

Primary Authority Partnership

Warwickshire County Council Trading Standards

Old Budbrooke Road, Warwick, CV35 7DP

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Propertymark

Arbon House, 6 Tournament Court, Edgehill Drive, Warwick, CV34 6LG

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The Property Ombudsman

Milford House, 43 - 55 Milford Street, Salisbury, Wiltshire, SP1 2BP

This advice has been agreed by the following Supporting Regulators:

Westminster City Council Public Protection & Licensing

Portland House, Bressenden Place, London SW1E 5RS

&

National Trading Standards Estate Agency Team

Powys County Council/Cyngor Sir Powys, Y Gwalia, Llandrindod, Powys, LD1 6AA

Primary Authority Advice

This advice is applicable to all member businesses acting in a capacity of a letting agent, managing agent or landlord. If you are contacted by a local authority enforcement body, please ensure that you 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?

Is it misleading to advertise weekly or monthly equivalent amounts for rent?

Legislation considered:

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

Other Material considered:

TPOS Code of Practice for Residential Letting Agents [1st October 2016]

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.

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

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

Key information:

- Deposit = £1500
- 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) + fees

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 EPC 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.

Date Advice is Effective from:

09 01 2019

Reference and renewal:

The reference for this advice is: WTS/PM/TPOS/24

This advice will be reviewed annually; however it will remain valid until it is marked 'obsolete' on the Primary Authority Database. If any part of this document requires amendment following a review, a completely new version will be added to the database and the previous version shall be marked 'obsolete'.