
*Our
Referencing
Criteria*

OUR PRODUCT CRITERIA

We have created a set of rules and guidelines for you to use and refer to which should hopefully assist you when speaking with potential tenants, to assess their suitability or to understand what documentation or additional information is required before a reference check can be completed. Please remember we are here to keep your business safe.

However we like to look at each application on its individual merits, considering all the information that we have available in order to make the best decision for you, the landlord and the tenant using our expertise and knowledge built up over many years. So if you have any scenarios or circumstances that you wish to talk through then just give us a call and we can agree the best way forward.

In order to make our recommendation, we look at the following:

- **Affordability**
- **Credit and Fraud Information**
- **Income**
- **Rental History**

This gives us a lot of information from which to make a decision that we are confident in. This handbook provides you with information on each of these aspects in specific sections so that you can easily find what you are looking for.

The table on the next page provides a general summary of our decision-making criteria at a glance. We hope you find it useful but please remember it is not exhaustive and is intended as a guide – further detail is provided throughout this criteria guide.

*Everything you
need to know
about our
referencing
rules*

		Applicant Type						
Referencing checks		Employed	Self-employed	Unemployed	Student	Pensioner/retired	Outcome	
	Credit and Fraud	No adverse credit information or one declared CCJ totalling up to £300 No fraud indicators, and applicant authenticated	No adverse credit information or one declared CCJ totalling up to £300 No fraud indicators, and applicant authenticated	No adverse credit information or one declared CCJ totalling up to £300 No fraud indicators, and applicant authenticated	No adverse credit information or one declared CCJ totalling up to £300 No fraud indicators, and applicant authenticated	No adverse credit information or one declared CCJ totalling up to £300 No fraud indicators, and applicant authenticated	No adverse credit information or one declared CCJ totalling up to £300 No fraud indicators, and applicant authenticated	Accept (Please note all Credit, Fraud, Income and Rental criteria must be met)
	Income	Meets our 2.5 affordability criteria Permanent contract or zero hours/temporary contract if employed for more than 12 months Income verified by employer (not related to applicant) Additional employment allowances (such as housing allowance, car allowance, anti-social hours etc) can be considered but must be confirmed in writing by the company	Meets our 2.5 affordability criteria Self-employed for one year or more Either: • Reference from accountant registered with a professional body for the most recent financial year; or • Most recent year's audited accounts	Meets our 2.5 affordability criteria through the receipt of benefits (excluding Jobseeker's Allowance and Child Benefit)	Meets our 2.5 affordability criteria assessed on the basis of 125% of their government funding for living expenses	Meets our 2.5 affordability criteria Either: • pension statement/slip provided (monthly or annual, private and state); • P60 provided (most recent); or • proof of long-term savings or private income		
	Rental	Dates of tenancy match Rent paid on time and in full every month Applicant hasn't caused any damage above wear and tear Landlord would rent to the applicant again	Dates of tenancy match Rent paid on time and in full every month Applicant hasn't caused any damage above wear and tear Landlord would rent to the applicant again	Dates of tenancy match Rent paid on time and in full every month Applicant hasn't caused any damage above wear and tear Landlord would rent to the applicant again	Dates of tenancy match Rent paid on time and in full every month Applicant hasn't caused any damage above wear and tear Landlord would rent to the applicant again	Dates of tenancy match Rent paid on time and in full every month Applicant hasn't caused any damage above wear and tear Landlord would rent to the applicant again		
	Credit and Fraud	Up to two declared CCJs totalling over £300 but under £5,000 Declared bankrupt or active IVA Applicant not authenticated, or some fraud indicators present e.g. undisclosed addresses	Up to two declared CCJs totalling over £300 but under £5,000 Declared bankrupt or active IVA Applicant not authenticated, or some fraud indicators present e.g. undisclosed addresses	Up to two declared CCJs totalling over £300 but under £5,000 Declared bankrupt or active IVA Applicant not authenticated, or some fraud indicators present e.g. undisclosed addresses	Up to two declared CCJs totalling over £300 but under £5,000 Declared bankrupt or active IVA Applicant not authenticated, or some fraud indicators present e.g. undisclosed addresses	Up to two declared CCJs totalling over £300 but under £5,000 Declared bankrupt or active IVA Applicant not authenticated, or some fraud indicators present e.g. undisclosed addresses	Accept with guarantor or with condition	
	Income	Meets our minimum 1 affordability criteria Zero hours/temporary contract if employed less than 12 months, no contract, volunteers Additional employment allowances (such as housing allowance, car allowance, anti-social hours etc) can be considered but must be confirmed in writing by the company	Meets our minimum 1 affordability criteria Self-employed for less than one year but more than two months Can only provide audited accounts	Meets our minimum 1 affordability criteria through the receipt of benefits (excluding Jobseeker's Allowance and Child Benefit)	No income proof required (all students without sufficient funding require a guarantor)	Meets our minimum 1 affordability criteria		
	Rental	Dates of tenancy match No rent currently outstanding Some damage, but agreement on how this cost is being covered with the landlord/letting agent	Dates of tenancy match No rent currently outstanding Some damage, but agreement on how this cost is being covered with the landlord/letting agent	Dates of tenancy match No rent currently outstanding Some damage, but agreement on how this cost is being covered with the landlord/letting agent	Dates of tenancy match No rent currently outstanding Some damage, but agreement on how this cost is being covered with the landlord/letting agent	Dates of tenancy match No rent currently outstanding Some damage, but agreement on how this cost is being covered with the landlord/letting agent		
	Credit and Fraud	CCJs totalling over £5,000 3 or more declared CCJs Non-declared adverse credit data Adverse credit at an undisclosed address Applicant has been untruthful in completing the application	CCJs totalling over £5,000 3 or more declared CCJs Non-declared adverse credit data Adverse credit at an undisclosed address Applicant has been untruthful in completing the application	CCJs totalling over £5,000 3 or more declared CCJs Non-declared adverse credit data Adverse credit at an undisclosed address Applicant has been untruthful in completing the application	CCJs totalling over £5,000 3 or more declared CCJs Non-declared adverse credit data Adverse credit at an undisclosed address Applicant has been untruthful in completing the application	CCJs totalling over £5,000 3 or more declared CCJs Non-declared adverse credit data Adverse credit at an undisclosed address Applicant has been untruthful in completing the application	Decline	
	Income	Under our minimum 1 affordability criteria	Under our minimum 1 affordability criteria Self-employed for less than two months	Under our minimum 1 affordability criteria through the receipt of benefits (excluding Jobseeker's Allowance and Child Benefit)		Under our minimum 1 affordability criteria		
	Rental	Applicant in rent arrears Damage caused above and beyond wear and tear, and/or landlord/letting agent would not rent to the applicant again.	Applicant in rent arrears Damage caused above and beyond wear and tear, and/or landlord/letting agent would not rent to the applicant again.	Applicant in rent arrears Damage caused above and beyond wear and tear, and/or landlord/letting agent would not rent to the applicant again.	Applicant in rent arrears Damage caused above and beyond wear and tear, and/or landlord/letting agent would not rent to the applicant again.	Applicant in rent arrears Damage caused above and beyond wear and tear, and/or landlord/letting agent would not rent to the applicant again.		

AFFORDABILITY

In this section we'll look at how we assess whether the applicant can afford the rental amount for the property.

Income to Rent Ratio

All applicants will be asked to specify their annual income on their application. This includes any regular bonus or commissions that will be taken into consideration. Our system automatically does an affordability check and this forms part of the decision making process on an Elite reference or is simply presented to you on an Essential reference.

We need to ensure that the applicant can afford the rent based on their income. To be acceptable this must equal 2.5 times the annual rent (or the individual's proportion of the rent). The 2.5 affordability criteria applies to both tenants and any guarantors.

Income to rent ratio	Outcome of application (subject to other checks being satisfactory)	Outcome of guarantor application (subject to all other checks being satisfactory)
Less than 1	Decline	Decline
1 – 2.49	Accept with guarantor	Decline
2.5	Accept	Accept

Quick Calculator

Annual income \div 12 \div 2.5 = what the applicant can afford or
 monthly rent \times 30 = minimum annual income required

Notes

If an applicant is short of the 2.5 affordability criteria by up to £9 per month (£108 annually), we may be able to send the report back with an Accept decision (as long as all other checks meet acceptability criteria) but will speak to you to advise before returning it. Please note there will be conditions in the notes section of the report that must be adhered to.

We want to make fair decisions and be confident we have assessed the information, and therefore the applicant, correctly. So in instances where there is a shortfall we'll consider the options with you before a decision is made.

Some of these include:

- Could the applicant provide a guarantor?
- Could the total rent be paid in advance?
- Could the rental shares be re-distributed between co-tenants?
- Could the applicant pay the shortfall in advance?
- Could the landlord consider reducing the rent?
- Could the tenancy term be reduced or changed?

We are also committed to considering any other suggestions you or your landlord have on a case by case basis.

The Affordability Table

The Affordability Table is useful if you know the rental amount and want to check whether the applicant earns enough or if you meet an applicant and they want to know how much rent they can afford based on their salary.

Tenant annual income	Monthly rent						
£4,200	£140	£18,000	£600	£31,800	£1,060	£45,600	£1,520
£4,800	£160	£18,600	£620	£32,400	£1,080	£46,200	£1,540
£5,400	£180	£19,200	£640	£33,000	£1,100	£46,800	£1,560
£6,000	£200	£19,800	£660	£33,600	£1,120	£47,400	£1,580
£6,600	£220	£20,400	£680	£34,200	£1,140	£48,000	£1,600
£7,200	£240	£21,000	£700	£34,800	£1,160	£48,600	£1,620
£7,800	£260	£21,600	£720	£35,400	£1,180	£49,200	£1,640
£8,400	£280	£22,200	£740	£36,000	£1,200	£49,800	£1,660
£9,000	£300	£22,800	£760	£36,600	£1,220	£50,400	£1,680
£9,600	£320	£23,400	£780	£37,200	£1,240	£51,000	£1,700
£10,200	£340	£24,000	£800	£37,800	£1,260	£51,600	£1,720
£10,800	£360	£24,600	£820	£38,400	£1,280	£52,200	£1,740
£11,400	£380	£25,200	£840	£39,000	£1,300	£52,800	£1,760
£12,000	£400	£25,800	£860	£39,600	£1,320	£53,400	£1,780
£12,600	£420	£26,400	£880	£40,200	£1,340	£54,000	£1,800
£13,200	£440	£27,000	£900	£40,800	£1,360	£54,600	£1,820
£13,800	£460	£27,600	£920	£41,400	£1,380	£55,200	£1,840
£14,400	£480	£28,200	£940	£42,000	£1,400	£55,800	£1,860
£15,000	£500	£28,800	£960	£42,600	£1,420	£56,400	£1,880
£15,600	£520	£29,400	£980	£43,200	£1,440	£57,000	£1,900
£16,200	£540	£30,000	£1,000	£43,800	£1,460	£60,000	£2,000
£16,800	£560	£30,600	£1,020	£44,400	£1,480	£62,400	£2,080
£17,400	£580	£31,200	£1,040	£45,000	£1,500	£63,000	£2,100

What is helpful on the Elite reference is that we check each decision that is returned as a Decline. If the applicant has been declined because they are a few pounds short of the rent each month we will assess and discuss it with you and then, if appropriate, amend the final result accordingly or apply conditions. We will endeavour to assess each application fairly.

The Affordability With Guarantor Table

The Affordability With Guarantor Table is useful if you know the applicant's income and want to understand how much rent they could afford if they can provide a suitable guarantor.

Tenant annual income	Monthly rent						
£4,200	£350	£18,000	£1,500	£31,800	£2,650	£45,600	£3,800
£4,800	£400	£18,600	£1,550	£32,400	£2,700	£46,200	£3,850
£5,400	£450	£19,200	£1,600	£33,000	£2,750	£46,800	£3,900
£6,000	£500	£19,800	£1,650	£33,600	£2,800	£47,400	£3,950
£6,600	£550	£20,400	£1,700	£34,200	£2,850	£48,000	£4,000
£7,200	£600	£21,000	£1,750	£34,800	£2,900	£48,600	£4,050
£7,800	£650	£21,600	£1,800	£35,400	£2,950	£49,200	£4,100
£8,400	£700	£22,200	£1,850	£36,000	£3,000	£49,800	£4,150
£9,000	£750	£22,800	£1,900	£36,600	£3,050	£50,400	£4,200
£9,600	£800	£23,400	£1,950	£37,200	£3,100	£51,000	£4,250
£10,200	£850	£24,000	£2,000	£37,800	£3,150	£51,600	£4,300
£10,800	£900	£24,600	£2,050	£38,400	£3,200	£52,200	£4,350
£11,400	£950	£25,200	£2,100	£39,000	£3,250	£52,800	£4,400
£12,000	£1,000	£25,800	£2,150	£39,600	£3,300	£53,400	£4,450
£12,600	£1,050	£26,400	£2,200	£40,200	£3,350	£54,000	£4,500
£13,200	£1,100	£27,000	£2,250	£40,800	£3,400	£54,600	£4,550
£13,800	£1,150	£27,600	£2,300	£41,400	£3,450	£55,200	£4,600
£14,400	£1,200	£28,200	£2,350	£42,000	£3,500	£55,800	£4,650
£15,000	£1,250	£28,800	£2,400	£42,600	£3,550	£56,400	£4,700
£15,600	£1,300	£29,400	£2,450	£43,200	£3,600	£57,000	£4,750
£16,200	£1,350	£30,000	£2,500	£43,800	£3,650	£60,000	£5,000
£16,800	£1,400	£30,600	£2,550	£44,400	£3,700	£62,400	£5,200
£17,400	£1,450	£31,200	£2,600	£45,000	£3,750	£63,000	£5,250

Please remember this is based on annual income ÷ 12 and should not be confused with The Affordability Table.

APPLICATIONS

In this section we'll take a look at the different applicants you may want us to assess, and explain what you need to consider when making an application. It is best practice to name all parties on the tenancy agreement and to assess each person individually. If your landlord wants Rent and Legal Protection cover for the property, all tenants will need to be referenced.

The following should help you determine how many applications will be needed:

Couples

A married or a civil partnership couple who are both working will require two referencing applications; each person will need to be referenced. We recommend that both applicants are referenced on Elite references.

If we are sent two separate applications we will assess both parties on the rent share specified for each applicant.

A married couple with only one person working

Again we recommend that both applicants are referenced and again each applicant will be assessed on the share of rent specified on their application. We suggest the working person should be referenced on an Elite reference and the non-working partner to be referenced using our Essential product.

A non-married couple (living together for more than nine months)

We will treat non-married couples who have been living together for at least nine months the same as married couples (as above).

A non-married couple (together less than nine months)

We recommend that each applicant be referenced on the full rental amount in case the relationship should break down. You would then be reassured that whoever stayed in the property was still able to afford the rent.

Singles And Multiple Sharers

Single individuals sharing a property must all be named as tenants on the Tenancy Agreement and must be assessed individually. You must enter the total rent for the property and state each applicant's share of the rent.

Students

Students require a UK-based guarantor to support them, unless they have government funding for living expenses. In this case we would not require a guarantor as long as the funding to rent ratio is 2.5 or above.

- Each student must be assessed individually on their share of the rent.
- If the student cannot provide a suitable UK-based guarantor, they must pay the rent for the full term of the tenancy in advance, or provide proof of Government funding for living expenses that meets the required rent ratio in order to be acceptable. We calculate this on the basis of 125% of their government funding as students are tax-exempt.
- We cannot accept payments that are received less frequently than a monthly basis.
- We cannot accept student loan payments.

Over 18s Living With Parents

We can reference anyone 16 years of age or over, but anyone 18 years of age or over who will be living in the rental property on a full-time basis should be referenced. This includes grown up children living with parents. A minimum of an Essential reference is required.

International Applicants

If you have someone who has lived in the UK for less than a year we recommend that you use the table below to help you decide which referencing product is most suitable for them. If someone is new to the UK they will not have built up a UK credit file and therefore we will not be able to locate them to check for adverse information. This means that these applicants pose a higher risk as we are often unable to verify or assess their history.

Scenario	Which product?
International applicant who has been in the UK for over 6 months and has been working for at least 6 months	Essential or Elite
International applicant who has been in the UK for over 6 months but not working	Essential or Elite as long as they claim Housing Benefit
International applicant who has just arrived in the UK to start a new job in a recognised professional post (i.e. nurse, teacher, engineer)	Elite, if we can obtain an employer’s reference
International applicant who has been in UK less than 6 months, employed, with a UK bank account	Elite
International applicant who has been in UK less than 6 months and not working	Elite – Would definitely need a UK guarantor
International student	If government funded we would require proof and that the funding covered the rent to income ratio of 2.5 or above. If not, they would need to pay the rent up front

Company Referencing

You have the ability to reference a company as opposed to an individual person if required.

All company applications are to be on an Elite Reference. The application is to be completed by you rather than the applicant and a paper company application form will need to be completed by the business wishing to let the property. Simply go to the ‘References’ section on Intrinsic and select ‘New Company Reference’. Once there you will be asked to enter a variety of information including:

- The company name
- The registered company number
- The registered address
- The trading address
- The company contact details
- The occupier details

Once you have submitted the information we will commence the referencing process and submit a final report to you within 3 working days, once the checks have been completed.

In order for a company reference to be undertaken, the business must meet the following criteria:

- A limited (Ltd) or public limited company (Plc)
- Trading for 3 years or more
- UK-based
- Risk score of 75/100 or above
- A satisfactory credit limit

GUARANTORS

We will reference a guarantor when an applicant has been referenced and the report indicates they require one. An applicant can have two guarantors if preferred, splitting the rental amount between them.

To be an acceptable guarantor, a guarantor must:

- have a good credit history
- have a monthly income of 2.5 times the monthly rental amount
- be aged 18 or over
- be a UK resident

A guarantor will be acceptable if they have one declared satisfied small CCJ (under £300) but if they have any other detrimental information then they will not be acceptable.

A guarantor does not have to be a relative of the applicant, but equally it is fine if they are. In addition, a guarantor can be a tenant themselves, but we will not need to obtain a rental reference for them.

We would usually specify that guarantors must be UK-based however, in exceptional circumstances, we may consider an overseas guarantor. This will be reviewed on a case-by-case basis, but the tenancy will not be eligible for our Eviction Service and will not qualify for Rent & Legal Protection policies.

Benefit income can be considered for guarantors as long as a minimum of 50% of their income comes from a salary or pension.

When an applicant's reference report requests a guarantor, you'll have 30 days in which to add one.

APPLICATION BASIC RULES

Applying In Advance

You can submit an application up to 60 days in advance of the tenancy start date for most applicant types. For student applicants this is extended up to 180 days.

If the applicant is currently unemployed or moving jobs, we can only reference them on the basis of their new salary if the new employment is due to start within 31 days of the tenancy start date or 62 days for recognised professions (see page 26 for our list of acceptable professions).

If the above two scenarios happen simultaneously, the new employment start date must be no more than 62 days from the date we received the employment reference.

If you choose to reference an applicant where they exceed the 62-day criteria you have two options listed below. Please note that if your business benefits from our eviction service these scenarios would not be eligible:

- payment in advance for the term of the tenancy; or
- a suitable guarantor must be obtained

The tenancy would also not be covered under our Rent & Legal Protection products.

Zero Rent Share Or Shared Rent

If the applicant is not contributing to the rent or is sharing the rent with their co-tenant(s), we will still complete the usual checks included within the type of reference you've selected (Essential or Elite). Our affordability checks, however, will only be carried out on the basis of zero rent share or the share of the rent you've indicated they will be paying. This means that, with joint and several liability, we are not confirming whether the applicant can afford the whole rent by themselves.

Validity

All final reports are valid for 60 days from when we release them.

Amendments To Reports

Amendments to reports can be made within 30 days of the first report being issued by us, should any of the information change during this time e.g rental address changes, rent share adjustments, tenancy term changes. We can reissue the report based on the updated information, however, after 30 days the report can no longer be amended.

Letter Of Consent

As part of the online application we provide the applicant with a blank letter of consent. We encourage all applicants to complete this during the application process, as it can save time later. The applicant has to download the letter and complete it by hand, and the signature on it must be hand-written and not digital. We then provide this to referees who need signed authority to release a reference.

Please encourage your applicants to complete the letter of consent, as it can cause delays to the process if we do not have it from the outset.

CREDIT INFORMATION

Our experience has shown that if an individual has failed to meet payment on their financial commitments once, they are much more likely to default again. In addition, they do still owe money and paying this back may mean they have less money available to them overall for other commitments like rent. Our approach to detrimental credit information is that honesty is the best policy, so it's important you encourage anyone applying to be honest and truthful when completing their application. Our first action, if we do find detrimental credit information, is to check if the applicant has told us about it. If they haven't then they are not being truthful.

Adverse data such as county court judgments (CCJs)/ Court decrees, Bankruptcies, Individual Voluntary Arrangements (IVAs) and Debt Relief Orders all have an effect on an application (including the Scottish Deed of Trust or Sequestrian). This section gives an overview of the meaning of these terms and gives the criteria we apply to decision making on detrimental credit and fraud information.

County Court Judgment

A CCJ is a judgment that a county court issues when someone has failed to pay money they owe. CCJs are a simple way for creditors to claim money they're entitled to. When an individual owes money to someone, they can apply to the court for a judgment (CCJ) against the individual to claim the money. The court will decide whether there is really a debt to pay.

If there is, they will issue a CCJ. This will set out how the debt should be repaid.

Individual Voluntary Arrangements

An IVA is a legal procedure for people in financial difficulty who have unsecured debts. An IVA arrangement will normally last up to five years and during this period an individual will be expected to pay what they can afford outside reasonable living costs.

Bankruptcy

To be made bankrupt a court has to issue a bankruptcy order against an individual. This can happen for three reasons:

- they apply to the court if they're unable to pay their debts and want to declare themselves bankrupt
- their creditors apply to make them bankrupt if they owe them £750 or more
- an insolvency practitioner applies to make them bankrupt because they broke the terms of the IVA.

Debt Relief Order

A debt relief order (DRO) is one way for an individual to deal with their debts if they don't own their own home, don't have much spare income, and the debts are £15,000 or less. A DRO is applied for by an individual if they decide it is the best way to manage their debts, and once confirmed it stays on an individual's credit file for six years.

If the applicant does not declare them on the application form and we find them by searching an applicant's financial history then we will not recommend them for the tenancy and they will be declined. We do not accept scenarios where the applicant thought it was a long time ago so they didn't need to declare it or where the applicant claims they did not read the question on the application.

If the applicant declares any adverse history then the applicant will be assessed accordingly. Other key factors that we will be assessing are how long the 'charge' was applied to their credit file and if it has been satisfied, how many detrimental records there were, and other trends that may be apparent.

We may ask for proof that a CCJ or IVA has been cleared and will accept a certificate of satisfaction or letter from a creditor or the court which issued the CCJ. This must include the CCJ amount, date and case number to prove the debt has been paid back.

Detrimental Credit Table

The table below details our basic decision-making for an Elite reference:

Scenario	Outcome of application (subject to other information being satisfactory)
One declared CCJ totalling £300 or less	Accept, subject to all other reference checks being satisfactory.
Up to two declared CCJs totalling £300 to £5,000	Accept with guarantor, subject to all other reference checks being satisfactory. If the CCJs total more than £5,000 the applicant would be declined.
Three or more declared CCJs	Decline.
Non-declared CCJ	Decline. There may be a scope to appeal this decision if the applicant was not aware of the CCJ. We would need them to satisfy the amount outstanding before the decision could be overturned.
Declared bankrupt or declared IVA	Accept with guarantor, subject to all other reference checks being satisfactory.
Non-Declared bankrupt/IVA	Decline.

A guarantor cannot be accepted if there is any adverse credit history that either has not been declared, or is over our threshold limit of one CCJ with a value of up to £300.

If the applicant is paying their rent in advance and has declared any detrimental data, the decision will be an Accept. The tenancy however will not be eligible for our Eviction Service and will not qualify for Rent & Legal Protection policies.

We appreciate it can often be an emotional time if the applicant has been declined because of their adverse credit history and they dispute it or deny being aware that they had detrimental credit.

If this is the case the applicant may call us and we will advise them of the adverse credit amount, date issued, case number and court name as well as providing them with contact information of the credit referencing agency who can help them satisfy the amount that they owe. They can then approach the court to obtain further details if they still dispute it or to settle it and obtain a certificate of satisfaction.

In addition, you can give the applicant the number of the Registry Trust which can provide information on the detrimental record to the applicant. The telephone number for this service is 020 7380 0133.

As always, we try to understand that sometimes there are scenarios that need additional consideration. We aim to provide a service that is based on common sense, understanding that you want to secure good tenants for your landlords as soon as possible. In the table on page 24 we outline a few potential scenarios and how we would deal with them. This isn't exhaustive though, and we look at each case based on the risk it presents to you and your landlord.

Credit Information Scenario Table

Scenario	What we would do
An applicant with one CCJ for under £300, over six months old. Applicant claims they were not aware they had a CCJ, and so didn't declare it, and it is not satisfied.	On the basis of all other references and validation checks meeting acceptable criteria, and that the CCJ was registered at an address that is not the applicant's current address, we would speak with you to agree the decision.
An applicant with any detrimental information in the last six months, that has not been declared and is registered at the current address.	We would not accept the applicant because the change to their credit file has occurred recently which is a strong indication that they could have problems meeting their financial commitments in the future. We would send a Decline final report decision after speaking with you to provide the information on their credit history.
An applicant with one CCJ for £200, declared on the application form and satisfied.	On the basis of all other references and validation checks meeting acceptable criteria, we would send an Accept final report decision.
An applicant with two CCJs within the last 12 months, declared on the application form and not satisfied.	The applicant would be acceptable with a suitable guarantor, subject to all other references and validation checks meeting acceptable criteria. However, if the total CCJ amount is over £5,000 then the applicant will be declined as this would suggest the applicant has had continuous and significant problems meeting financial commitments.
An applicant with two CCJs within the last 12 months, not declared on the application form.	The applicant would be declined. We would talk to you about whether you wanted us to conduct the remainder of the checks, but it is unlikely the applicant would pass referencing.
An applicant with three CCJs of any amount and within any timescale.	The applicant would be declined. We would talk to you about whether you wanted us to do the remainder of the checks but multiple detrimental records suggest the individual is not learning from their history, and so it is unlikely the applicant would pass referencing.
An applicant who has declared a bankruptcy on their application	The applicant would be acceptable with a suitable guarantor subject to all other references and validation checks meeting acceptable criteria. In this scenario we would consider all other aspects of the reference, and proceed with caution on the basis that having been made bankrupt, the applicant has no ability to obtain credit.
An applicant with a declared IVA on their application	The applicant would be acceptable with a suitable guarantor subject to all other references and validation checks meeting acceptable criteria. As an IVA is an ongoing financial commitment, we would look to assess how much of a financial commitment this entailed before making a final decision.

FRAUD

Applicant Name

Individuals will sometimes use a different name for a variety of genuine reasons. However, some individuals do this to try and avoid accurate credit and employment checks being carried out. We ask the applicant to confirm that the name they give on the form is their full, legal name but if we have reason to believe inaccurate information has been given then we will require copies of ID to be provided so that we can confirm their credit and employment history accurately.

Authentication

We verify the identity of the applicant using their full name and date of birth, and ensure that the applicant does exist. A score is calculated using data held on the individual's credit file. However, a low score does not necessarily indicate a problem with the applicant, it just indicates that you should carefully check their identification and proof of address.

Document Proof

In line with our Terms of Business, we encourage you to take copies of proof of residence and identity for all applicants even if they have been living abroad.

Acceptable proof of residence:

- Driving licence showing current address
- Recent utility bill (dated no longer than three months ago and not a mobile phone bill)
- Recent council tax bill (showing the applicant's name and address)
- Recent documentation confirming the applicant is receiving housing benefit or will be soon
- Letter from employer on headed paper, signed and dated
- TV licence letter
- Home service provider bill (e.g. broadband or digital TV, no older than three months)
- Current mortgage statement (correspondence address and address the mortgage applies to must be the same)
- For addresses where we have validated the landlord/ managing agent reference as part of our 'previous landlord/managing agent reference' process, a tenancy agreement signed and dated within the last 18 months can be accepted (the applicant being referenced must be a named tenant on the tenancy agreement)

This list is not exhaustive. Contact us if you have documentation that is not listed above and together we will assess if it is suitable and can be used as proof of residence. Please note that bank statements are not acceptable proof of residence as they can be sent to any address.

INCOME AND INCOME TYPES

In this section, we'll explain how we assess different types of income, and what we'll need to verify an applicant's income. There are so many ways in which people earn their income and we promise to review all income an applicant provides information on, to see if it can be considered as part of their application.

We can consider income made up from different sources, for example an applicant with more than one job or an applicant with a job and some benefit entitlement. Our referencing process allows the applicant to tell us about all of their income at the same time. Once we have obtained proof of the income, we will then itemise it on the final report so you have a full picture of the applicant's income amounts and sources.

Employment

To be acceptable without a guarantor, the applicant must have confirmed employment for the duration of the tenancy. If the applicant is currently unemployed but we are able to confirm that future employment will commence within 31 days of the tenancy start date, a guarantor will not be required.

If the applicant's employment is not due to begin until at least 32 days after the tenancy agreement start date, a guarantor will be required or the applicant may be declined.

If however, the applicant is going to commence employment (that lasts for the tenancy duration) in one of the recognised professional positions, the employment can commence up to and including 62 days after the tenancy start date without a guarantor being requested. In the table on this page we've listed the jobs we class as professional. It's not exhaustive and other professions may be considered. Anyone earning over £75,000 every year will be classed as a professional due to their high salary.

To verify future employment we will require a copy of either a signed contract or signed offer of employment letter.

Professional Jobs

Accountant (including trainee accountants)	Paramedic
Actuary	Pastor
Architect	Pharmacist (including pre-registration pharmacists)
Armed Services	Pilot
Barrister	Podiatrist
Business Analyst	Police
Chief Executive	Project Manager
Chiropractor	Physiotherapist
Chartered Engineer (has completed the necessary training and examinations)	Psychiatrist
Dentist	Radiographer
Doctor	Research Fellow
Environmental Consultant	RGN Nurse
Environmental Health Officer	Scientist
Financial Analyst	Solicitor
Fireman	Speech & Language Therapist
High Court Judge	Statistician
Hydrologist	Surgeon
Journalist	Surveyor
Lawyer	Teacher/University Lecturer
Medical Writer/Associate Medical Writer	Vet
Microbiologist	Zoologist
Optician	

To verify employment, we will attempt to take current and future references, dependant on the applicant's circumstances.

If the applicant knows they are leaving their current employer within the next six months or the initial tenancy term, they should provide future employment details.

We understand that sometimes there are circumstances that need special consideration. We aim to provide a service that is based on common sense, balancing a pragmatic approach to risk with an understanding that you want to secure tenants for your landlords as soon as possible.

Employment References

We can only accept telephone employment references provided via a landline and are unable to accept references over mobile phones. We validate that the landline number provided belongs to the stated employer. We know that some companies only have mobile numbers, and would request applicants in these circumstances encourage their employers to complete the online reference request we send to them instead.

In addition, we only accept company email addresses. This means we cannot send or accept reference requests to addresses including Gmail, Yahoo, Aol and Hotmail. If one of these is provided, we'll attempt to obtain a company email address from either the applicant or online.

Another step we take to ensure employment references are valid is to check the distance between the applicant's employer and the rental property. If the distance is over one hour's commuting time we re-check whether the applicant is changing employment in the near future, as the applicant may not have employment for the duration of the tenancy.

Headed Paper

When an employee earns over £75,000 we ask for a reference to be provided on company headed paper. In certain other scenarios we may ask to see company headed paper, for example if we are unable to validate a company's existence or there is no business phone number or email address.

Employment references



Some employment references do take longer to obtain, although we will do our best to obtain them as soon as possible. We want you to be aware of this so that you can manage expectations of both your landlord and any applicants.

Employed By A Relative

If the applicant is employed by a relative, they must provide independent evidence of a salary from a source within the company, not from a family member. If possible, please ask them to provide full contact details of the company accountant or an independent person who can provide the information.

If they can't do this then we need to see the last three months' payslips, plus a reference from a family member to confirm employment details.

Agency Or Temporary Employment

Agency employment and temporary roles are normally of a non-permanent nature but with no confirmed end date. Both can be considered and we will attempt to obtain an income reference for applicants. Where the employer verifies that the applicant has been in the same role and at the same company (the company they are doing work for, not the agency) for 12 months or more then we will treat the individual as employed.

Assuming they meet affordability criteria, they will be an acceptable tenant. As such, we will attempt to obtain an hourly rate of pay and an average number of hours from the employer to establish an annual salary for the applicant. If the applicant has been an agency or temporary worker for less than 12 months, or has moved roles or agency, then a guarantor will be required unless the employer can confirm continuity of employment for the duration of tenancy.

Fixed-Term Contract

A fixed-term contract is temporary employment with a confirmed end date, for example a maternity cover position, or a seasonal Christmas cover position. We can consider fixed-term contracts as long as they cover the length of the tenancy. If they don't cover the length of the tenancy a guarantor would be required, or they may be a Decline. We will need full details of the employer in order to verify the employment. Please note that if the tenancy is extended past the date of the fixed term contract, either on a periodic or 6/12 month term, then the applicant would need to be re-referenced.

Zero Hour Contracts

Zero hour contracts normally mean there is no obligation for employers to offer work, or for workers to accept it. Zero hour contracts of employment will be considered and we will attempt to obtain an income reference for applicants. Where the employer verifies that the applicant has been in the same role at the same company for 12 months or more, we will treat the individual as employed. As such, we will attempt to obtain an hourly rate of pay and an average number of hours from the employer to establish an annual salary for the applicant. If the applicant has been on a zero hour contract for less than 12 months, or they have moved roles or company then a guarantor will be required, or they may be a Decline.

Maternity

If an applicant is on maternity leave, they may be paid for up to a maximum of one year. In the first instance we will attempt to obtain a reference from their employer detailing the date they went on maternity leave, and their maternity entitlement. We will consider both contractual and statutory maternity pay and any amount confirmed by the employer will be considered.

If an employer cannot provide the information then we'll consider statutory maternity pay, and look to verify the amount and frequency received to calculate affordability.

If an applicant is due to return to work, we will only carry out our affordability checks on the basis of their salary if their return date is within one month of the tenancy start date. If their return date is more than one month after the tenancy start date, we will only consider their maternity pay.

If an applicant will not be returning to work and their maternity pay will end before the end of the tenancy then they will need a guarantor, or may be a Decline.

In all instances, we will consider any available options including moving rent shares to co-applicants and reducing the tenancy term (and re-referencing the applicant once they have returned to work).

Company Directors

If the applicant is a Company Director we will obtain a reference from the company accountant or Financial Director.

In exceptional circumstances we may consider:

- their last three months' pay slips; and/or
- their most recent P60 from their current employer; and/or
- their most recent Self-Assessment Tax Return; and/or
- their last three months' personal bank statements and one month's business bank statement.

Pensioners/Retired

Pensioners and those who have retired should provide a copy of their:

- annual pension statement; and/or
- monthly pension slip; and/or
- most recent P60.

If the most recent P60 is more than one year old, we will require copies of the applicant's last six months' personal bank statements.

These can be submitted with the application. If you can send the pension statement it could help to speed up your reference as we will not need to contact the pension administrator.

They should also provide us with full details of their:

- pension administrator
- name
- address
- phone number
- email address

If we are required to obtain a pension statement from the administrator this could delay an application as pension administrators are not obliged to release this information to us, and obtaining it can be difficult.

Their income to rent ratio must be 2.5 or above to be acceptable.

In cases where the applicant has no pension provider, we will consider the state pension. This will always be taken into consideration when a copy of the pension statement or other notification from the Benefits Agency confirming entitlement is provided.

GOVERNMENT BENEFITS

Income/Financial Reference

We promise to look at all types of government benefits provided and commit to doing everything we can to help the process of validating an applicant's financial ability to meet the rental commitment for the property they want to live in. In addition to the more common benefits of housing or local authority benefit, we can consider a number of other benefit types. The table on page 33 details some of these, but isn't an exhaustive list so if you have an unusual set of circumstances please provide us with all the information and we'll do our best to help.

Housing Benefit/Local Housing Benefit/Unemployed

- If an applicant is already in receipt of Housing Benefit, proof of their entitlement should be provided. If this is not available, we can take verbal confirmation from the applicant as to their entitlement.
- If the applicant is processing a new Housing Benefit claim and has been given their entitlement they should provide it. If they do not yet have this proof, verbal confirmation from the applicant as to their entitlement can be accepted.
- Although it is not necessary to provide proof to us of Housing Benefit or LHA, you must ensure you obtain a copy of the entitlement within one month of a tenancy commencing for any Rent and Legal Protection cover that you may offer to be valid.

Please note that Universal Credit is being introduced in stages between now and 2017. Right now, it mostly affects newly unemployed people in certain areas of the country. But eventually Universal Credit will be brought in for everyone claiming the benefits and tax credits it replaces.

Government benefits

If 50% or more of the applicant's total confirmed income is made up of benefits, the decision of the report will be made on a case by case basis by our referencing team. This allows us to highlight potential risks to you before a decision is made on the final report.

Scenario	Outcome of application
The applicant is in receipt of government benefits but they meet our 2.5 affordability criteria via other income sources. Government benefits make up less than 50% of their total income.	Accept, subject to all other reference checks being satisfactory.
The applicant is in receipt of government benefits but they meet our 2.5 affordability criteria via other income sources. Government benefits make up more than 50% of their total income.	Accept with guarantor, subject to all other reference checks being satisfactory.
The applicant requires government benefits to meet our 2.5 affordability criteria. Government benefits make up less than 50% of their total income.	Accept with guarantor, subject to all other reference checks being satisfactory.
The applicant requires government benefits to meet our 2.5 affordability criteria. Government benefits make up more than 50% of their total income.	Accept with guarantor, subject to all other reference checks being satisfactory.

Benefits Table

Income type	Considerations
Disability Living Allowance/ Personal Independence Payment	Can be considered when supplied with a copy of the statement or other form of notification from the Benefits Agency confirming the applicant's entitlement
Employment and Support Allowance (long term incapacity benefit)	Can be considered when supplied with a copy of the statement or other form of notification from the Benefits Agency confirming the applicant's entitlement. The benefit received must cover the term of the tenancy to be considered
Working Tax Credit and Child Tax Credit	Can be considered when supplied with a copy of the Tax Credits Award from HM Revenue & Customs. For Child Tax Credit, we don't accept the childcare element
Carers Allowance	Can be considered when supplied with a copy of the statement or other form of notification from the Benefits Agency confirming the applicant's entitlement
Income Support	Can be considered when supplied with a copy of the statement or other form of notification from the Benefits Agency confirming the applicant's entitlement
Pension Credit	Can be considered when supplied with a copy of the statement or other form of notification from the Benefits Agency confirming the applicant's entitlement
Bereavement Allowance/War Widow(ers) Pension/Widowed Parent Allowance	Can be considered when supplied with a copy of the statement or other form of notification from the Benefits Agency confirming the applicant's entitlement
Independent Living Fund	Can be considered when supplied with a copy of the statement or other form of notification from the Benefits Agency confirming the applicant's entitlement
Jobseeker's Allowance	Cannot be considered
Child Benefit	Cannot be considered

If a statement of entitlement cannot be provided for any of the above, we will consider bank statements if a minimum of six months' statements can be provided showing payments into the account. Please note we can't accept Job Seekers Allowance as this is a benefit that can be immediately withdrawn for a variety of reasons.

To be considered, all benefits must be in the name of the applicant. If the benefit is in joint names, then 50% of the amount will be considered.

OTHER INCOME SOURCES

Private Income

In cases where we are unable to confirm an applicant's ability to meet our minimum affordability criteria via an employment reference (e.g. where the applicant is in receipt of a private income via trust funds, dividends, personal wealth etc), we will request a private income reference.

If the private income is a one-off payment received by the applicant (e.g. a divorce settlement), this may be considered.

The reference must be provided by an independent, professional referee (e.g. a Solicitor, Independent Financial Adviser, Accountant or Private Wealth Manager). If a referee cannot be provided but the applicant has supporting documentation from a recognised financial institution (e.g. a bank), we may consider this instead on a case-by-case basis.

Long-Term Savings

Savings can only be considered if the amount is equal to or exceeds 2.5 times the annual rent and has been maintained above this threshold for the last six months.

Volunteers

Voluntary (non-paid) workers are processed as Unemployed/Housing Benefit applicants and will require a guarantor or else will have to pay the full tenancy rental amount in advance.

Honorarium

Voluntary payment (honorarium) will be considered. This usually applies to office-holder positions and the 2.5 affordability criteria will apply. For example, these sometimes apply to clergymen/women, and we would assess this using the normal criteria for an employed applicant.

Bursaries

Can be considered if the bursary is a living allowance. The applicant should provide written confirmation from the bursary provider. If the bursary is for tuition fees, it cannot be considered. If the applicant is an international student, we can accept a letter from the relevant Government office confirming their income.

Maintenance

Can be considered if the maintenance has been fixed as a result of a court order and the applicant can provide the relevant official documentation. The payments must have been sanctioned by the Child Support Agency.

Dividends

Can be considered if a reference from an accountant can be supplied, or the applicant can show proof of receipt of dividends.

Rental Income

As there is usually a mortgage associated with rental income, we can take it into account if there is a self-assessment tax form as proof of profit. We can take 75% of the total profit made into account to provide an allowance for void periods.

Employed Via Verbal Contract

In some circumstances an applicant (such as a private carer or nanny) may not have a formal written contract of employment. In this case, we will need to see their bank statements and pay slips for the last 6 months. If the applicant can only provide bank statements, a UK-based guarantor will be required.

Sick Pay

If the applicant is in receipt of statutory sick pay only, this would generate a Decline decision. If the applicant is receiving sick pay from their employer, this may be considered on a case-by-case basis.

PROOF OF INCOME REQUIREMENTS

We can reference almost any type of income, however for certain sources we will need your applicants to provide documents for us to validate their total income and calculate affordability limits. They will be asked to send copies of the relevant documents when they submit their application form, which they can do either by attaching the file to our online form or by email, fax or post. If the applicant does not upload their documents with the application form, we will send

frequent reminders requesting them. If they have not been received within six working days we will issue your report with a 'Decline' decision, however if we receive them within 30 calendar days after your report is issued, we will send an updated report and decision free of charge.

Your applicants will need the following documents for us to be able to reference their income:

Income Source	Examples	Required proof
State benefits	<ul style="list-style-type: none"> Disability Living Allowance Housing Benefit Industrial Injuries Benefit Severe Disablement Allowance Carer's Allowance Working Tax Credit & Child Tax Credit 	<ul style="list-style-type: none"> Relevant government statement dated within the most recent financial year; or Most recent three months bank statements from a personal account. <p>If the benefit is in joint names, only 50% of the income will be accepted for the applicant's affordability calculations.</p>
Pension	<ul style="list-style-type: none"> State Pension Private Pension War Widow(er)s Pension 	<ul style="list-style-type: none"> Annual pension statement for the most recent financial year; or Most recent three months bank statements from a personal account.
Income from property investment	Monthly rental income from second home/holiday home/property portfolio.	Most recent self-assessment tax return as proof of profit. We will accept the profit figure for the applicant's affordability calculations. We can take 75% of the total profit made into account to provide an allowance for void periods
Commission/Bonuses/Overtime	<p>If the payments are guaranteed we will accept the total amount received by the applicant.</p> <p>If the payments are performance based we will accept 50% of the confirmed income for the most recent financial year.</p>	<ul style="list-style-type: none"> Three months (if paid monthly)/four weeks (if paid weekly) wage slips and contract of employment (if guaranteed payments are part of the applicant's contract); or Confirmation of income from employer.
Additional employment	Any employment in addition to a main job	<p>Confirmation of income from employer.</p> <p>We will request this proof as part of our referencing service.</p>
Relocation package	Extra income from employer to assist with relocation. This can only be accepted if it is regular and not a one off payment.	<ul style="list-style-type: none"> Three months (if paid monthly)/Four weeks (if paid weekly) wage slips and contract of employment; or Confirmation of income from employer