FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case Reference	**:**	**LON/00AC/HMF/2019/0068V:CVP**
Property	**:**	**753b Finchley Road, London NW11 8DL**
Applicants	**:**	**Rhiannon Lawrence, Joshua Griffin, Emma Tracey, Cedron Sion and Finn Paul**
Representative	**:**	**In person**
Respondent	**:**	**Asaf Cohen**
Representative	**:**	**Simon Braun, Solicitor, of Perrin Myddelton**
Type of Application	**:**	**Application for Rent Repayment Order under the Housing and Planning Act 2016**
Tribunal Members	**:**	**Judge P Korn** **Mr C Gowman MCIEH MCMI BSc**
Date of Hearing	**:**	**20th August 2020**
Date of Decision	**:**	**11th September 2020**

DECISION

Description of hearing

This has been a remote video hearing which has been consented to by the parties. The form of remote hearing was **V:CVP**. A face to face hearing was not held because it was not practicable and all issues could be determined in a remote hearing. The documents to which we have been referred are in a series of electronic bundles, the contents of which we have noted. The decision made is set out below under the heading "Decision of the tribunal".

Decision of the tribunal

The tribunal orders the Respondent to repay to the Applicants jointly the sum of £9,412.85 by way of rent repayment.

Introduction

1. The Applicants have applied for a rent repayment order against the Respondent under sections 40-44 of the Housing and Planning Act 2016 ("**the 2016 Act**").

2. The Applicants jointly entered into an assured shorthold tenancy agreement with the Respondent on 13th September 2018 in respect of the Property, and a copy of the tenancy agreement is in the hearing bundle.

3. The basis for the application is that, according to the Applicants, the Respondent was controlling an unlicensed house in multiple occupation which was required to be licensed at a time when the Property was let to the Applicants and was therefore committing an offence under section 72(1) of the Housing Act 2004 ("**the 2004 Act**").

4. The claim is for repayment of rent paid during the period 13th September 2018 to 12th July 2019 totalling £22,732.52 in aggregate.

Agreed points

5. At the hearing it was confirmed or established that the following points were agreed:-

   (a) that the Property was not licensable at the date on which the tenancy was granted but became licensable on 1st October 2018 on the coming into force of the Licensing of Houses in Multiple Occupation (Prescribed Description) (England) Order 2018 and then continued to require a licence throughout the remainder of the period of the rent repayment claim; and

   (b) that the Property was not so licensed during the period 1st October 2018 to 12th July 2019.

The above points are therefore not in dispute, and in any event we are satisfied that they are accurate on the basis of the relevant legislation and the evidence before us.

Applicants' case

6. The Applicants' case is straightforward. In written submissions they state that the Property was rented to them without the appropriate HMO licence, and they seek repayment by the Respondent as landlord of rent paid in respect of the relevant period.

7. Included in the Applicants' hearing bundle is a copy of a letter from the local housing authority confirming that no application for an HMO licence had been received by them during the period 13th September 2018 to 12th July 2019. The hearing bundle also includes witness statements from each of the Applicants raising certain other issues relating to the condition of the Property and their dealings with the Respondent and his agents.

8. At the hearing, Ms Lawrence as lead Applicant said that whilst small issues were satisfactorily resolved during the tenancy, big issues were not resolved. There had been problems with the roof, causing leaking and black mould and ultimately a collapsed ceiling. In addition, the entryway staircase was too steep and had a narrow step-width, and there were issues with the fire escape.

9. As the Respondent was living abroad, the Applicants' main point of contact was his cousin Mr Rotem. Ms Lawrence said that they found him to be aggressive and intimidating.

Respondent's case

General

10. The legislation requiring this type of property to have an HMO licence only came into force on 1st October 2018 and therefore no offence was being committed prior to that date.

11. It is accepted by the Respondent that the Property required a licence throughout the period 1st October 2018 to 12th July 2019, that it did not have a licence throughout that period and that no application for a licence was made during that period. It was also accepted at the hearing that the Respondent's failure to obtain a licence during that period will have constituted an offence under section 72(1) of the 2004 Act if (but only if) the Respondent's "reasonable excuse" defence does not succeed.

Reasonable excuse

12. The Respondent relies on the statutory defence of "reasonable excuse" provided by section 72(5) of the 2004 Act. This provides that *"in proceedings against a person for an offence under subsection [72](1) … it is a defence that he had a reasonable excuse … for having control of or managing the house in the circumstances mentioned in subsection (1) …"*.

13. The Respondent argues that he is not a professional landlord. He works in a different industry and has been living in Israel since 2014 and therefore was less likely to become aware of changes in English property law. He had heard of the concept of HMOs in relation to houses but not in relation to flats (the Property being a flat). When the tenancy began it was not unlawful to enter into that tenancy, the law changing a couple of weeks after the start of the tenancy. The Respondent only found out about the change in the law two months after the Applicants vacated the Property when he received a copy of their rent repayment application.

14. The Respondent had used a professional agent and had been reliant on the agent to advise him on any legal requirements. Furthermore, the particular person at the agency with whom he had been dealing passed away in January or February 2019 and had presumably been unwell and distracted prior to the date of his passing and this is likely to have contributed to the agency's failure to advise him properly. At the hearing, Mr Braun for the Respondent put it to the tribunal that the agent had been in breach of its own professional duties, and he noted the fact that it was regulated by the Property Ombudsman as well as referring the tribunal to relevant aspects of the Ombudsman's Code of Practice.

15. In cross-examination the Respondent accepted that it was his responsibility to know the law but expressed the view that it was reasonable to expect his professional agent to check things on his behalf.

16. The Respondent was also asked about an email from Marc Lee of Chess Estates (his agent) dated 5th December 2017 and whether this amounted to a warning that Mr Lee might not be able to do the work to the required standard for the reasons given. The Respondent replied that he did not read that email as a warning that the agent was unable to do the work.

17. Mr Braun for the Respondent referred the tribunal to the decision of the Upper Tribunal in *I R Management Services Limited v Salford City Council (2020) UKUT 81 (LC)*, the issue in that case being on whom does the burden of proof lie in connection with the defence of "reasonable excuse" under section 72(5) of the 2004 Act. The Upper

Tribunal judge in that case, Martin Rodger QC, determined that the burden was on the defendant (i.e. in this case the Respondent) but that the defence only needed to be established on the balance of probabilities. Martin Rodger QC then went on to state that he did not accept that it is excessively difficult for a defendant to establish that they have a reasonable excuse and that tribunals should consider whether any explanation given amounts to a reasonable excuse.

18. Mr Braun also referred to the decision of the High Court in *R (Mohamed) v Waltham Forest LBC (2020) EWHC 1083*, which related in part to the defence of "reasonable excuse" under section 72(5) of the 2004 Act. In his judgment, Dingemans LJ stated that *"… if a defendant did not know that there was an HMO which was required to be licensed, for example because it was let through a respectable letting agency to a respectable tenant with proper references who had then created the HMO behind the defendant's back, that would be relevant to the defence … The existence of the statutory defence and the fact that a reasonable excuse for not having a licence can be made out, lessens the need to have the mental element as part of the defence. The dicta in Thanet District Council v Grant recognising that such an absence of knowledge might be relevant to the defence of reasonable excuse is incompatible with a requirement to prove knowledge that there was a HMO requiring to be licensed".*

Alternative arguments

19. If the tribunal is against the Respondent on the defence of "reasonable excuse" the Respondent acknowledges that the tribunal then needs to consider quantum, i.e. how much rent to order the Respondent to repay, and the Respondent has therefore also addressed the issue of quantum.

20. It is now common ground between the parties that as the law changed on 1st October 2018 then – if the tribunal is minded to make a rent repayment award – the period in respect of which it can make an award is 1st October 2018 to 12th July 2019. As regards the calculation of how much rent the Applicants had paid, after some discussion at the hearing it was agreed that the total amount of rent paid in respect of that period was £20,917.44. It is therefore common ground between the parties that the maximum possible rent repayment award is £20,917.44.

21. As regards deductions that could and should be made from the maximum sum, Mr Braun referred the tribunal to the decision of the Upper Tribunal in *Vadamalayan v Stewart (2020) UKUT 0183 (LC)*. In that case Judge Cooke stated that in determining the amount a tribunal should take into account the conduct of the parties, the financial circumstances of the landlord and whether the landlord had ever been convicted of an offence to which section 40 of the 2016 Act applied.

22. In this case the Respondent had not been convicted of, or charged with, any offence, he was not a professional landlord, he had made no profit during the relevant period, he had employed an agent who had failed to inform him of the change in legislation, the legislation changed after the tenancy began and the Respondent lived abroad.

23. Regarding the other complaints raised by the Applicants, whilst Mr Braun submitted that these were not relevant and that the key issue was the Respondent's conduct in connection with the failure to obtain a licence, nevertheless the Respondent considered himself to have been a good landlord. Specifically in relation to the problems with the roof, and therefore the ceiling, the Respondent was only a leaseholder himself and he had needed to liaise with the freeholder. He also gave the Applicants rental discounts to compensate them for the problems that they had experienced, and he took the initiative in this regard. In addition, he allowed them to leave the Property early without paying rent for the period after they vacated.

Other points arising in cross-examination of the Respondent

24. The Respondent accepted that he knew about the problems at the Property. He dealt with the mould, but unfortunately the roof situation was much worse than he had realised. As regards the contention that the Applicants vacated because of safety concerns, the Respondent said that, whilst he did not want to say that it was untrue, he was not aware of this at the time.

25. In relation to Mr Rotem, the Respondent said that his role was only as initial contact and that decisions were made by the Respondent himself.

26. The Respondent disclosed at the hearing that he also rented out two other properties.

Relevant statutory provisions

27. Housing and Planning Act 2016

Section 40

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

(2) A rent repayment order is an order requiring the landlord under a tenancy of housing in England to – (a) repay an amount of rent paid by a tenant …

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

	Act	***section***	***general description of offence***
1	Criminal Law Act 1977	section 6(1)	violence for securing entry
2	Protection from Eviction Act 1977	section 1(2), (3) or (3A)	eviction or harassment of occupiers
3	Housing Act 2004	section 30(1)	failure to comply with improvement notice
4		section 32(1)	failure to comply with prohibition order etc
5		section 72(1)	control or management of unlicensed HMO
6		section 95(1)	control or management of unlicensed house
7	This Act	section 21	breach of banning order

Section 41

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

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

Section 43

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

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

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

Section 44

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

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

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

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

(4) In determining the amount the tribunal must, in particular, take into account – (a) the conduct of the landlord and the tenant, (b) the financial circumstances of the landlord, and (c) whether the

landlord has at any time been convicted of an offence to which this Chapter applies.

Housing Act 2004

Section 72

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

(5) In proceedings against a person for an offence under subsection (1) … it is a defence that he had a reasonable excuse … for having control of or managing the house in the circumstances mentioned in subsection (1) … .

Tribunal's analysis

28. The Applicants have provided evidence that, and the Respondent accepts that, the Property required a licence throughout the period in respect of which the Applicants are now claiming a rent repayment (i.e. from 1st October 2018 to 12th July 2019) and that it was not so licensed. In addition, the Respondent does not dispute the fact that the Applicants had a tenancy agreement and that they paid rent to the Respondent. The Respondent also accepts that he was the Applicants' landlord during the relevant period.

The defence of "reasonable excuse"

29. Under section 72(5) of the 2004 Act, it is a defence that a person who would otherwise be guilty of the offence of controlling or managing a licensable but unlicensed HMO had a reasonable excuse for the failure to obtain a licence. As stated by the Upper Tribunal in *I R Management Services Limited v Salford City Council*, the burden of proof is on the person relying on the defence but the defence only needs to be established on the balance of probabilities. As regards the point made by Martin Rodger QC in that case about the relative ease of proving that a person had a reasonable excuse, in our view he was clearly just making the point that it is fair for the person in question to have to shoulder the burden of proof given that the circumstances are within their own knowledge.

30. In relation to the decision in *R (Mohamed) v Waltham Forest LBC*, the example given by Dingemans LJ of a reasonable excuse was a situation where the landlord did not know that there were multiple occupants because the premises were *"let through a respectable letting agency to a respectable tenant with proper references who had then created the HMO behind the [landlord's] back"*. Whilst of course this is only an

example of what might constitute a reasonable excuse, it is in our view substantially different from the situation in the present case.

31. In the present case the Respondent knew that he was letting the Property to five unconnected people, and it is common ground between the parties that as from 1st October 2018 an HMO licence was required but was neither obtained nor applied for. The Respondent's only excuse was that he did not know that the law had changed on 1st October 2018. We do not accept that ignorance of the law in these circumstances constitutes a "reasonable excuse" for the purposes of section 72(5) of the 2004 Act.

32. The Respondent has stated in his defence that he was out of the country when the law changed and that he was relying on his professional agent to check the law and to inform him of any changes, but in our view the circumstances of this case are unremarkable in the context of section 72(5). It cannot have been Parliament's intention that mere ignorance of the law coupled with an explanation for that ignorance should suffice as a complete defence to liability for a serious housing offence. It is incumbent on a person letting property to others to ensure that they are up to date with legislation designed to protect the safety and wellbeing of their occupiers and not merely to assume that others will keep them up to date as to their responsibilities. In any event, whilst the email from Chess Estates dated 5th December 2017 is somewhat ambiguous, it is at least arguable that it should have placed the Respondent on alert as to whether Chess Estates were competent to advise him in this area.

33. Specifically in relation to the point that the Respondent was based abroad, information can be obtained in a variety of ways, including via the internet, and if someone is renting out property in England they need to understand that it is their personal responsibility to check the rules in order to ensure that they will not be renting out that property in a way which gives rise to one or more criminal offences.

34. As for the point that the Property did not require a licence when it was first rented out, that is a fair point and is relevant to mitigation (as to which, see later) but in our view it does not suffice to constitute the defence of reasonable excuse. The law changes periodically, and again it is incumbent on people who rent out properties to ensure that they are not committing any criminal offences; if this were not the case then landlords could simply evade sanctions through not bothering to acquaint themselves with changes in the law.

35. In conclusion, we do not accept that the Respondent had a reasonable excuse for failing to obtain a licence for the purposes of section 72(5).

The offence

36. Section 40 of the 2016 Act confers power on the First-tier Tribunal to make a rent repayment order where a landlord has committed an offence listed in the table in sub-section 40(3), subject to certain conditions being satisfied. The offence of having control of or managing an unlicensed HMO is one of the offences listed in that table.

37. Under section 41(2), a tenant may apply for a rent repayment order only if the offence relates to housing that, at the time of the offence, was let to the tenant and the offence was committed in the period of 12 months ending with the day on which the application is made. As the Respondent does not dispute that he had control of and/or managed the HMO at the relevant time, and as the tribunal has determined that the Respondent did not have a reasonable excuse, we are satisfied beyond reasonable doubt that an offence has been committed by the Respondent under section 72(1). We are also satisfied that the Property was let to the Applicants at the time of commission of the offence and that the offence was committed in the period of 12 months ending with the day on which the application was made. Under section 43, the First-tier Tribunal may make a rent repayment order if satisfied, beyond reasonable doubt, that a landlord has committed an offence listed in the table in sub-section 40(3).

Amount of rent to be ordered to be repaid

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

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

40. In this case, the claim does relate to a period not exceeding 12 months during which the landlord was committing the offence, now that the Applicants have effectively amended their claim so that it runs from 1st October 2018, and there is no evidence of any universal credit having been paid. The parties are now in agreement that the rent paid for that period amounts to £20,917.44 and the tribunal has no reason to find otherwise. Therefore, the maximum amount of rent repayment that can be ordered is £20,917.44.

41. Under sub-section 44(4), in determining the amount the tribunal must, in particular, take into account (a) the conduct of the landlord and the tenant, (b) the financial circumstances of the landlord, and (c) whether the landlord has at any time been convicted of an offence to which the relevant part of the 2016 Act applies.

42. The Upper Tribunal decision in *Vadamalayan v Stewart* is a leading authority on how a tribunal should approach the question of the amount that it should order to be repaid under a rent repayment order if satisfied that an order should be made. Importantly, it was decided after the coming into force of the 2016 Act and takes into account the different approach envisaged by the 2016 Act.

43. In her analysis in *Vadamalayan*, Judge Cooke states that the rent (i.e. the maximum amount of rent recoverable) is the obvious starting point, and she effectively states that one should then go on to work out what sums if any should be deducted. She departs from the approach of the Upper Tribunal in *Parker v Waller (2012) UKUT 301*, in part because of the different approach envisaged by the 2016 Act, *Parker v Waller* being decided in the context of the 2004 Act. Judge Cooke notes that the 2016 Act contains no requirement that a payment in favour of a tenant should be reasonable. More specifically, she does not consider it appropriate to deduct everything that the landlord has spent on the property during the relevant period, not least because much of that expenditure will have repaired or enhanced the landlord's own property and/or been incurred in meeting the landlord's obligations under the tenancy agreement. There is a case for deducting utilities, but otherwise in her view the practice of deducting all of the landlord's costs in calculating the amount of the rent repayment should cease.

44. In Judge Cooke's judgment, the only basis for deduction is section 44 of the 2016 Act itself, and she goes on to state that there will certainly be cases where the landlord's good conduct or financial hardship will justify an order less than the maximum.

45. Adopting Judge Cooke's approach and starting with the specific matters listed in section 44, the tribunal is particularly required to take into account (a) the conduct of the parties, (b) the financial circumstances of the landlord, and (c) whether the landlord has at any time been convicted of a relevant offence. We will take these in turn.

<u>Conduct of the parties</u>

46. The Applicants have given evidence that according to their understanding there were various problems with the Property, the strong implication being that the Respondent was very much at fault in not dealing with these problems more promptly or at all. The evidence indicates that there were a number of problems which adversely affected the Applicants' enjoyment of the Property. However, we do not

accept that in this case it equates to evidence of poor conduct on the part of the Respondent. The evidence indicates that when matters were reported to him the Respondent either dealt with them or tried to do so as best he could. He also took the initiative to offer a rent reduction and allowed the Applicants to vacate early without paying for the remainder of the term of the tenancy.

47. In addition, whilst the Respondent has failed to demonstrate that he had what amounts to a reasonable excuse for failure to licence the Property for the purposes of section 72(5) of the 2004 Act, nevertheless the circumstances of his failure to licence in our view constitute a mitigating factor. We are satisfied on the basis of the evidence that he was living abroad during the relevant period, that he is not a professional landlord and that – although this certainly did not absolve him from responsibility – he was in practice placing significant reliance on his professional agent. In addition, and importantly, the tenancy did not require an HMO licence when entered into; it only became a legal requirement to obtain a licence a couple of weeks after the start of the licence.

48. The evidence indicates that the Applicants' own conduct has been good, and therefore there is no poor conduct on the part of the Applicants which needs to be taken into account.

Financial circumstances of the landlord

49. We have not been provided with any specific information as to the Respondent's financial circumstances, save that he rents out two other properties and is in employment.

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

50. There is no evidence that the Respondent has been convicted of a relevant offence.

Other factors

51. It is clear from the wording of sub-section 44(4) itself that the specific matters listed in sub-section 44(4) are not intended to be exhaustive, as sub-section 44(4) states that the tribunal "must, in particular, take into account" the specified factors. One factor identified by the Upper Tribunal in both *Parker v Waller* and *Vadamalayan v Stewart* as being something to take into account in all but the most serious cases is the inclusion within the rent of the cost of utility services, but it is common ground in the present case that the rental payments do not include any charges for utilities.

52. On the facts of this case we do not consider that there are any other specific factors which should be taken into account in determining the amount of rent to order to be repaid. Therefore, all that remains is to determine the amount that should be paid based on the above factors.

Amount to be repaid

53. The first point to emphasise is that, notwithstanding our comments above regarding the Respondent's conduct, it remains the case that the Respondent has committed a criminal offence. Whilst the Applicants did not bring any specific evidence as to the information that would have been available to the Respondent, there has generally been a fair amount of publicity about HMO licensing and the Respondent should have acquainted – and updated – himself as to the rules governing the renting out of property in England, especially as to any legislation making it a criminal offence to fail to observe requirements designed to protect the safety and wellbeing of his tenants.

54. It is arguable that the Applicants have suffered no material loss directly through the Respondent's failure to obtain a licence and that therefore a rent repayment order would represent a windfall for the Applicant. To some extent this is true, but it is clear that a large part of the purpose of the rent repayment legislation is deterrence. If landlords can successfully argue that the commission by them of a criminal offence to which section 43 of the 2016 Act applies should only have consequences if tenants can show that they have suffered actual loss, then this will significantly undermine the deterrence value of the legislation. There has been much publicity about HMO licensing, and landlords need to ensure that they are aware of their responsibilities and do not commit criminal offences.

55. At the same time, we need to take into account all relevant factors which might justify a deduction from the maximum. First of all, whilst we do not accept that the Respondent had a reasonable excuse for failing to obtain a licence for the purposes of section 72(5) of the 2004 Act, we do accept that the circumstances in which that failure took place offer some level of mitigation. In particular, the legislation did not require the Property to be licensed when it was first rented out to the Applicants. In addition, the Respondent was based in Israel at the relevant time and is not a professional landlord. Furthermore, whilst it did not constitute a reasonable excuse to do so, it is arguable that he did assume that his professional agent would tell him what he needed to know as regards the legislation.

56. As regards other aspects of the parties' conduct, despite the legitimacy of the Applicants' concerns about the effect of the collapsed ceiling and other matters, we consider the Respondent's conduct to have been quite good overall. We also note that he has not at any time been convicted of a relevant offence. As regards the Applicants' conduct, there is

nothing about their conduct which would justify a reduction in the amount of rent repayment (i.e. their conduct was not poor). In relation to the Respondent's financial circumstances, there is no evidence of poverty that would justify a reduction nor evidence of wealth that would justify an increase. We do not accept that the relevant test is whether the Respondent has made money out of the Property or the tenancy itself.

57. Taking all of the above circumstances into account, we consider that the circumstances of the offence are such that a significant deduction from the maximum possible rent repayment order is justified but that it would send the wrong message and would not be in the spirit of the 2016 Act to order the repayment of just a nominal sum.

58. The tribunal has wide discretion as to the amount payable, as the weighing up of the relevant factors is in our view a matter of overall judgment, save where one is able to make specific deductions, for example for utilities. We consider that the overall circumstances of the Respondent's failure to licence the Property (including that it was not licensable when the tenancy began, that he was an amateur landlord living abroad and that he was in practice reasonably reliant on a professional agent) entitle the Respondent to a 40% reduction. On top of this, the Respondent's overall general good conduct (including dealing or trying to deal with problems when notified to him, taking the initiative to offer rent reductions and allowing the Applicants to vacate early with no penalty) entitle him to a further 15% reduction.

59. The deductions in aggregate therefore amount to 55% of the rent that would otherwise be repayable. Accordingly, we order the Respondent to repay to the Applicants the amount of £9,412.85, this being 45% of the maximum amount that could be ordered to be repaid.

Cost applications

60. There were no cost applications.

Name: Judge P Korn **Date:** 11th September 2020

RIGHTS OF APPEAL

A. If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber) a written application for permission must be made to the First-tier Tribunal at the regional office dealing with the case.

B. The application for permission to appeal must arrive at the regional office within 28 days after the Tribunal sends written reasons for the decision to the person making the application.

C. If the application is not made within the 28 day time limit, such application must include a request for extension of time and the reason for not complying with the 28 day time limit; the Tribunal will then look at such reason and decide whether to allow the application for permission to appeal to proceed despite not being within the time limit.

D. The application for permission to appeal must identify the decision of the Tribunal to which it relates (i.e. give the date, the property and the case number), state the grounds of appeal, and state the result the party making the application is seeking.