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CHARTERED ACCOUNTANTS



A Guide to the Renters' Rights Act

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Introduction

The Renters' Rights Act is set to transform the legal rights of renters and the obligations placed on landlords.

It introduces a new set of regulations that landlords will need to comply with.

This guide is intended for landlords and property investors and outlines what the Renters' Rights Act will change, how these changes may affect you and what steps you may need to take.

The biggest changes to renters' rights in a generation

The Government has described the Renters' Rights Act as the most significant increase to the rights of private renters in a generation.

The aim is to support renters and their families who may be concerned about their current tenancy arrangements and the condition of their rented homes, as well as to help prospective tenants secure housing more easily.

Although the regulations will be phased in, it is essential that you understand the Renters' Rights Act and begin preparing ahead of time.

What are the key changes in the Renters' Rights Act?

The Act introduces a major set of reforms that increase tenant rights and expand landlord responsibilities.

Abolishing no-fault evictions

One of the most significant changes is the abolition of Section 21 of the Housing Act 1988, which allows landlords to remove tenants without providing a reason, once a notice has been served and court order has been acquired.

Under the Act, landlords will no longer be able to use Section 21. Instead, they will be required to provide a valid reason for seeking possession, and these reasons must fall within the grounds set out in Section 8 of the Housing Act 1988. Grounds for possession under Section 8 include:

- Persistent rent arrears.
- Anti-social behaviour.
- Wishing to sell the property.

If you intend to sell your property, you must give tenants four months' notice to allow them adequate time to secure alternative accommodation.

The Government has confirmed that Section 21 will be abolished from 1 May 2026. Until commencement, you may still be able to serve a Section 21 notice.

If a tenant does not leave by the expiry of a valid notice, you may apply to the court for a possession order, but only within the period permitted after commencement. After that deadline, no further Section 21 applications can be made.

The removal of Section 21 represents a major shift for both landlords and tenants. Landlords will have a legal duty to give clear, lawful reasons for seeking possession.

While this may result in more disputes, following the new legal process should make possession claims more straightforward.

Introduction of periodic tenancies to replace fixed-term assured tenancies

The Act will also introduce structural changes to tenancy agreements.

All assured tenancies will become periodic, operating either on a week-to-week or month-to-month basis depending on the rent payment frequency.

Again, ending an assured tenancy will require landlords to rely on the grounds in Section 8 of the Housing Act 1988.

Fixed-term assured tenancies will no longer be used. Existing fixed-term agreements will convert into periodic tenancies before the end of their term.

Tenants will be required to give landlords two months' notice if they wish to leave the property.



Changes to rent increases and bidding wars

The Act also introduces reforms to rent increases and the renting process from 1 May 2026.

These reforms include:

- Rent increases limited to once a year, with any increase required to reflect the current market level.
- Tenants having the right to challenge rent increases they consider excessive.
- Landlords being prohibited from demanding large upfront rent payments before the tenancy begins.
- Landlords being prohibited from accepting rent higher than the advertised amount, to prevent bidding wars.

Landlords may be concerned about reduced flexibility to maximise income, as any additional revenue must come through annual rent adjustments alone.

Councils across England will be legally responsible for overseeing and implementing these new rights, with enhanced enforcement powers to ensure they are properly upheld and complied with.

These include fines of up to £7,000 for breaches, rising to £40,000 where a landlord repeatedly breaches the rules or commits a serious offence.

Tenants and local authorities will also be able to seek rent repayment orders, requiring landlords to repay rent where offences have been committed.

Updates to discriminatory behaviour

The Act provides clarity on discriminatory actions and strengthens protections for tenants, as follows:

- **Ending discrimination against tenants' circumstances**

  The Act emphasises fairness and equal opportunity. As a landlord, you must not refuse a tenancy because a prospective tenant has children or receives benefits.

  You may still carry out legitimate checks to assess suitability, but you must ensure circumstances such as family status or benefit status do not form the basis of refusal.

  Failing to treat tenants fairly can result in fines from local authorities and can lead to further disputes, so it is important to follow the regulations.

- **Tenants having pets in the property**

  The Act provides clarification regarding tenants' ability to keep pets. Landlords must consider requests for pets and cannot refuse them outright. If you decline a request, you must provide a clear and reasonable justification. Tenants may challenge refusals they consider unfair.

  The Act recognises that property damage is a concern and allows landlords to require the tenant to obtain pet insurance to cover potential damage. This protects your interests, while allowing tenants the opportunity to keep pets.

- **The introduction of new services to help landlords**

  The Renters' Rights Act also introduces measures to support landlords in understanding their obligations and resolving disputes more efficiently.

Creation of a private rented sector database

The Act provides for a private rented sector database, which landlords will need to register with.

The purpose of the database is to:

- Increase transparency in the rental market.
- Support local authorities in addressing criminal landlords.
- Provide landlords with legal and compliance information.

Landlords will need to:

- Register themselves and each rental property.
- Keep information updated.
- Register before advertising any rental property.

A service fee is expected, although the details have not yet been finalised. Work on the database is expected to begin in late 2026.

Introduction of the Private Rented Sector Landlord Ombudsman

The Act will introduce a dedicated Ombudsman to help resolve disputes between landlords and tenants.

The Ombudsman's responsibilities will include:

- Resolving disputes when tenants make complaints.
- Investigating complaints.
- Setting out proposed resolutions.
- Promoting regulatory standards.
- Supporting landlords in understanding compliance.

The Ombudsman's decisions will aim to be fair, impartial and efficient. Enforcement mechanisms are expected to work alongside local authority powers rather than through the Ombudsman directly.

The Ombudsman is expected to be rolled out in phases, beginning in late 2026 and completing in 2028.

Increased powers for local authorities

The Act significantly expands the powers of local councils and housing authorities to enforce landlord compliance.

New investigatory powers will allow authorised officers to:

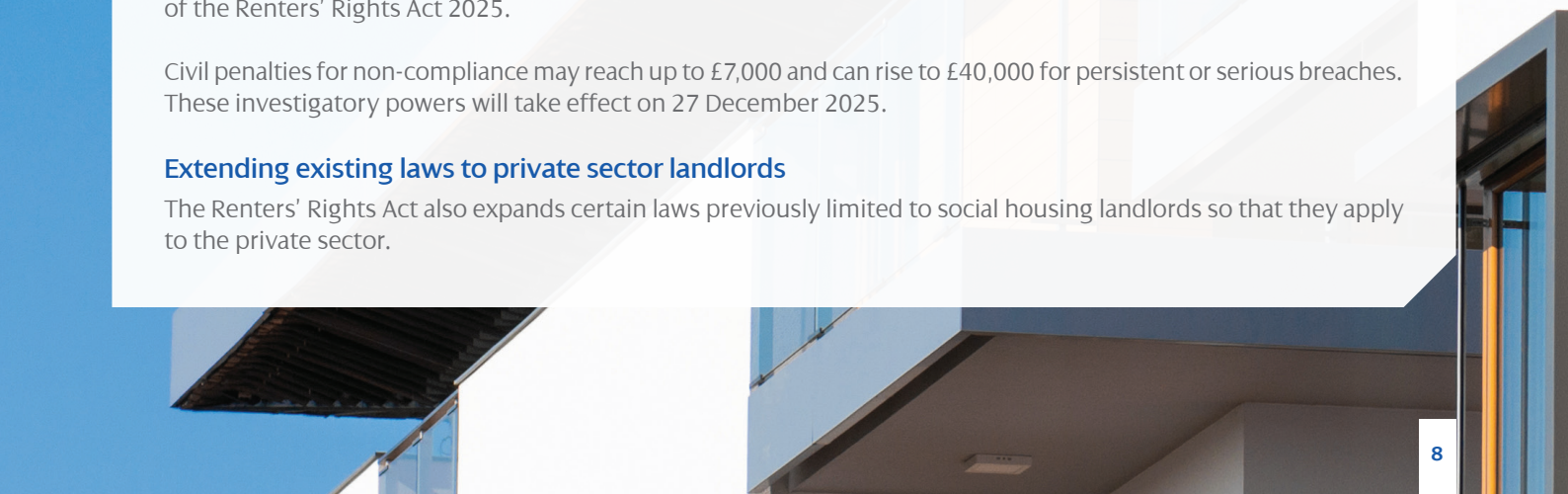
- Enter business premises to seize documents.
- Request information from organisations.
- Enter residential properties where legally authorised.

Councils must write to the individual under investigation and specify that the request is made under Section 114 of the Renters' Rights Act 2025.

Civil penalties for non-compliance may reach up to £7,000 and can rise to £40,000 for persistent or serious breaches. These investigatory powers will take effect on 27 December 2025.

Extending existing laws to private sector landlords

The Renters' Rights Act also expands certain laws previously limited to social housing landlords so that they apply to the private sector.



The Decent Homes Standard

The Decent Homes Standard sets out minimum housing quality requirements. Its extension to private landlords is intended to improve safety and reduce poor-quality homes.

Landlords may need to undertake improvements to comply, including meeting Housing Health and Safety Rating System (HHSRS) requirements.

The Government held a consultation on potential reforms in September 2025, so further updates may follow.
The Standard is expected to be introduced to the private sector between 2035 and 2037.

Awaab's Law

Awaab's Law, introduced to social housing in October 2025, will later apply to private landlords.

It requires landlords to:

- Investigate emergency hazards (such as gas leaks, carbon monoxide leaks, a broken boiler) within twenty-four hours.
- Investigate significant hazards such as damp and mould within ten working days.
- Ensure homes are made safe within five working days after an investigation concludes.
- Provide tenants with a written summary within three working days.

Exact commencement dates for private landlords have not yet been confirmed, so it is important to stay updated.



Take action now to prepare

Although the Renters' Rights Act is now law, many of the new regulations will be introduced in stages.

Understanding the Act, reviewing your properties, contracts and procedures and preparing early will help ensure compliance.

Our team is here to support you so that you understand your responsibilities under the Renters' Rights Act and feel confident in implementing the necessary changes.

Preparation is essential, as the reforms will significantly reshape the private rental sector. Get in touch with us to ensure you are ready.

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