Commonhold and Leasehold Reform Act 2002

2002 CHAPTER 15

PART 2

LEASEHOLD REFORM

CHAPTER 5

OTHER PROVISIONS ABOUT LEASES

Forfeiture of leases of dwellings

167   Failure to pay small amount for short period

(1) A landlord under a long lease of a dwelling may not exercise a right of re-entry or forfeiture for failure by a tenant to pay an amount consisting of rent, service charges or administration charges (or a combination of them) ("the unpaid amount") unless the unpaid amount—

    (a)   exceeds the prescribed sum, or

    (b)   consists of or includes an amount which has been payable for more than a prescribed period.

(2) The sum prescribed under subsection (1)(a) must not exceed £500.

(3) If the unpaid amount includes a default charge, it is to be treated for the purposes of subsection (1)(a) as reduced by the amount of the charge; and for this purpose "default charge" means an administration charge payable in respect of the tenant's failure to pay any part of the unpaid amount.

(4) In this section "long lease of a dwelling" does not include—

    (a)   a tenancy to which Part 2 of the Landlord and Tenant Act 1954 (c. 56) (business tenancies) applies,

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    (b)   a tenancy of an agricultural holding within the meaning of the Agricultural Holdings Act 1986 (c. 5) in relation to which that Act applies, or

    (c)   a farm business tenancy within the meaning of the Agricultural Tenancies Act 1995 (c. 8).

(5) In this section—

    "administration charge" has the same meaning as in Part 1 of Schedule 11,

    "dwelling" has the same meaning as in the 1985 Act,

    "landlord" and "tenant" have the same meaning as in Chapter 1 of this Part,

    "long lease" has the meaning given by sections 76 and 77 of this Act, except that a shared ownership lease is a long lease whatever the tenant's total share,

    "prescribed" means prescribed by regulations made by the appropriate national authority, and

    "service charge" has the meaning given by section 18(1) of the 1985 Act.