

A Safer Renting Guide

Top tips for renters to avoid property scams

About this guide

You should receive the Government's "How to rent - The checklist for renting in England" when you move into rented property.

Safer Renting have produced this guide to provide additional information on what to check before you sign any contracts and hand over any money.

The majority of landlords and agents behave legally, but unfortunately there are many who do not.

Understanding something of the legal processes and what should happen when you sign up for a letting is essential knowledge for any renter.

Understanding what renting means to you

There are around 30 different types of tenancies and licences in use in England.

This is just a very brief outline of the 4 main types you will usually find offered by a landlord or agent.

The most important thing to understand is that a landlord does not get to choose which type of contract to grant. You will either be a licensee or a tenant depending on the actual conditions of the arrangement.

In other words, a contract with the title "Licence agreement" does not automatically mean you occupy under a licence.

Tenancy or licence?

Broadly speaking rental agreements are either a tenancy or a licence.

Both types of agreement allow you to live in property without interference but a tenancy offers a greater level of protection from eviction and a licence offers slightly less but in many instances a landlord still has to obtain an order of the court to end the letting, it's mainly that a licensee has less defences to possession action.

In rogue landlord world landlords and agents often issue licence agreements when the letting type is actually a tenancy, believing it is easier to remove a licensee than it is to remove a tenant.

When a renter is given a licence agreement that should actually be a tenancy agreement, this is called a "Sham agreement". You can read more about Sham agreements here: https://england.shelter.org.uk/professional_resources/legal/renting/introduction_to_security_of_tenure/sham_tenancy_agreements

For a comprehensive explanation of tenancies and licences there is useful information here: https://england.shelter.org.uk/professional_resources/legal/renting/introduction_to_security_of_tenure/tenancy_and_licence_agreements

Security of tenure

Security of tenure describes the type of tenancy or licence is in place, and how easy or not it is for the landlord to end their agreement with you

It is beyond the scope of this guide to go into the different types of letting agreement you may be being offered but very commonly they are likely to be one of the following and we provide links to Shelter guides:

Security of tenure continued

Assured Shorthold Tenancy - see

https://england.shelter.org.uk/housing_advice/private_renting/assured_shorthold_tenancies_with_private_landlords

Residential Licence - see

https://england.shelter.org.uk/professional_resources/legal/renting/introduction_to_security_of_tenure/

Lodger Agreement or Excluded Licence - see

https://england.shelter.org.uk/professional_resources/news_and_updates/tenant_or_lodger

Joint Tenancy - see

https://england.shelter.org.uk/housing_advice/private_renting/joint_tenancies

The role of written tenancy agreements

There is no legal requirement for there to be a written contract between a landlord and tenant for a tenancy to exist.

In normal arrangements you would expect a landlord or agent to provide a written contract. However, many rogue and criminal operators don't provide written contracts for a variety of reasons including: evasion of tax liabilities on the rental income, and/or to avoid the attention of local authority enforcement.

The absence of a written contract does not mean that you have no tenancy rights - in fact you have all the rights of any tenant. Rogue and criminal operators, as well as inexperienced lay people, may try and persuade you that you have no security because you don't have a contract, this is a myth.

If a landlord or agent refuses to provide a written contract it is wise not to proceed. If they say they will provide a contract later but fail to do so when asked, you may wish to seek advice on unwinding your tenancy.

If you move in without a written contract you are still fully protected by the law.

The role of individual clauses in written contracts

Whilst you don't need a written contract to be a tenant, a written contract will contain many clauses that could range from a provision saying you aren't allowed to keep pets, to more personalised clauses such as no smoking in the property, or no cooking of meat.

If the contract is signed it binds both landlord and tenant to the terms BUT not all terms in a contract are enforceable. Consumer law governs contractual clauses and makes provision for "Unfair terms", where they create a significant imbalance between the parties rights and obligations, so although a signed contract as a whole would be binding certain individual terms may not be and may not be enforceable by a landlord in any civil proceedings including applications for possession based on breach of contract.

Contract law is very complex and you will need expert advice if you feel a term is unfair.

For a more comprehensive explanation of unfair terms Shelter has good information here

https://england.shelter.org.uk/professional_resources/legal/housing_options/private_renting/unfair_terms_and_implied_conditions_in_tenancy_agreements

Researching landlords, agents and properties

You are about to hand over money to a stranger and commit yourself to a legal relationship with them for some time.

The next section guides you through basic essential checks you should undertake before handing over any money or signing any contract.

Is the person I am renting from actually the property owner?

It is perfectly normal and legal for a property owner to contract the running of their property to a managing agent to act as landlord, who could be an individual or a company but it can also be very useful to know if the person you are renting from is the property owner or whether they are an agent of some kind, which isn't always immediately apparent.

If the person you are looking to rent from is informing you that they will be the landlord but they are not actually the property owner this may be a simple reflection of the business arrangement but the law is confusing on the matter of landlord status. Being clear about who is who is invaluable information in the event of any future problems that might arise.

The Land Registry is a public office who keep records of nearly all property ownership details in the UK. You can search their database online by requesting "Office copies of the register" for the property address. The cost is only £3 and takes seconds do.

An office copy of the register will tell you the following:

1. The named owner of the property.
2. Sometimes their home address.
3. Who they have a mortgage with
4. Whether there are any second charges on the property.
5. Any bankruptcy proceedings

The website is here:

<https://eservices.landregistry.gov.uk/>

If when asked, the person you are considering renting from tells you they are the owner but a Land Registry check reveals this not to be true it would be wise to consider whether you wish to continue.

Understanding letting agents

Letting agents are not regulated so you don't need any qualifications or licenses to be one: anyone can set themselves up as a business and you get good ones and bad ones. Nevertheless, you can check to see if you have confidence in the way that they trade.

All agents are subject to legislation that prohibits them from charging certain fees to tenants.

A letting agent is only allowed to charge you the following:

1. Rent
2. A holding deposit - 1 week's rent just to remove it from the market
3. A tenancy deposit capped at the equivalent of 5 weeks rent
4. A fee in the event of a relevant contractual default
5. Damages for breach of the agreement - provided the agreement clearly states that it is a breach
6. A fee where the tenant requests a change of contract, including assignment and surrender
7. Facilities including utility bills, council tax, Wi-Fi, TV Licence
8. A fee for replacing lost keys

Agents are required to have client money protection schemes in place, which protects yours and the landlord's money should the agency get into financial difficulty.

So, when considering signing with an agency watch out for any prohibited fees they may be asking for.

For a more comprehensive explanation of tenant fees look here:

https://england.shelter.org.uk/professional_resources/legal/costs_of_renting/tenant_fees_and_other_costs/banned_tenant_fees_and_penalties_for_landlords

Agent accreditation

In agents' shop windows and on their websites you may see badges such as ARLA, NALS, Propertymark, Safeagent, RICS etc.

It is important to understand that these are voluntary accreditation bodies and an agent doesn't have to be a member.

It is however a mandatory legal requirement that all agents be members of one of 2 redress schemes that you can complain to if you are unsatisfied and have first exhausted the agent's own internal complaints procedure:

1. The Property Ombudsman
2. The Property Redress Scheme

It is illegal for an agent not to be registered with one of these bodies who can also expel the agent from their scheme if the breach its rules. However, some rogue operators continue to trade without being registered or after having been expelled.

Please check to see if your potential agent is on the expulsion list by searching here:

1. The Property Ombudsman
<https://www.tpos.co.uk/expelled-members>
2. Property Redress Scheme
<https://www.theprs.co.uk/news/the-prs-latest-expulsion-list>

Does the property need a licence and if so, does it have one?

Many rental properties, but not all, need to be licensed with their local authority.

It is unlawful for a landlord to rent it out without one.

There are 3 types of licensing scheme:

1. **Mandatory licensing** - Where there are 5 or more renters occupying as 2 or more separate households. As the name suggests, all councils in England have this scheme in place.
2. **Additional licensing** - Where there are 3 renters occupying as 2 more households. Not all councils have additional licensing but their websites will provide that information.
3. **Selective licensing** - Some councils require all privately rented properties to have a license, either throughout the borough or in designated areas which will be shown on their website.

Licensing rules are specific to each local authority.

If the property needs a license but doesn't have one, then consider whether you can trust the landlord or agent.

It may be unlicensed as an oversight but, regardless of this, it is a criminal offence not to have a property licence where one is required and the local authority can prosecute or impose a civil penalty. If this is the situation, the local authority decides to take legal action against the landlord and it could create problems for you in the future.

Licensing status is easy to check. Information about the council's licensing scheme is available on their website and most councils have a public database of licensed properties available for free, although a few local authorities charge for access.

Routine checks on the landlord or agent

There is no requirement for a landlord or agent be registered anywhere, so there is no single place where you can verify their authenticity or reliability.

Routine checks on the landlord or agent continued

Sometimes the landlord or agent may have a record of behaviour that might cause you to decide not to enter into an arrangement with them and just as a landlord or agent will run checks on a prospective tenant, it is a good idea to exercise the same level of caution.

The internet is a powerful facility that it is wise for you to use to check out your landlord or agent.

If you run the name of individuals and companies through Google, LinkedIn, Facebook etc they can sometimes shine a light on their business practices and reputation which will help you to decide whether to trust them or not.

Bear in mind that not everything is recorded on Google and you can also find different information through browsers such as Mozilla Firefox, Microsoft Edge, Safari, Duck Duck Go etc.

The GLA Rogue Landlord Checker

For renters in London, the Greater London Authority has a website which allows renters to search whether their landlord or agent has been prosecuted, fined, or banned for breaching housing law.

This portal also allows you to search by property address for any enforcement action taken against the landlord or agent, including actions by the London Fire Brigade.

Searches are free and quick. The website is here: <https://www.london.gov.uk/programmes-strategies/housing-and-land/improving-private-rented-sector/check-a-landlord-or-agent>

There is also a facility on the site for reporting rogue landlord activity which is filtered to the relevant local authority for investigation. That part of the website is here: <https://www.london.gov.uk/programmes-strategies/housing-and-land/improving-private-rented-sector/report-rogue-landlord-or-agent>

Marks Out of Tenancy

This is a new service for landlords and tenants where people who have lived in a property in the past can leave comments and ratings on the property, its state of repair, the area, the landlord and agent.

Positive and negative comments are entered by renters which can provide an insight into what it is like living in the property.

The service is free to all.

Marks out of Tenancy is in its early days and is still building up a database. As time progresses it will prove to be a comprehensive forum for all areas of the UK.

Make sure you also record your experiences on the website - the more renters who do this the better and the more comprehensive the service will become.

Their website is here: <https://www.marksoutoftenancy.com/>

Checking registered companies

The basis of being a limited company is that any debts or penalties raised against them are tied to the company itself rather than individuals directors or employees.

It is common for rogue operators to create companies as "Shell entities", so that if they get in trouble or someone tries to sue them, they can dissolve the company to avoid having to pay any penalties or fines.

If the landlord or agent runs a limited company then their business must be registered at Companies House.

You can check company register is here: <https://find-and-update.company-information.service.gov.uk/>

Checking registered companies continued

There are several useful things to pay attention to when looking at information through Companies House:

1. It will show a "Date of incorporation" which means when the company started as a limited entity. Older established companies will have a record of their financial and trading history, which can indicate stability.
2. The register shows if they have ever filed for bankruptcy, or been pushed to bankruptcy by creditors. You will see such entries referred to as "First Gazette strike off" which will provide some indicator of their stability.
3. Recently established companies will not provide that same level of insight. So you will have to decide whether, perhaps on the basis of information gleaned elsewhere, you trust the company enough to enter into a financial arrangement with them.
4. Look at the list of company officers, the directors and secretaries. When the names of individuals holding posts change very frequently it may be prudent to be cautious.
5. The records also show if they have filed their accounts. A company filing their accounts very late may be a sign that they lack financial stability and there is an increased risk that they may be wound up in the future. This will affect you because they will be holding your money.
6. Look to see if the company is still trading or if it has been dissolved. Some dubious operators still call themselves a limited company even though they have been officially 'struck off' and closed.
7. Check their company assets - companies don't have to be earning lots of money, but if the assets are only a couple of thousand pounds or if they are negative, you have cause to question their financial stability.

Sometimes a company is registered abroad in which case you can find useful information here: https://opencorporates.com/users/sign_in

Checking company officers

Most of the websites that can display information from Companies House will also show the names of the directors and secretaries who may also be corporate officers of several other companies at the same time.

It can be useful to use this information to do further research using Google, Facebook and LinkedIn etc.

Lists of company officers can be easily obtained on the government website here:

<https://www.gov.uk/get-information-about-a-company>

Things to know about starting a tenancy

Where a proposed letting is legitimate a landlord or agent should be able to confirm the following information.

Deposits

If you are an assured shorthold tenant (see **Security of Tenure** above) and the landlord or agent is charging a deposit, they are only entitled to charge a deposit equivalent to 5 weeks' worth of rent.

Having received it they must, within 30 days:

1. Protect it in one of the 3 government approved schemes
2. Serve you with the prescribed information of the scheme being used.

The 3 schemes are:

1. **Deposit Protection Service (DPS)**
2. **My Deposits**
3. **Tenancy Deposit Scheme (TDS)**

Deposits continued

In some instances the deposit money is given to the scheme to hold (known as custodial schemes) and in other arrangements the landlord or agent pays a registration fee but keeps the deposit money in their own bank account (known as insurance based schemes).

Be aware that the deposit, at all times belongs to you. It is not the landlord's money until or unless a valid claim on the deposit is made for damage and rent arrears at the end of the tenancy..

The landlord withholding a deposit at the end of a tenancy is a contractual matter, so if you have not been given a written contract the deposit cannot be retained at the end of the letting.

For a more comprehensive explanation of deposit requirements see Shelter advice here https://england.shelter.org.uk/professional_resources/legal/costs_of_renting/tenancy_deposits/tenancy_deposit_protection

Deposit alternative schemes

These are fairly new developments. The stated aim is that, instead of finding a large deposit, you can get into property by paying just 1 weeks' worth of rent as a deposit, or in some cases, no upfront deposit at all.

Though this offers a potentially more affordable option, you should be aware that the rest of the deposit is covered by, what is effectively, an insurance scheme. In the event that you default it can be a lot more expensive than paying a conventional deposit.

When signing up for a property the agent can offer you the alternative but they can't make it a mandatory requirement - you must be given the choice between a conventional or an alternative deposit scheme. Be cautious of anyone telling you that you have to go with the deposit alternative option.

You can read more about how these schemes work on the Shelter advice website here https://england.shelter.org.uk/housing_advice/tenancy_deposits/zero_deposit_companies

Additional documentation you should expect to be supplied upon sign-up

If you are an assured shorthold tenant, which accounts for the majority of private lettings, then the law requires your landlord to provide a range of documents which a professional landlord or agent should be familiar with. They are:

1. A **Gas Safety Certificate** current at the time your tenancy begins.
2. An up-to-date **Energy Performance Certificate**
3. An up to date copy of the government's guide "**How to rent - The checklist for renting in England**" - you must either be given a printed copy or a PDF copy sent in an email but only if you give your consent to receiving it that way. Being given a URL link to where you can find it does not satisfy the legal requirement.
4. If you paid a deposit you must be given a **copy of the prescribed information on the deposit protection scheme** that the landlord has used within 30 days of receiving it (The landlord must also have protected the deposit within 30 days of receiving it, see the '**Deposits**' section above).

Provision of the landlord's address

The law requires a landlord to provide an address where documents and notices can be served if necessary. Note that this doesn't have to be the landlord's home address, it could be the address of their letting agents, or even the rental address.

It is important to note is that if a landlord does not supply such an address they aren't entitled to receive any rent until they do.

This does not mean that you have no rent liability while you are waiting for them to provide an address. It is not a rent holiday, you must put the rent money aside until it is requested, at which point the full amount becomes due. If you find yourself short when the address is provided you will be in rent arrears.

Warning signs

Be wary of landlords or agents not being honest about property ownership and/or their roles as agent or landlord.

Be wary of landlords or agents charging prohibited fees or any attempt to get you to sign a 'sham' agreement (see the '**Tenancy or licence?**' section above).

Avoid dealing with a company claiming to be a limited company who is not actually incorporated or has been struck off.

Avoid signing a contract with a company whose stability and authenticity is in doubt (see '**Checking registered companies**' and '**Checking company directors**' sections above).

Avoid entering into a tenancy without a formal signed agreement. Whilst it is not a legal requirement that you be given a written contract, it is important to consider why the person you may be considering renting from does not want to supply one.

Avoid signing a contract before reading it. Contracts can often be confusing but at least check that the names and addresses all match with what you understand, and look for any fines/penalties contained within the contract which will probably be unfair terms (see '**The role of individual clauses in written contracts**' above)

Don't sign with an agent who is not registered with a redress scheme or who has been expelled.

Make sure you are given receipts for any monies paid as a holding deposit or a full deposit, and read them carefully to ensure they accurately record the amount paid and what it was paid for.

The information in this guide

This information is designed to empower you to spot possible danger signs before you hand over money to a landlord or agent, and to help you understand what to expect when taking on a letting.

The advice provided here does not guarantee that you can avoid being exploited by 'rogue' or criminal landlords and agents.

We do, however, hope that this guide will help you to take wise steps to protect yourself.

Landlords and agents will protect themselves by carrying out thorough checks on you - it is only sensible to do as much checking of your own as you can for the same reason.

About Safer Renting

Safer Renting is one of a diversity of services delivered by [Cambridge House](#), a social action charity established in 1889 to tackle poverty, social inequity, and social injustice across London.

[Safer Renting](#) works in partnership with local authorities to provide a Tenancy Relations service that protects private sector renters from harassment and illegal eviction, sustains tenancies and prevents homelessness, and works with our clients to navigate the legal system to secure justice and redress.

Safer Renting is not a direct access or self-referral service. Our advocacy service is paid for by local authorities who make referrals to us.

Cambridge House
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www.ch1889.org

