



**Generation  
Rent**

**TOGETHER WE CAN  
END UNFAIR  
EVICTIONS**

24<sup>th</sup> August 2023

Dear CEO,

**Eviction of tenants of repossessed landlords – open letter to mortgage lenders**

Given the rising numbers of repossessions of landlords by mortgage lenders, I am writing to find out what your institution's policy is on repossessing the properties of insolvent landlords and evicting the tenants, and to request a meeting to understand how such tenants could be protected during this period of uncertainty in the mortgage market. Due to the significant public interest in this area, we will be making the text of this letter, which we are sending to all major mortgage lenders, public on the Generation Rent website.

We know that lenders have a right to evict the tenant of homes they repossess from landlords, using Section 21 or Section 8 Ground 2 of the Housing Act. However, I am sure you are aware that eviction resulting from the actions of someone else is a very disruptive act with often severe consequences for the tenant that should be avoided wherever possible.

A no-fault eviction results in stress for the tenant, particularly when rents have been rising as they have been. Finding a new, affordable place to live can drag tenants away from their workplaces, families and schools. We estimate that the upfront costs of moving for the typical private renter household is £1700, which they must often borrow to meet. Many evicted tenants end up homeless and living in temporary accommodation. Someone's home is the foundation of their life; taking it away so easily can have devastating consequences for them and their families.

We know from UK Finance that there are approximately 2 million buy-to-let mortgages in the UK. The sharp rise in interest rates has put many of them under significant financial pressure, with the Bank of England estimating that by the end of 2025, 40% of those mortgages could face mortgage costs of more than 80% of the rent being received.

On 10 August, UK Finance reported that lenders repossessed 440 buy-to-let properties in the second quarter of 2023, while a further 2000 landlords are more than 10% behind on their balance. We can only expect that more properties will be in this position, and we believe that lenders have a moral obligation to ensure that these tenants can stay in their homes.

The Government and lenders have already agreed measures to provide forbearance to owner occupiers, including the ability to pay their mortgage on an interest-only mortgage for a period. Such steps are less useful for landlords who are often on interest-only mortgages already. It therefore seems likely that landlords behind on mortgage payments are at a higher risk of repossession and there is nothing their tenants can do about it.

I would like to know what your institution is doing to prevent tenants from losing their homes if their landlord is repossessed, and if you have a policy of acting as or appointing a receiver of rent to allow tenants to stay in their homes and carry on with their lives.

Yours sincerely,

*Ben Twomey*

**Ben Twomey**  
Chief Executive  
Generation Rent