Housing and Property Chamber
First-tier Tribunal for Scotland

Decision with Statement of Reasons of the First-tier Tribunal for Scotland (Housing and Property Chamber) under Section 16 of the Housing (Scotland) Act 2014 and Regulations 17(4) and 70 of the First-tier Tribunal for Scotland Housing and Property Chamber (Procedure) Regulations 2017 ("the Rules")

Chamber Ref: FTS/HPC/CV/26/2518

Re: Property at 4 Anderson Place, Carnoustie, DD7 7HU ("the Property")

Parties:

A & G Properties Scotland Limited, 71 Queen Victoria Street, London, EC4V 4BE ("the Applicant")

Ms Michelle Sim, 4 Anderson Place, Carnoustie, DD7 7HU ("the Respondent")

Tribunal Members:

Evan Crainie (Legal Member) and Eileen Shand (Ordinary Member)

Decision (in absence of the Respondent)

The First-tier Tribunal for Scotland (Housing and Property Chamber) ("the Tribunal") granted a Payment Order for the Sum of ELEVEN THOUSAND ONE HUNDRED AND SEVENTY-THREE POUNDS AND SEVENTY-FIVE PENCE (£11,173.75) STERLING with interest at the rate of 4% per annum from the date of this decision until payment.

Background

1. By application received on 02 June 2026 ("the Application"), the Applicant applied to the Tribunal for an Order for payment of rent arrears due by the Respondent to the Applicant.

2. The Application comprised *inter alia* the following:
    a. copy short assured tenancy agreement between the Parties;
    b. copy rent statement showing arrears of £8,779 due and owing in June 2026; and
    c. correspondence between the Parties in respect of the arrears.

3. The Application was accepted by the Tribunal Chamber, and a Case Management Discussion ("CMD") was fixed for 23 October 2026 at 14.00

by teleconference. The CMD was intimated to both Parties, and, in particular, was intimated to the Respondent, by Sheriff Officer.

4. Prior to the CMD, the Applicant's representative submitted an updated rent statement showing the rent due to have increased to £11,173.75 and submitted an incidental application asking that the figure sought be increased to £11,173.75 together with interest at the rate of eight per centum per annum from the date of an order of the Tribunal until payment. Said application was granted, with it having been made in accordance with the timescales set out in Rule 14A and having been intimated to the Respondent by Sheriff Officer.

The CMD

5. The CMD took place on 23 October 2026 at 14.00 by teleconference. The start time of the CMD was delayed by ten minutes to allow parties the opportunity to attend. The Applicant was not present but was represented by Ian Sargison of Thorntons Solicitors, with Emma Paterson of Thorntons Solicitors listening in. The Respondent was neither present nor represented. The Respondent did not submit any written representations.

6. With regards to the Respondent the Tribunal was satisfied, in terms of Rule 29, that the requirements of Rule 24(1) regarding the giving of notice of a hearing had been duly complied with by reason of a sheriff officer certificate of intimation in respect of the Respondent. Therefore, the Tribunal proceeded to hear the Application.

7. The Applicant's representative confirmed that he sought a Payment Order for the amended sum of £11,173.75 together with interest at the rate of eight per centum per annum from the date of an order of the Tribunal until payment.

8. The Tribunal asked for more information in respect of the deposit for the Property. The Applicant's representative was unable to contact the Applicant, so it was unclear if the deposit had been paid and/or was being sought to set off against the rent arrears. The Tribunal confirmed that should the Applicant receive some or all of the deposit from the approved deposit scheme, it would expect that this is set off against the arrears.

9. On questioning from the Tribunal as to the basis for seeking 8% interest, the Applicant's representative confirmed that this was the contractual rate as set out in the tenancy agreement.

Findings in Fact

10. From the Application and the CMD, the Tribunal made the following findings in fact: -
    a. There was a short assured tenancy of the Property between the Parties commencing on 01 May 2017;
    b. An eviction order has been granted in respect of the Property;
    c. There are rent arrears of £11,173.75.

Decision and Reasons for Decision

11. The Tribunal had regard to all the information before it and to its Findings in Fact.

12. The Tribunal had regard to Rule 17(4) of the Rules which states that the Tribunal "*may do anything at a case management discussion…. including making a decision.*" The Tribunal took the view that it had sufficient information to make a decision and so proceeded to determine the Application.

13. The Tribunal explained that it was exercising its statutory discretion in applying Rule 41A of the Rules such that it would only grant a 4% rate of interest.

14. Per Sheriff Cruickshank in *Knight v Lowther Homes 2025 UT 64,* "*The terms of Rule 41A clearly states that the FTS "may" include interest in an order for payment. As such, the inclusion of interest is discretionary in every case. That is so whether the relevant tenancy agreement provides for interest at a contractual rate or not. However, where the FTS has correctly exercised its discretion and concluded it is reasonable to award interest, where the tenancy agreement provides for a contractual rate of interest, there would require to be cogent and compelling reasons to justify the FTS departing from applying the contractual rate. To that end, no general rule can be formulated. It will entirely depend on the facts and circumstances of each case.*"[1]

15. Applying the above to this case, at the date of the CMD, the Bank of England base rate is 3.75%, while the contractual rate sought is 8% per annum, more than twice that benchmark. The Tribunal considers that comparison relevant to its assessment of the reasonableness and proportionality of the rate sought. The base rate is not a legal ceiling, but it provides a point of comparison in the circumstances of this case. Having considered the contractual provision and the circumstances of the case, the Tribunal determines that there are cogent and compelling reasons to depart from the contractual rate, namely that the Tribunal believes 8% to be excessive and disproportionate when considered against the current Bank of England base rate. The Tribunal considers that interest at 4% per annum is reasonable and proportionate. In terms of Rule 41A(2)(b), interest is therefore awarded at 4% per annum on the sum ordered, running from the date of this decision.

16. Having found that the Respondent is due and owing to the Applicant for the sum of ELEVEN THOUSAND ONE HUNDRED AND SEVENTY-THREE POUNDS AND SEVENTY-FIVE PENCE (£11,173.75) STERLING, the Tribunal proceeded to make an order for payment in this sum together with interest at the rate of 4% per annum from the date of this decision until payment.

Right of Appeal

In terms of Section 46 of the Tribunal (Scotland) Act 2014, a party aggrieved by the decision of the Tribunal may appeal to the Upper Tribunal for Scotland on a

[1] Paragraph 22

point of law only. Before an appeal can be made to the Upper Tribunal, the party must first seek permission to appeal from the First-tier Tribunal. That party must seek permission to appeal within 30 days of the date the decision was sent to them.

Evan Crainie

Legal Member/Chair

23rd October 2026

Date