



Leasehold Reform (Ground Rent) Act 2022

2022 CHAPTER 1

Enforcement

8 Enforcement authorities

- (1) Every local weights and measures authority in England or Wales—
 - (a) must enforce section 3 in its area, and
 - (b) may enforce that section elsewhere in England or Wales.
- (2) A district council that is not a local weights and measures authority may enforce section 3 in England (both inside and outside the council’s district).
- (3) For the purposes of [subsection \(1\)\(a\)](#) a breach of section 3 occurs in the area in which the premises demised by the lease are located (and where the premises are located in more than one area, the breach is taken to have occurred in each of those areas).
- (4) The duty imposed and power conferred by this section are subject to [section 9\(8\)](#).
- (5) In this Act, “enforcement authority” means—
 - (a) a local weights and measures authority in England or Wales, or
 - (b) a district council that is not a local weights and measures authority.

9 Financial penalties

- (1) An enforcement authority may impose a financial penalty on a person if the authority is satisfied beyond reasonable doubt that the person has breached [section 3\(1\)](#).
- (2) The amount of the financial penalty under [subsection \(1\)](#) is to be such amount as the authority determines but—
 - (a) is not to be less than £500 (the “minimum amount”), and
 - (b) is not to be more than £30,000 (the “maximum amount”).

- (3) Where the same landlord has committed more than one breach of section 3(1) in relation to the same lease, only one financial penalty may be imposed on the landlord in respect of all of those breaches committed in the period—
 - (a) before the imposition of the penalty, and
 - (b) where a penalty has previously been imposed on the landlord for a breach of section 3(1) in relation to the same lease, after the imposition of that earlier penalty.
- (4) In subsection (3), the “landlord” includes a person who has ceased to be a landlord.
- (5) Where a person has committed one or more breaches of section 3(1) in relation to two or more leases, an enforcement authority may impose a single financial penalty on the person under subsection (1) in respect of all of those breaches.
- (6) In such a case, the amount of the penalty—
 - (a) is not to be less than the sum of the penalties that would be imposed if a separate penalty of the minimum amount were imposed on the person for each of the breaches, and
 - (b) is not to be more than the sum of the penalties that would be imposed if a separate penalty of the maximum amount were imposed on the person for each of the breaches.
- (7) For the purposes of subsection (6), the effect of subsection (3) is to be taken into account when determining the minimum and maximum amount of the penalty that could be imposed on a person for breaches of section 3(1) in relation to the same lease.
- (8) An enforcement authority may not impose a penalty on a person in respect of a breach of section 3(1) if another enforcement authority has imposed a penalty on the person in respect of the same breach.
- (9) The relevant authority may by regulations amend this section so as to change the minimum amount or the maximum amount.
- (10) The power in subsection (9) may be exercised only where the relevant authority considers it expedient to do so to reflect changes in the value of money.

10 Recovery of prohibited rent by enforcement authority

- (1) Subsection (2) applies where an enforcement authority is satisfied on the balance of probabilities that—
 - (a) a tenant has made a payment of a prohibited rent under a regulated lease, and
 - (b) in breach of section 3(1) all or part of the payment has not been refunded.
- (2) The enforcement authority may order any one of the following persons to pay to the tenant the amount that has not been refunded—
 - (a) the landlord under the lease at the time the payment was made;
 - (b) the landlord under the lease at the time the enforcement authority makes the order;
 - (c) where the payment was made to a person acting on behalf of the landlord under the lease, that person.
- (3) Subsection (2) does not apply if—

- (a) the tenant has made an application under section 13 for the recovery of the rent;
 - (b) an enforcement authority has previously made an order under this section in relation to the payment.
- (4) Where part or all of two or more payments of a prohibited rent made by a tenant under the same lease have not been refunded, the enforcement authority may make a single order under subsection (2) in respect of all the prohibited rent that has not been refunded.

11 Interest on amounts ordered to be paid under section 10

- (1) Where an enforcement authority orders a person to pay an amount under section 10, the authority may include provision in the order for interest to be payable on that amount in accordance with this section.
- (2) Where the amount ordered to be paid relates to a single payment of a prohibited rent, interest is payable on the amount from the day on which the payment was made until the day on which the amount is paid.
- (3) Where the amount ordered to be paid relates to more than one payment of a prohibited rent, interest is payable on so much of the amount as relates to a particular payment from the day on which that particular payment was made until that part of the amount is paid.
- (4) The rate of interest is the rate for the time being specified in section 17 of the Judgments Act 1838.
- (5) The total amount of interest payable under provision made under this section must not exceed the amount ordered to be paid under section 10.

12 Enforcement authorities: supplementary

- (1) An enforcement authority must have regard to any guidance issued by—
- (a) the Secretary of State, about the exercise of its functions under this Act in relation to a lease of premises in England;
 - (b) the Welsh Ministers, about the exercise of its functions under this Act in relation to a lease of premises in Wales.
- (2) For the investigatory powers available to an enforcement authority for the purposes of enforcing this Act, see Schedule 5 to the Consumer Rights Act 2015 (investigatory powers of enforcers etc).
- (3) In paragraph 10 of Schedule 5 to the Consumer Rights Act 2015 (duties and powers to which Schedule 5 applies), at the appropriate place, insert “section 8 of the Leasehold Reform (Ground Rent) Act 2022;”.
- (4) [The Schedule](#) contains provision about—
- (a) the procedure for imposing a financial penalty under section 9 or making an order under section 10,
 - (b) the time limits for doing so,
 - (c) rights of appeal,
 - (d) the recovery of a financial penalty imposed or an amount ordered to be paid, and

- (e) the retention of sums received.

13 Recovery of prohibited rent by tenant

- (1) Subsection (2) applies where—
 - (a) a tenant has made a payment of a prohibited rent under a regulated lease, and
 - (b) in breach of section 3(1) all or part of the payment has not been refunded.
- (2) The tenant may apply to the appropriate tribunal for an order under this section (a “recovery order”).
- (3) A recovery order is an order requiring the person specified in the application to pay to the tenant, before the end of the period of 28 days beginning with the day after that on which the order is made, the amount of prohibited rent that has not been refunded.
- (4) The persons who may be specified in the application are—
 - (a) the landlord under the lease at the time the payment was made,
 - (b) the landlord under the lease at the time the application is made, or
 - (c) where the payment was made to a person acting on behalf of the landlord under the lease, that person.
- (5) Where part or all of two or more payments of a prohibited rent made by a tenant under the same lease have not been refunded, the appropriate tribunal may make a single recovery order in respect of all the prohibited rent that has not been refunded.
- (6) The appropriate tribunal may not make a recovery order if an enforcement authority has made an order under section 10 in respect of the prohibited rent that has not been refunded.
- (7) This section is without prejudice to any other remedy available to the tenant for recovering a payment of a prohibited rent.

14 Interest on amount ordered to be paid under section 13

- (1) Where the appropriate tribunal orders a person to pay an amount under section 13, the appropriate tribunal may include in the order provision for interest to be payable on the amount in accordance with this section.
- (2) Where the amount ordered to be paid relates to a single payment of a prohibited rent, interest is payable on the amount from the day on which the payment was made until the day on which the amount is paid.
- (3) Where the amount ordered to be paid relates to more than one payment of a prohibited rent, interest is payable on so much of the amount as relates to a particular payment from the day on which that particular payment was made until that part of the amount is paid.
- (4) The rate of interest is the rate for the time being specified in section 17 of the Judgments Act 1838.
- (5) The total amount of interest payable under provision made under this section must not exceed the amount ordered to be paid under section 13.

15 Application to appropriate tribunal as to effect of section 7

- (1) The landlord or tenant under a regulated lease may apply to the appropriate tribunal for a declaration as to the effect of section 7 on the terms of the lease.
- (2) If, on an application under subsection (1), the appropriate tribunal is satisfied that the terms of the regulated lease include a term for the reservation of a prohibited rent, the appropriate tribunal must make a declaration as to the effect of section 7 on the terms of the lease.
- (3) An application may be made under subsection (1) in respect of two or more regulated leases where—
 - (a) the landlord under each of the leases is the same person, and
 - (b) the application is made by—
 - (i) the landlord, or
 - (ii) the tenant under one of the leases with the consent of the tenant under each of the other leases,

(and in the case of such an application references in subsections (1) and (2) to the lease are to be read as references to each of the leases in respect of which the application is made).
- (4) For the purposes of this section, the terms of a regulated lease include the terms of any contract relating to the lease.
- (5) Where the tenant is the registered proprietor of the leasehold estate relating to the lease—
 - (a) the landlord must, if the appropriate tribunal so directs, apply to the Chief Land Registrar (and pay the appropriate fee) for the declaration to be entered in the registered title;
 - (b) the tenant may apply to the Chief Land Registrar (and pay the appropriate fee) for the declaration to be entered in the registered title.

16 Assistance

- (1) An enforcement authority may help a tenant—
 - (a) to make an application under section 13 for a recovery order;
 - (b) to make an application under section 15 for a declaration as to the effect of section 7 on the terms of a regulated lease (within the meaning of those sections);
 - (c) to recover an amount that the appropriate tribunal orders to be paid under a recovery order.
- (2) For example, the enforcement authority may help by conducting proceedings or giving advice.

17 Interpretation of enforcement provisions

- (1) For the purposes of sections 13 to 16 and [the Schedule](#), the “appropriate tribunal” is—
 - (a) in relation to a lease of premises in England, the First-tier Tribunal;
 - (b) in relation to a lease of premises in Wales, a leasehold valuation tribunal.
- (2) In sections 10, 13 and 16, references to a tenant include—
 - (a) a person acting on behalf of a tenant,

Status: This is the original version (as it was originally enacted).

- (b) except in relation to section 16(1)(b), a person who has guaranteed the payment of rent by a tenant, and
- (c) except in relation to section 16(1)(b), a person who has ceased to be a tenant.