

Private rented sector

Contents

[Private Rented Sector](#)

[Eligibility for support with housing costs](#)

[Tenancy agreements](#)

[Supporting evidence](#)

[Liability to pay rent when a name is not on the tenancy agreement](#)

[Occupation orders](#)

[Non-commercial agreements](#)

[Payments to a close relative](#)

[Boarders and lodgers](#)

Private Rented Sector

The Private Rented Sector (PRS) includes accommodation owned or managed by:

- private landlords
- charities
- third sector organisations including some housing associations

Please note that some charities and many housing associations are providers of social housing so fall within the Social Rented Sector.

Tenants should have a tenancy agreement but they may also have less formal arrangements - for example, a rent book or verbal agreement with their landlord.

Eligibility for support with housing costs

To be eligible for support with privately rented housing costs, claimants must:

- be legally responsible for making payments of rent
- live in the rented property

The date of eligibility for housing costs will be the latest date of the following two conditions being both satisfied:

- the date the tenancy agreement started
- the date the claimant actually moved into the property

A claimant's Universal Credit calculation will include either the total amount of rent they pay, or the Local Housing Allowance (LHA) rate - whichever is lowest.

LHA rates are based on local market rents. For Universal Credit purposes, a LHA rate will be used based on the number of bedrooms that the claimant needs (up to a maximum of 4).

Single claimants under 35 years of age will usually receive only the shared accommodation rate but there are some exceptions - for example, if their rent is currently lower.

For further information, see LHA rates in PRS under 35s and size criteria rule.

Non-dependants living with a claimant in PRS housing are expected to pay towards the rent. This may affect the claimant's Universal Credit calculation. For further information, see Non-dependants.

Tenancy agreements

Tenancy agreements are usually formal documents, but can also be handwritten letters or notes from the landlord. A tenancy agreement should include the:

- tenant and landlord's name, address and contact details
- address of the property rented
- date the tenancy began and how long the term is for
- amount of rent and how often it is paid
- deposit amounts – this is usually mentioned on the tenancy agreement but it may not be clear as to whether it has been paid
- signatures in all relevant places by all tenants and landlord/agent

An expired tenancy agreement is also acceptable evidence. Once expired, they automatically become 'Statutory Periodic Tenancy' or 'Rolling Tenancy' agreements if a notice to quit is not served.

Tenancies in Scotland

In Scotland it is a legal requirement that landlords register with their local authority (LA). See [Landlord Registration Scotland](#).

The housing costs can still be paid to the claimant when liability and occupancy conditions are met, even where the landlord is not registered.

If the landlord is served a Rent Penalty Notice (RPN) by the LA for failing to register, the claimant no longer has any liability to pay rent for the period of the notice so has no entitlement to the Housing Costs element. A copy of the RPN is also sent to the tenant.

It is a requirement that the claimant reports any change to their housing costs when a RPN is served. If a Managed Payment to a Landlord or Scottish Choice

Direct Payment to a Landlord is in place, the landlord also has a duty to report the change of circumstances.

A claimant is entitled to a month's housing support provided they have rental liability at the end of the Universal Credit assessment period. If a RPN applies on the last day of the assessment period, the claimant will lose a whole month's Housing Costs element.

The claimant must report a change of circumstances and re-declare housing costs once the RPN is dis-applied. Any Managed Payment to a Landlord which previously existed must be reinstated.

Failure to do so may result in an overpayment.

Conversely, if the RPN commences and ceases within an assessment period so that there is rental liability on the last day of the assessment period, the Housing Costs element will still apply for the whole of the month.

Tenancies in Wales

In Wales it is a legal requirement that landlords register with Rent Smart Wales. See [Rentsmart register](#).

The housing costs can still be paid to the claimant when liability and occupancy conditions are met, even where the landlord is not registered.

If a Rent Stopping Order (RSO) is made by the Residential Property Tribunal for the landlord failing to register, the claimant no longer has any liability to pay rent for the period of the notice so has no entitlement to the Housing Costs element.

It is a requirement that the claimant reports any change to their housing costs when a RSO is made. If a Managed Payment to a Landlord is in place, the landlord also has a duty to report the change of circumstances.

Failure to do so may result in an overpayment.

The claimant is entitled to a month's housing support provided that they have rental liability at the end of the Universal Credit assessment period. If a RSO is introduced on the last day of the assessment period, the claimant will lose a whole month's Housing Costs element.

The claimant must report any change of circumstances and re-declare housing costs once the RSO is dis-applied. Any Managed Payment to a Landlord which previously existed must be reinstated.

Conversely, if the RSO commences and ceases within an assessment period so that there is rental liability on the last day of the assessment period, the Housing Costs element will still apply for the whole of the month.

Supporting evidence

In the 'Verify private rented housing cost' to-do claimants must provide evidence for the following:

- Proof of home address
- Proof of residency
- Proof of liability
- Proof of landlord details
- Proof of joint tenancy - if applicable

Claimants will now be able to use only one piece of evidence to verify their housing costs. This must confirm all the above.

An example of this could be a letter from the landlord, or the letting agent the claimant pays rent to, confirming both their residency and liability for that properties rent.

Claimants must provide evidence of PRS housing within 1 month for new claims and 14 days for a change of circumstances.

Tenancy agreement not signed

When a claimant confirms they have signed a tenancy agreement but have only provided an unsigned copy, payment cannot be made until they provide a signed version.

Tenancy agreement never signed

When a claimant confirms they have never signed a tenancy agreement, Universal Credit is not paid until they provide supporting evidence from their landlord or a signed tenancy agreement. They will have 1 month from the date of request to confirm their liability to pay rent before a payment is made.

Liability to pay rent when a name is not on the tenancy agreement

A claimant may be liable for paying rent at a property where their name is not on the tenancy agreement - for example, if they were living with someone else whose name was on the tenancy agreement but now that person has left the property.

The claimant may be treated as liable where all of the following apply:

- the liable person is not making payments
- the claimant has to make such payments to remain resident in the property
- it would be unreasonable to expect them to make alternative arrangements

The claimant must provide evidence from the landlord confirming that they must make the rent payments in order to continue living in the property.

Occupation orders

When someone is a victim of domestic violence and abuse, they can apply to the court for an occupation order. The order will say who can live in the family home or enter the surrounding area. Someone with an occupation order may not be on the tenancy agreement but may be liable for rent.

The claimant must provide the occupation order granted by the court as evidence to confirm that they are liable to pay the rent on the property they are living in.

Non-commercial agreements

An agreement may be considered non-commercial when it includes terms which are not legally enforceable or which the parties involved intend not to be legally enforceable. This may be where an agreement is:

- between close friends or relatives
- the rent is low

A decision is made to determine whether the liability is on a non-commercial basis or can be treated as being on a commercial basis. See Payments to a close relative.

Payments to a close relative

Housing costs are not payable where the landlord is:

- a member of the assessment unit
- a close relative of a member of the assessment unit and that relative lives in the same property
- part of a company or trust that a member of the assessment unit (or a close relative of a member of the assessment unit) who lives in the same property has an interest in (including owners, directors, trustees and beneficiaries)

A close relative is defined as a:

- parent
- parent-in-law
- son
- son-in-law
- daughter
- daughter-in-law
- step-parent
- step-son
- step-daughter
- brother or sister

and the partners of any of these. This includes a half brother and sister.

A decision is made on eligibility for housing costs where payments are made to a close relative whom the claimant does not live with. For further information, see Contrived tenancies.

Boarders and lodgers

Boarders and lodgers are treated as PRS tenants.

Housing costs can be considered if they satisfy liability to pay rent and occupancy conditions. Any services they may receive (for example, meals) are included in the total rent.