

# Private Rented Sector

## Contents

Private Rented Sector

Value of housing costs element

Supporting evidence for new claims and changes of address

Evidence of rent liability for new claims and changes of address

Landlords requesting access to Universal Credit accounts

Tenancies not signed

Tenancies never signed

Digital agreements

Tenancies in Scotland

Tenancies in Wales

## 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 Social Rented Sector.

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 Private Rented Sector 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.

Local Housing Allowance rates are based on local market rents. The Local Housing Allowance rate used is based on the number of bedrooms 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 the under 35 rule.

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

Calculating the applicable housing cost

Example 1

Claimant is under 35, lives alone and not subject to any shared room exemptions. Their rent exceeds the amount of the shared accommodation rate.

The housing costs will be at the shared accommodation rate.

Example 2

Claimant rents a 3 bed roomed house and is eligible for 3 bedrooms. Their rent exceeds the local housing allowance rate (LHA) for their area.

Housing costs will be at the LHA rate.

Example 3

Claimant rents a 3 bed roomed house but is only entitled to 2 of those bedrooms. The 2 bed roomed LHA rate is higher than the rent they pay to their landlord.

Housing costs can be paid on their current rent as this is less than the LHA rate.

### **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, invoice or a letter from the landlord or 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 a claimant wants to use bank statements as evidence, they must bring this to the jobcentre. Claimants can use a telephone bill, but only where it is a land line. The bill must include details of the landline element.

If no other proof is available, a letter from the landlord or 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.

See the Evidence verification guidance for timescales on providing information.

### **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.

### **Landlords requesting access to Universal Credit accounts**

The tenant can use their online account to access and notify their landlord of any information they wish to provide to their landlord.

**The tenant should never share security details of their log in access to their online account with their landlord or provide the landlord with access to their online account.**

The tenant can share the information from their account with their landlord or other representative, if they wish to, as this contains information about housing payments made.

The landlord must not:

- request the log-in details from the tenant and / or
- make disclosing these details or allowing access to the tenant's online account a condition of the tenancy

## **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 if 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. 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 local authority 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 Rent Penalty Notice is also sent to the tenant.

It is a requirement that the claimant reports a change to their housing costs when Rent Penalty Notice 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 Rent Penalty Notice 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 Rent Penalty Notice is lifted. Any Managed Payment to Landlord which previously existed will need to be reinstated.

If the Rent Penalty Notice 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 Rent Penalty Notice 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 Rent Stopping Order 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 Rent Stopping Order 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 Rent Stopping Order covers.

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

If the Rent Stopping Order 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.