

# Rent agent tells landlords to avoid DSS tenants

By PAT BRAMLEY

PRIVATE landlords can saddle themselves with trouble if they accept a tenant on social security, warns a letting agent this week.

Philip Suter is a former council member of the Association of Residential Letting Agents and the area letting manager for the Frank Farr division of Property Leeds (UK). He says the shortage of homes provided by councils and housing associations has led to housing benefit claimants being placed in private lettings, a situation with pitfalls for both landlord and tenant.

The agent issued a 650-word 'personal comment' this week in which he claims landlords run the risk of unpaid rent and may have to wait up to four months at the end of the tenancy and pay hundreds of pounds in legal costs to get the property back. Also tenants may be prejudicing their chance of getting a council house.

Philip Suter told the Bucks Free Press he turns down DSS applicants on behalf of his clients unless the landlord specifically welcomes them or an existing tenant falls on hard times during a tenancy.

His statement reads: "When you look through the Accommodation to Let sections of many local papers you can often see agents stating 'DSS welcome' or 'Housing Benefit Claimants welcome.'

"Unfortunately, a lot of agents

(including ones who are relatively new to the letting market) do not know some of the pitfalls that can affect both landlord and agent.

"Although the fact that a local authority will be paying rental, it is not guaranteed.

"If it is your intention to take out Legal Protection insurance, in the event of a claim the insurance company will probably not pay up unless satisfactory references were taken up prior to the tenancy commencing. If the tenant was unemployed at the commencement of the tenancy then obviously they would not be able to have financial references taken up on them.

"At the end of the tenancy when the landlord wants the property back he/she could have great difficulties. The tenant would probably want to co-operate and move out, but by doing so would make himself/herself intentionally homeless. He/she would be advised by the local council to remain because if the tenant left then he/she would be homeless and the council would not be under an obligation to re-house.

"The Department of Environment state that a Notice to Quit should suffice for the tenant to take to the local authority to become re-housed. "Unfortunately it appears that most local authorities

are still insisting on a court order. This can take three/four months to obtain and can cost several hundred pounds in legal fees. If there were no financial references at the beginning then the legal protection insurance would be invalid.

"If the rental is paid by the local authority direct to the landlord or agent the local authority will make the receiving body sign a form stating that they must repay any overpayments.

"The DSS sends the paperwork through to the local authorities who pay the Housing Benefit.

"If the DSS finds out that the tenant has started working again or they have paid over rent when they shouldn't have done they can claim this back. It can take up to a few weeks for the DSS to communicate with the local authority and consequently the landlord or agent could be asked to return two/three months' rent. Sometimes this could be after the tenancy has expired and you don't have a current forwarding address for your tenant.

"If the housing benefit is paid to the tenant and the tenant decided not to pay this to the landlord there is nothing the local authority can do about it."

The agent says an insurance company might pay up if the tenant has to claim housing benefit in the middle of a tenancy due to redundancy or ill health.

But he points out: "At the end of a 'Private Letting' the reason that the local authority will want a court order is because they are legally bound to re-house a tenant.

"The tenant must be homeless and if he/she goes without consulting the local authority he/she could be classified as being intentionally homeless. This situation is not fair on landlords or tenants. Some authorities will guarantee a deposit but at the end of the day it appears that bureaucracy especially in relation to Notices to Quit is holding things back."

●Paul Ricketts, health and housing manager for Wycombe District Council, said his department usually insisted on a court order before regarding a tenant as homeless

"The trouble is you get people coming in off the street saying 'I'm homeless, I've got a Notice to Quit' - and you never see them again.

"Obviously there are cases when we accept that someone is about to be made homeless - take the hypothetical example of a caretaker employed by the public sector and the premises are being closed down.

"The problem with the long delay over court orders is because of the months it can take to get responses from the all the people you have to contact to investigate the situation - banks, employers, building societies - it's that that takes the time."

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