

Grainger Trust Limited ('GT') Mutual Exchange Policy

February 2025

1. Introduction & Statement of Intent

This Policy sets out and outlines how Grainger Trust Limited (GT), will support and encourage our customers to exchange or swap home with another social housing provider where the tenancy agreement allows. We will provide free access to the national mutual exchange service, Home Exchange, to enable this.

Mutual exchange provides social housing customers with a solution to finding their ideal home.

Local authorities often have strict criteria to join the housing register and customers can face lengthy waiting times. Mutual exchange offers the flexibility for customers to broaden their options to where they can live, and the accommodation type available to them.

We therefore want to encourage our customers to consider this option to move and will provide the necessary information, support and advice to ensure that they can do this easily and successfully.

2. Scope of Policy

This policy aims to:

- provide clear information on the requirements for a mutual exchange
- outline which tenancy agreements have the right to exchange
- ensure customers understand the process and the consequences of moving
- set out clear guidance on the legal requirements
- set out the grounds for refusing an exchange
- provide a clear appeals process

3. Requesting to exchange a property

Customers who are eligible to exchange can do so with the following:

- another eligible GT customer
- an eligible customer of another registered social housing provider
- a customer of a Local Authority

It is the customers responsibility to find a suitable person to exchange their home with, and we will provide free access to the online national mutual exchange service, House Exchange. We will support customers if they need help to access and use this service. We will be flexible with the size of accommodation that customers can exchange in to and will allow 1 spare bedroom if financial circumstances allow.

Customers cannot exchange with customers in the private rented sector.

The following Customers do not have any right to exchange:

- customers in a probationary period - they can exchange once the probationary period has been successfully completed
- Intermediate market rent tenancies

- temporary (decant) tenancies
- shared owners

4. Grounds (reasons) for Refusal

We will not unreasonably withhold permission to exchange but there are different sets of grounds for refusing a mutual exchange (MEX) application.

GT may withhold or refuse a mutual exchange based on the following grounds by way of assignment under Schedule 3 of the Housing Act 1985.

Ground 1: There is a Possession Order on the property.

Ground 2: A Notice of Seeking Possession has been served.

Ground 2a: The tenant or any member of his household has behaved in an anti-social way and action including possession proceedings, injunctions, anti-social behaviour orders or a demotion order against them are in place or are being sought.

Ground 3: The property is bigger than is needed by the family wishing to move into it.

Ground 4: The property is not big enough for the family wishing to move into it.

Ground 5: The property is tied accommodation.

Ground 6: The landlord is a charity and the proposed new tenants moving into the property would conflict with the objects of the charity.

Ground 7: The property has special features that make it suitable for occupation by a physically disabled person who needs it and if the exchange took place there would no longer be such a person living in the property.

Ground 8: The landlord is a Housing Association or Housing Trust that lets properties to particularly vulnerable people and if the exchange took place there would no longer be such a person living in the property.

Ground 9: The property is supported housing for people with special needs and if the exchange took place there would no longer be such a person living in the property.

Ground 10: The property is the subject of a management agreement where the manager is a Housing Association and there are specific arrangements in place that the proposed new tenant is not willing to participate in.

GT refusal reasons: specified grounds and conditions :

The following grounds for refusal and conditions apply to any mutual exchange where neither Schedule 3 of the Housing Act 1985 nor Schedule 14 of the Localism Act 2011 are referred to in the tenancy agreements:

a) If there are breaches of tenancy these must be remedied before the exchange is approved. e.g., outstanding arrears including rent arrears and/or recharges from a previous tenancy. We will permit customers to apply for a mutual exchange who have a maximum of one month's rent arrears on their account. It will be a condition of approval that all arrears are cleared prior to a mutual exchange taking place.

b) Where the property is too large for the incoming customer and will result in under occupation – we will allow one spare bedroom so long as the property is affordable and meets our affordability criteria.

c) Where the property is too small for the incoming customer and will result in overcrowding – see bedroom calculator at appendix 4 (unless bettering their current living situation, i.e; moving to a 3 bed from a 2 bed but still being overcrowded)

d) The incoming tenant's landlord has not provided a satisfactory reference.

e) The tenant or their household have known tenancy breaches or criminal activity which upon investigation with the appropriate agencies deem the exchange unsuitable.

f) Where any conditions of planning agreements, covenants, head leases, Section 106 agreements that relate to the property would prohibit the incoming customer from moving to the property, for example where the housing is only to be provided for people with a local connection.

g) Where the incoming customer cannot clearly demonstrate that they have a sufficient level of income to afford the rent. (e.g., as a result of either welfare benefit entitlement, or a general lack of income) unless they are an existing tenant, and the rent would be lower than their current rent.

h) Where repairs are required that are the customers' responsibility, we will agree a deadline with the customer for completing the repairs. If they fail to make the repairs, we can refuse the exchange.

i) If a property has significant adaptations and the incoming household does not require such a property e.g., the property has been purpose built for a disabled person or it has had structural changes or significant adaptations to fixtures and fittings e.g., it has level access or significant external ramping, it has wider doors and hallways for turning in a wheelchair, or it has an adapted kitchen suitable for wheelchair users or a level access shower/wet room. A single adaptation such as a level access shower may not prevent an exchange from taking place.

j) Where money has been exchanged between partners to facilitate the exchange.

k) Exceptional circumstances where it would not be reasonable to consent to the exchange (these decisions must be approved by a Head of Service or Director) such as where there are significant safeguarding concerns or members of the public are put at risk.

l) If a customer has previously exchanged as a GT customer and left that property in a poor condition and GT have had to complete works to rectify then we reserve the right to refuse the mutual exchange.

Approval of Application

The customer must be advised in writing of a decision within 42 days of requesting a mutual exchange otherwise we cannot rely on the statutory grounds for refusal. The 42 days will commence when all applications for the exchange are received. The decision can be to:

- refuse the exchange
- approve the exchange,
- approve the exchange with conditions

Examples of conditions could be to complete repairs or pay outstanding monies owed.

If a customer doesn't respond to requests from GT to provide required information or progress their exchange within a week of attempted contact, then GT will cancel the exchange, and the customers will need to reapply.

Mutual exchanges that involve a joint tenancy require written consent from all joint tenants.

If we fail to provide the customer with a written decision within 42 days, the customer cannot assume consent has been given and must not proceed with the exchange but should raise a formal complaint about our failure to make a decision.

Where the exchange is with a customer from another landlord, we will only give approval once a suitable customer reference has been received from the other landlord.

The actual exchange date when the customers can move home will need to be agreed by all parties.

Customers will be asked to pay a minimum of 2 weeks deposit (subject to the tenancy agreement) prior to when the mutual exchange takes place. In some circumstances should a GT customer have rent arrears and request an exchange to another GT property we may agree to pay their arrears over a period of time and not be required to clear before moving. This will only be in exceptional circumstances and will require approval from the Grainger Trust Manager or Credit Controller.

Customers will also need to be able to provide valid ID for all household members over the age of 18 to allow us to complete Right to Rent checks

Unauthorised Mutual Exchange

In the event of a mutual exchange taking place without our knowledge or written consent or before the agreed exchange date, we will treat the occupants as unauthorised occupiers and will advise them to return to their own property within 7 days to avoid a Notice to Quit being served on them both. If they return within the 7 days, their mutual exchange application can continue to be considered.

Disclosure of Information

In providing a reference to other landlords we will disclose all known criminal activity related to the property, any known child protection issues and all complaints of ASB and tenancy breaches that have occurred in the last two years or such longer period as the other landlord requires. This will relate to the customers— joint or sole, all household

members and any visitors to the property. Consent to share this information is included within our application form.

Right to repairs

Incoming customers have the same right to repair for works that are the landlords' responsibility. Responsibility for any repairs that were the responsibility of the outgoing/former customer will pass to the new/ incoming customer, as they agree to accept the property 'as seen'. Customers will be advised to inspect the property so they are aware what they will be taking responsibility for and to form an agreement with their exchange partner as to what items will be left and what the expectations are. During our inspection we will assess any health and safety concerns and if there any issues identified further inspections will be undertaken and the customer alerted.

We reserve the right to recharge a former customer if a property is left in a poor condition and GT have to undertake works to rectify damage.

Gas and electrical safety certification

The property must have a "satisfactory" Electrical Installation Condition Report (EICR) with the last five years before any exchange can take place.

The property must have a valid Landlord Gas Safety Records (LGSR)

Incoming and outgoing customers are responsible for taking meter readings and notifying energy suppliers of the change of resident.

- Customers are responsible for providing instructions to the incoming resident for any appliances or services in the property.

Completing the mutual exchange

On completion of the mutual exchange, depending on the tenancy types the customer must either:

- Sign a licence to assign, taking over the outgoing resident's agreement
- Surrender your existing tenancy and sign a new tenancy agreement.

5. Appeals

Customers have the right to appeal if they are unhappy with our decision to refuse their application. This will be managed through our appeals process. Our decision at appeal is final and customers may not raise a complaint regarding the decision made at appeal.

Customers have the right to complain about other aspects of the mutual exchange process, if it is within the scope of the complaints policy.

6. Review

This policy will be reviewed every three years or when there is a change in circumstances, in work practices or the introduction of new regulation or legislation.

Document Owner and Approval

The Head of Grainger Trust is the owner of this document and is responsible for ensuring that this procedure is reviewed in line with the review requirements of Data Protection.

A current version of this document is available to all members of staff on the corporate intranet.

Document History

Policy Owner	Head of Grainger Trust
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