Update: Legal Changes for English Residential Property Landlords

The UK Renters' Rights Act 2025 is now law, introducing the most significant changes to English residential housing rules in over 30 years. As your banking partner, we are writing to ensure you are aware of these rules. They may affect your UK property investments, rental income streams, and any buy-to-let financing arrangements you hold with us.

The core changes took effect on 1 May 2026. Please review how these updates impact your portfolio.

Key Changes to UK Rental Law

1. End of Fixed-Term Tenancies

- All standard residential tenancies in England are now **assured periodic tenancies** with fixed term assured shorthold tenancies being abolished
- The new tenancy agreements roll from month to month with no fixed end date.
- Tenants can end the tenancy at any time by giving **two months' written notice**.

2. Abolition of "No-Fault" Evictions

- You can no longer evict a tenant using a Section 21 of the Housing Act 1988, commonly known as 'no fault evictions'.
- You can only reclaim your property under specific legal grounds, such as selling the property, moving into it yourself, or if the tenant fails to pay rent (the tenant must be in arrears for at least 3 months).
- These specific grounds cannot be used during the first 12 months of the tenancy.

3. Stricter Rent Rules and Bidding Bans

- Rent increases are strictly limited to **once every 12 months**.
- You must give tenants at least **two months' notice** before any rent increase.
- "Rental bidding wars" are illegal; you cannot accept or encourage offers above the advertised price.
- You cannot request more than **one month's rent in advance**
- Private shared housing (houses in multiple occupation) accommodating three or more full-time students remains subject to the Act, but the landlord has a specific right to recover possession to relet the premises at the end of the academic term

4. New Tenant Protections and Anti-Discrimination Laws

- It is illegal to reject or discourage prospective tenants because they have **children** or receive **state benefits**.
- This ban includes withholding property details, blocking viewings, or refusing a tenancy based on these criteria.
- Landlords have **28 days** to consider a tenant's request to keep a **pet** and must provide valid legal reasons if refusing.
- Local councils have stronger enforcement powers, including property inspections and increased financial penalties for non-compliance, these include a fine of up to £7,000 [1]for severe property hazards which can scale to £40k for repeated or major offenses.

5. Exemptions

- These new rules do **not** apply to holiday lets, business lets, long leases (over 21 years), or high-rent tenancies where the annual rent is **£100,000 or more**.

6. Future Requirements (Up to 2030)

- A mandatory Private Rented Sector (PRS) database and Landlord Ombudsman will be introduced.

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[1]

- Although separate to the Renters Rights Act, by 2030, all privately rented homes must meet higher energy standards (**EPC rating of C or equivalent**).

Required Actions for Landlords

If you own or manage rented residential property in England, you must act on the following:

- **Review Financing Agreements**: Check your mortgage or loan agreements with us. Ensure your updated tenancy structures do not breach your borrowing terms.
- **Update Your Documents**: Remove any fixed-term or index-linked rent review clauses from future tenancy agreements.
- **Verify Tenant Communication**: Ensure your UK letting agent has issued the mandatory government information sheet to your tenants. The legal deadline for existing tenancies was **31 May 2026**. If you have not already done so, you may already be exposed to a penalty.
- **Adjust Screening Processes**: Ensure your tenant screening process does not automatically exclude families with children or individuals receiving state benefits

Contact Us

If you have any questions about your property accounts, mortgages, or buy-to-let financing, please contact your relationship manager

Disclaimer

This communication is for informational purposes only to help you manage your relationship with the bank. The bank does not provide tax, legal, or regulatory advice. The Renters' Rights Act 2025 is a complex piece of UK legislation, and its application varies depending on your specific circumstances. You must seek independent external legal and tax advice to ensure your properties and rental practices comply fully with the new laws. The Bank accepts no liability for any loss arising from reliance on this summary.

You are receiving this communication because our records indicate you hold a buy-to-let lending secured on UK residential property