

Private rented sector

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Private Rented Sector

Any accommodation which is not classed as Social Rented Sector (SRS) is classed as Private Rented Sector (PRS). It 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 SRS.

Tenants should have a tenancy agreement but they may also have less formal arrangements such as a rent book or verbal agreement with their landlord.

Boarders and lodgers are treated as PRS tenants.

Value of housing costs element

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

LHA rates are based on local market rents. The LHA rate used is 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 (SAR), unless subject to an exemption. see under 35 rule.

Some non-dependants are expected to contribute towards if they live with a claimant who is not subject to an exemption. This may affect the claimant's support for housing costs, see Non-dependants.

Supporting evidence for new claims and changes of address

Claimants must provide evidence of both of the following to confirm they are:

- legally responsible for making payment of rent - this can be established from the tenancy agreement, rent book, rent receipt or invoice or a letter from the landlord/agent
- living in the property for which they are liable to make payments of rent - this could be established from a utility bill, council tax bill or bank statement in their name and at that property address (if no other proof is available, a letter from the landlord/agent is allowed where this explicitly confirms the claimant is living at the address)

A single letter from a landlord confirming full details of the rent liability listed below, together with confirmation the tenant is living in the property, is sufficient to meet both evidence requirements.

Evidence of rent liability for new claims and changes of address

Evidence of rental liability is usually contained within a tenancy agreement, which are formal documents. Evidence of rent liability may also be established from handwritten letters or notes from the landlord, a rent book or rent receipts or invoices.

A tenancy agreement or evidence of rent liability 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 convert to become 'Statutory Periodic' agreements' or 'Rolling Tenancy' agreements if a notice to quit is not served.

Tenancies not signed

When the 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.

Tenancies never signed

When the 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.

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

If a claimant fails to provide evidence, support for housing costs cannot be awarded.

Digital agreements

Digital tenancy agreements may be accepted as evidence as long as they contain a digital or wet digital signature from both the landlord and tenant.

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 are met- even where the landlord is not registered.

Where 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 a change to their housing costs when RPN is served. Where a Managed Payment to Landlord is in place, the landlord also has a duty to report the change in circumstances.

A claimant is entitled to a month's housing support provided they have rental liability at the end of the assessment period. If a RPN is introduced which covers the last day of the assessment period, the claimant will lose housing costs for that whole assessment period. This is regardless of how many days of the assessment period the RPN covers.

The claimant will need to report a change of circumstances and re-declare housing costs when the RPN is lifted. Any Managed Payment to Landlord which previously existed will need to be reinstated.

If the RPN commences and ceases within an Assessment Period so there is rental liability on the last day of the assessment period, the housing costs will still be paid for the whole of the month.

Failure to report the RPN may result in an overpayment.

Tenancies in Wales

In Wales it is a legal requirement that landlords register with Rent Smart Wales. See Rent smart register.

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

Where a Rent Stopping Order (RSO) is made by the Residential Property Tribunal (RPT) 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.

It is a requirement that the claimant reports a change to their housing costs when RSO is made. Where a Managed Payment to Landlord (MPtL) is in place, the landlord also has a duty to report the change in circumstances. Failure to do so may result in an overpayment.

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 RSO is introduced which covers the last day of the assessment period, the claimant will lose housing costs for that whole assessment period. This is regardless of how many days of the assessment period the RSO covers.

The claimant will need to report a change of circumstances and re-declare housing costs once the RSO is lifted. Any managed payment to landlord which previously existed will need to be reinstated.

If the RSO commences and ceases within an assessment period so there is rental liability on the last day of the assessment period, housing costs will still be paid for the whole of the month.