

Claimants who must pay housing costs without having a tenancy

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Use and Occupation agreement

A Use and Occupation agreement is used where a person is occupying a property and is liable to make a payment to the landlord, in order to occupy that dwelling without a formal tenancy agreement being in place.

This can be where a claimant remains in a property on a use and occupation basis after their partner, who was the tenant, had died while either a new tenancy is granted or the claimant finds alternative accommodation.

Though the claimant is not a tenant, they are liable to make a payment to occupy the dwelling and so meets the occupation and liability tests in Universal Credit for the payment of housing costs.

Use and Occupation agreements are used mainly in the Social Rented Sector (SRS).

Occupation orders

When someone is a victim of domestic 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.

Mesne profits

When a former tenant remains in a property after the tenancy has been terminated, the landlord can charge for continued use of the premises. These payments are known as Mesne profits.

The amount payable is generally the same amount of rent the former tenant paid. Mesne profits do not count as rent payments and as such the landlord is not creating a tenancy agreement by accepting the payments.

These claimants are treated as not liable for housing costs.
Verification/evidence of the housing costs is still required.

Where a landlord grants permission they may do so by way of a license.

Property guardian

A property guardian is someone who has entered into an agreement to live in an empty building or part of an empty building for the purpose of securing and keeping the property safe.

Generally, the properties are commercial or industrial buildings and not intended to be used as residential accommodation.

The cost of living in the building may be lower than the rent for a similar sized property and the license agreement provides less long term commitments as in a typical tenancy agreement.

The license will set out the terms for paying rent and in Universal Credit these arrangements are treated as in the private rented sector.

Liable Person not making rent payments

A claimant may be treated, as liable for paying the rent at a property where their name is not on the tenancy agreement, such as where 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.