



# Rent to rent or guaranteed rent

*Published on 15th September 2020*

## Tenant guide

Rent to rent or guaranteed rent is where an individual or company rents a property from an 'owner landlord' for a specified period of time, and the landlord receives a fixed guaranteed rent. The new 'agent landlord' then lets the property to a tenant(s) and manages the tenancy.

If you are a tenant renting a property you should always check that the person you are renting from has the authority to do so either as the owner and landlord of the property or under a commercial arrangement with the landlord.

If you are renting a room in a shared property then it is more likely that the person you are renting from has entered into this type of arrangement with the owner of the property.

### Points for the tenant to consider

- If you are renting from an agent who has a commercial arrangement with the landlord then your agreement should be with that agent. The agent is your landlord as opposed to the legal owner of the property, also known as the owner landlord.
- When you agree to rent the property and have passed the referencing, the agent should provide you with Assured Shorthold Tenancy (AST) agreement for signing so check who is named as landlord. You are within your rights to ask for a draft agreement and must be given time to read it thoroughly.
- In the case of shared accommodation, the agent landlord may let under a licence or non-Housing Act tenancy
- You will be paying the rent directly to the agent and report all maintenance issues to them.
- You will have a valid tenancy for as long as the agent's tenancy continues with the owner of the property. After this time, the tenancy may end, revert to the owner landlord or be extended under a new commercial agreement.
- You should make sure that any deposit you provide to the agent has been protected with a government authorised tenancy deposit protection scheme such as mydeposits.
- Make sure the property has a valid Gas Safety Certificate, electrical checks etc.
- Make sure the agent has joined a consumer redress scheme such as the Property Redress Scheme. Remember you cannot complain to the owner of the property if you have an issue with the agent. Your complaint can however be escalated to the consumer redress scheme.

---

### Subletting without consent

Sometimes agents or even tenants will sublet a room in a property without permission from the landlord or owner of the property. This is breaking the terms of their agreement and in some cases they could be committing a criminal offence. As a subtenant, this could leave you at risk of being evicted so always ensure the person/company you are renting from has permission to rent to you.

### What is our approach to 'rent to rent' complaints?

Where an agent has joined the PRS and a tenant raises a complaint about a rent to rent arrangement, we will expect the agent to engage with us and try to resolve the complaint. We will be able to offer an opinion on how it should be settled.

However, as the relationship between the agent and landlord owner is a commercial one and the agent is technically the tenant's landlord rather than agent, our authority to enforce any decision we make is limited.

If the complaint remains unresolved, after using our process, then the consumer should take legal advice and pursue the complaint through the courts, using our decision.

