

Thousands more leaseholders to get money back

- Over 20,000 leaseholders helped by CMA's investigation to date.
- Interim CMA CEO: "People now have a new lease of life, freed from issues like costly doubling ground rent terms".

The Competition and Markets Authority (CMA) has secured undertakings from 9 companies that bought freeholds from leading housing developer Taylor Wimpey. A further 4 national developers – Crest Nicholson, Redrow, Miller Homes and Vistry – have also agreed to work with the companies who purchased their freeholds to remove doubling terms. The move will impact over 5,000 households throughout the UK, with many who paid a doubled rent receiving a refund.

All 9 firms must now remove problematic contract terms that cause ground rents to double in price every 10 years. These terms can lead to people being trapped in homes they cannot sell or mortgage. The firms will also remove contract terms which were originally doubling clauses, but were converted so the ground rent increased in line with the Retail Price Index (RPI). The CMA believes that the original doubling clauses were unfair and should therefore have been fully removed – not replaced with another term that still increases the rent.

This action brings the total number of homeowners that have benefitted from the CMA's investigation to over 20,000.

All affected leaseholders will now see their ground rents remain at the original amount – i.e. when the property was first sold – and this will not increase over time. The 9 freeholders have also agreed to refund residential leaseholders who had already paid out under doubled ground rent terms.

Sarah Cardell, interim Chief Executive of the CMA, said:

For years leaseholders have been plagued by what we believe are unfair practices. That's why we sought to tackle the problem by launching action against some of the biggest names in the business.

As a result of our work, over 20,000 people now have a new lease of life, freed from issues like costly doubling ground rent terms.

Secretary of State for Levelling Up Greg Clark said:

This is good news that will see thousands of leaseholders get the refunds they are entitled to.

Levelling up home ownership and creating a fairer, more transparent

leasehold system is a top priority for this government, and these agreements are an example of this in action.

We will work with the CMA to continue challenging industry on its practices, so we can ensure more leaseholders get the fair deal they deserve.

Since 2019, the CMA has sought to tackle issues around the possible mis-selling of leasehold homes and contract terms it believes are unfair. Its investigations involving 7 leading housing developers – and businesses who purchased freeholds from these firms – have led to landmark changes:

- August 2022: 9 businesses who purchased freeholds from Taylor Wimpey commit to remove problematic doubling terms. Developers Crest Nicholson, Miller Homes, Redrow and Vistry agree to help remove doubling terms from leasehold contracts they sold on.
- March 2022: [15 businesses who bought freeholds from Countryside](#) remove doubling ground rent terms.
- December 2021: [Taylor Wimpey](#) removes doubling ground rent terms, and RPI-based terms that were originally doublers, from all its contracts.
- September 2021: [Countryside Properties](#) removes doubling ground rent terms in relation to freeholds it owns.
- June 2021: [Persimmon](#) offers leasehold house owners the opportunity to buy the freehold of their property at a discounted price that better reflects what they expected when they originally bought their home.
- June 2021: [Aviva](#) removes doubling ground rent terms in relation to freeholds it bought.

As the investigation moves into the final stages, the CMA is engaging with additional firms, including the Abacus Land and Adriatic Land investment group, which bought freeholds from Taylor Wimpey.

Notes to editors

1. The undertakings have been provided to the CMA voluntarily and without any admission of wrongdoing or liability. It should not be assumed that any of the 9 businesses have breached the law – only a court can decide whether a breach has occurred.
2. Crest Nicholson, Redrow, Miller and Vistry are cooperating with the CMA by working with freeholders to remove doubling clauses from their leases. Vistry PLC includes Galliford Try, Linden and Bovis Homes, which it acquired in 2020.
3. The 9 businesses who purchased freeholds from Taylor Wimpey and have provided undertakings are: a) BDP Freehold Limited; b) Mortgage Incentive Funds Limited; c) The Bridges (Darlington) Management Company Limited; d) Bessant Properties Limited; e) Brigante Properties Limited; f) Furatto Limited and Long Term Reversions No 1 Limited; g) SF Ground Rents No18 Limited, SF Ground Rents No 15 Limited and RMB 102 Limited; h) Sarum Properties Limited; i) Taylor Court Limited

4. The businesses who purchased freeholds from Taylor Wimpey and have not provided undertakings yet are listed below. The CMA is continuing to engage with these firms: a) Island Apartments Freehold Limited; b) Madison Close Freeholders Limited; c) Elmdon Real Estate LLP; d) Abacus Land 1 (Holdco 1) Limited, Abacus Land 4 Limited and Adriatic Land 1 (GR3) Limited (part of the Abacus Land and Adriatic Land investment group); e) Plaza 2 Surbiton Limited
5. Following our [update on 18 March 2022](#), the CMA has now concluded its discussions with 2 remaining freeholders who had purchased Countryside leases. Freeholders D.A.T.S. (Holdings) Limited and Wallace Estates Limited have now both given similar commitments to make changes for the benefit of leaseholders.
6. The main provisions of consumer protection legislation relevant to the CMA's concerns about ground rent terms are the Unfair Terms in Consumer Contracts Regulations 1999 (UTCCRs), for contracts entered into before 1 October 2015, and Part 2 of the Consumer Rights Act 2015 (CRA), for contracts entered into on or after 1 October 2015. The UTCCRs and Part 2 of the CRA aim to protect consumers against unfair contract terms, and require contract terms to be fair and transparent.
7. All enquiries from journalists should be directed to the CMA press office by email on press@cma.gov.uk or by phone on 020 3738 6460.
8. All enquiries from the general public should be directed to the CMA's General Enquiries team on general.enquiries@cma.gov.uk or 020 3738 6000.