



Primary Authority Partnership

Warwickshire County Council Trading Standards

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Propertymark

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Primary Authority Advice Reference WTS/PM/TPO/24

This Primary Authority Advice has been produced by Warwickshire County Council Trading Standards Service, in partnership with The Property Ombudsman and Propertymark, for use by member businesses as an aid to complying with the law. If you follow this advice correctly, your local Trading Standards Service should respect this and not ask you to comply with the law in a different way. If you are contacted by a local authority enforcement body, please inform them that you are a member of the scheme.

Advice requested:

Is it misleading to advertise the cost of rent as an amount payable 'per person per week' for a shared property?

Legislation considered:

Consumer Protection from Unfair Trading Regulations 2008 (as amended) ("*CPRs*")

Tenant Fees Act 2019 (All references to this piece of legislation should be considered outside the ambit of Assured Advice).

Other Material considered:

TPO Code of Practice for Residential Letting Agents [1st June 2019]

The UK Code of Non-broadcast Advertising and Direct & Promotional Marketing, Edition 12

CTSI Guidance for Traders on Pricing Practices

Assured Advice Issued:

As a basic principle, we would not consider it misleading to advertise the cost of rent as an amount payable 'per person per week' for a shared property where the rent is actually charged and payable on that basis. If payments can only be made as a single monthly payment, then such an indication could mislead the average consumer, unless further clarification is given.

An advertisement displaying a property for rent should include all relevant material information, to enable a potential tenant to make an informed decision, and any information provided should be accurate and not deceive the average consumer. The total rent payable by the tenant(s), the frequency of payments, type/length of tenancy, and liability for other tenants' arrears or shortfall in the event of under-occupancy should all be made clear in the advertisement.

If a comparison site wishes to use a specific formula to produce a 'per person' and/or 'per week' cost, to enable consumers to compare rental costs of different properties, then this would be acceptable, but only as a supplementary indication 'for comparison only'. The material information should be clear and unambiguous and any calculations should give an accurate indication of the price.

The same would apply to a landlord or agent giving equivalent amounts for rental payments, provided it is made clear this is what they are. Where rent is payable per calendar month, it is common to give a weekly equivalent amount. This is permissible, provided there is no risk of potential customers arriving at incorrect monthly rents by multiplying the weekly rate by four. This would give an amount lower than it should be. We would therefore advise making it clear what the actual rent payable is, and how the equivalent rate was arrived at.

One week's rent should be equal to the annual rent divided by 52. (This is consistent with relevant provisions of the Tenant Fees Act 2019).

Providing an incorrect calculation as to the weekly equivalent, could be a misleading action under the CPRs and a failure to clarify the exact nature and amount of charges, and/or who is liable for them, may constitute a failure to provide material information, contrary to the CPRs.

Examples:

5-Bedroom House for Rent

£1500 pcm - maximum 5 tenants (Click here for details of fees, as permitted by the Tenant Fees Act 2019)

(£300 per person pcm, £69.23 pppw - for comparison only, assuming maximum occupancy)

Key information:

- Deposit = £1500 (total)
- Rent is payable monthly.

- Offered on a joint tenancy basis - all tenants are jointly and severally liable for the terms and conditions of the tenancy agreement (including the total rent).
- 11 months contract.
- Utilities / council tax bills are not included in the rent.
- The property is fully furnished

2-Bed Flat for Rent

£3800 pcm (£877 pw – for comparison only) (Click here for details of fees, as permitted by the Tenant Fees Act 2019)

Key information:

- Deposit = £3800
- Rent is payable monthly.
- Maximum tenants 3
- Offered as a sole or joint tenancy - If more than one tenant, all named tenants will be 'jointly and severally liable' for the terms and conditions of the tenancy agreement (including the total rent).
- 12 months contract.
- Utilities / council tax bills are not included in the rent
- Council tax £1,872 per year (Band G)*
- Local Authority – The Royal Borough of Kensington & Chelsea
- Total sq ft: 937 (87 sq M) approx.
- The property is fully furnished
- Third Floor (NO LIFT)

*Council Tax is a guide only and should be checked before signing contracts

(Also include EPCs, and if possible floorplan, map, and any key features particularly ones that a prospective tenant may not expect).

It is important for the average consumer to have accurate information to enable them to make an informed transactional decision; this can include deciding whether or not to view a property.

We would like to acknowledge the assistance we have received in drafting this advice from Westminster City Council Public Protection & Licensing Department and the National Trading Standards Estate and Letting Agency Team, hosted by Powys County Council and Bristol City Council.

Date Advice is Effective from (issue date): 23 09 2019

Last Review Date: 20 10 2020

Next Review Date: 19 10 2021

Primary Authority: Warwickshire County Council Trading Standards Service

Co-ordinators: The Property Ombudsman and Propertymark

Supporting Regulator: Not applicable

For Publication on the Primary Authority Register: Yes

Geographic Applicability: This advice applies in England.

Scope: This advice is applicable to all member businesses acting in the capacity of letting agent.

How to obtain up to date copies of this advice: Current copies of this advice may be obtained via the member organisations' websites:

www.tpos.co.uk/members/assured-advice/assured-advice-information

and

www.propertymark.co.uk/working-in-the-industry/primary-authority-advice/.