridged from The Evening Post

Rogue Landlord Database

The Government's database of rogue landlords has only 21 registered names after 2 years of its launch. These have been submitted by 15 local authorities. The government estimates that as many as 10,500 rogue landlords are still letting homes to tenants across the UK.

The Ministry of Housing said that the database is targeted at the very worst and persistent offenders, those who have committed banning order offences. It takes time to secure convictions or civil penalty notices for offences that may be recorded on the database. The offence must have been committed after 06 April 2018, the landlord must have been prosecuted and convicted, and the appeals process complete. The local authority can then apply to first tier tribunal for a banning order and a hearing must be scheduled. When a banning order is imposed, the local authority must record it on the database.

The housing ministry is currently deciding whether to open its register to the general public. They are also considering adding to the list of offences for inclusion on the database. The consultation closed in October 2019 and feedback is being analysed.

For further information, see the ***gov.uk*** website.

Training Courses

SWLA run regular training courses for landlords and lettings agents. Further information can be found on the SWLA website. All courses are £65.00 for members and £75.00 for non-members.

Tenant Checks

Landlords can carry out their own tenant checks or instruct a company to carry out the checks.

What is a tenant check?

A formal background check is split into two parts. The first checks a tenant's affordability, address history and whether they have a history of debt. The second part will contact a tenant's current employer, as well as their previous landlord.

What if a tenant's previous address cannot be verified?

Tenants can often fail reference checks for this reason. It may be due to the tenant not registering to vote at this particular address. To overcome this, you could ask your tenant for post, bank statements or council tax bills from the property to prove their residence.

What if a check reveals a CCJ (County Court Judgement)?

CCJ's occur when people have been taken to court and sued for money. The reference will only give you the date and the amount of the CCJ. You could ask to see the previous 6 months bank statements and ask tenant to explain any CCJ's that may appear on their record.

What if a tenant has a low credit score?

People can have a low credit score for a number of legitimate reasons. If a tenant is a student or very young, they may have a low credit score as it's based on lending history. If your tenant has no lending history, the score will be low by default. In this situation, a Guarantor may be the way forward if you think the tenant will be fine, but you aren't 100% sure. A guarantor can also be used in the case of a previous CCJ. If you decide to take rent in advance, be sure to document and receipt the rent in advance correctly. It must not be confused with taking a deposit. Deposits are completely separate to rent and must be secured accordingly. Guarantors should undergo the same checks as a tenant, but they should be able to afford to pay their own living expenses and your tenants rent if it came to it. A guarantor would ideally be a homeowner themselves, making it less likely that they would move around (making it difficult to find them). You will also be able to apply for a Charging Order against the Guarantor's property so that when the property is sold, landlords should get any outstanding rent.

What if a tenant has a bad reference from a previous landlord?

Take the information on board. Landlords references should be honest, but information such as late payments, rent owed etc may be withheld.

You won't often get a bad reference from an employer, but you will need to check that the information the employer gives corresponds with what you expect. Also, whether a contract is permanent.

Article Abridged from UK Landlord Magazine

Banning Order for Rogue Landlord in Telford

A banning order has been imposed against a landlord for running an unlicensed shared house and misleading tenants over their rights. The order is believed to be the first granted in England.

A First-Tier tribunal heard that Telford rogue landlord David Beattie made attempts to mislead his tenants of their legal rights and security of tenure by issuing them a licence instead of an assured shorthold tenancy. These licences stated that the tenants could be evicted at 48 hours' notice or less.

Telford and Wrekin Council has ordered Beattie to repay housing benefit paid to him. This comes to a total of £1,924.65 for two former tenants from 2018. With the banning order in place, Beattie cannot legally let a house or be involved in property management for the next five years.

The tribunal was informed that he has previous convictions, on top of the banning order and rent repayment order applied for by the Council. He runs seven properties and must not take on any new tenants, although current tenants may stay until the end of their contracts.

Article Abridged from Landlord News

The Importance of Inventories

Inventories are reports that accurately describe the condition of a rental property, so they can be used to assess claims for damages at the end of the tenancy. Tenancy inventory checks are essential for resolving deposit disputes at the end of the tenancy. Formal adjudication relies heavily on the inventory to decide if tenants have caused the property to lose value.

You can carry out the inventory yourself or use the services of a professional inventory company or letting agent for producing the inventory reports. Inventories should be as detailed as possible and always include photo or video to remove all doubt.

Tenants should be supplied with a copy of the completed inventory. They should verify its accuracy ASAP initialling each page where possible and signing and dating the document. When the inventory is not accurate or complete, tenants need to note all issues and submit them to the relevant party for inclusion in the report. Tenancy inventory checks are widely used and recommended, but not legally required.

In cases where no move-in inventory is produced, tenants are often exempt on damage claims. It's the landlord's responsibility to prove that the tenant has done damage to the property and thus that deposit deductions are due.

If a tenant disputes a claim from the deposit, the adjudicator who reviews your dispute will exclusively use the inventory to form their judgement. Knowing the standard of the property at the start of a tenancy helps to set clear expectations of the maintenance required. Inventories also help safeguard tenants against unfair deductions from their deposit when moving out of a property.

The first of two inventories (move in) should be performed right before the tenant goes into occupation. Ideally this should happen before the tenant moves their luggage and furniture in, when property will be in its top condition. The second inventory (move out) should be performed right after the tenant has moved out their luggage and before returning the keys to the landlord. This is also called a "final inspection".

What good inventories need to include;
-Full names and addresses of the landlord, tenants and letting agents, if any
-The date when the inventory was conducted and the person who conducted it
-A thorough list of the interior and exterior, décor/fixtures and fittings
-The condition of these items (e.g. 'small scratches to surface' or 'brand new, never used')
-Meter readings/serial numbers/key lists
-Embedded photographs (if these are not embedded in the document they should be signed and referenced to the corresponding part of the inventory)
-Any relevant receipts (e.g. end of tenancy cleaning performed before the tenant has moved in)
-Signatures from the landlord and tenant/s including date/s agreeing to the inventory
-Pages should be initialled

Remember, the tenancy deposit is by law the tenant's money. If there is any doubt over whether the tenant caused the damage, the deposit scheme will not award the landlord deductions from the deposit.

Article Abridged from The Tenants Voice

Letting Agents – Money Laundering and Terrorist Financing (Amendment) Regulations 2019

From 10 January 2020, all letting agents who manage properties which, individually, yield an income of 10,000 Euros (at time of print equates to £8,375) per month (or equivalent) or more, must now comply with these regulations.

All letting agents across the UK will have 12 months to register with HMRC if they meet the requirements. However, HMRC's online registration system for letting agents won't be operational until May 2020.

All letting agents in the regulated sector for Anti Money Laundering will need to comply with the Regulations. Customer due diligence (CDD) checks will need to be carried out on any new tenants and landlords on or from 10 January 2020. Also, if an existing tenancy is renewed after this date, letting agents will need to carry out appropriate checks at that point on both parties.

Any letting agent who carries out sales and is already registered with HMRC for AML supervision and fall within the scope of the Regulations, will need to inform HMRC that they carry out lettings activity. This can be done once the online applications process is up and running.

CDD must be carried out on both the tenant and landlord for any tenancy agreement with a monthly rent of 10,000 Euros (or equivalent amount) or more before establishing a business relationship. This means identifying and verifying the customer, obtaining information on the nature of the business relationship and details of any beneficial owners.

Propertymark (ARLA) believes it is best practice for all letting agents, regardless of whether they fall under the definition of businesses with HMRC for AML supervision to carry out CDD on all their customers. This is because committing an offence under the Proceeds of Crime Act 2002 applies to everyone and criminalises any involvement in the proceeds of any crime if the person knows or suspects that the property is a criminal property.

Article abridged from Propertymark/ARLA

Can Landlords Advertise 'No DSS'? Is it Illegal or Discrimination?

It is up to a landlord to decide who they let their property to. We would encourage all landlords to consider each application on its individual merits. 'DSS' is a defunct term that refers to the Department for Social Security, which hasn't existed since 2001. Within the context of housing, it is understood to refer to tenants who claim any kind of state benefit - especially housing benefit (or Universal Credit).

The issue is not the wording, but whether the landlord/agent is universally rejecting all applications from tenants who claim benefits.

There have been no cases of landlords being successfully prosecuted for including terms such as 'No DSS' in their adverts. But there have been out-of-court settlements where tenants won large sums before the case was tried.

Advertising 'No DSS' (or similar) may constitute a form of discrimination which may be found to be illegal. For example, women are more likely to be recipients of childcare benefits, and so advertising 'No DSS' may be found to indirectly discriminate against women, as described in the Equality Act (2010). In early 2018, Rosie Keogh won £2,000 in private settlement over an advert blanket-banning benefit claimants.

Landlords should consider all prospective tenants on their individual circumstances.

Article abridged from OpenRent

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Did you know that SWLA have a trade listing of local businesses? Head to the SWLA website 'Trade Directory' for all of your landlord needs from Gas Safety Checks to Building Services

SWLA

South West Landlords Association

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