



Mutual Exchange Policy

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1. Purpose and scope

- 1.1 The purpose of this policy is to set out Unity HA's approach to mutual exchanges.
- 1.2 It applies to all Unity HA tenants who have a right to exchange. Eligibility for mutual exchange is outlined further on in the policy.
- 1.3 Where there is any difference between this policy and individual tenancy agreements, the terms of the tenancy agreement will take precedent.
- 1.4 This policy is to be used in conjunction with Unity HA's Mutual Exchange toolkit which sets out in detail our service standards when dealing with requests for mutual exchanges.
- 1.5 Unity HA will not approve a mutual exchange where either the Unity tenant or the incoming tenant has held their current tenancy for less than **12 months**.

2. Definition of a mutual exchange

- 2.1 A mutual exchange is where tenants in social housing Exchange their homes with other social housing tenants.
- 2.2 Mutual exchanges are usually between two properties but can also be between three or more properties and they can be between the same or different landlords.
- 2.3 Under a mutual exchange the two tenants swapping properties will usually 'assign' their tenancies to each other – known as assignment. Assignment means transferring the rights and obligations of the tenancy to another tenant. So, each tenant takes on the other's tenant's tenancy including the terms and conditions of that tenancy.

3. Legal & regulatory framework

- 3.1 The rights of tenants to mutual exchanges are covered in the following acts of legislation and consumer standards:

- **Housing Act 1985 s91 and s92**

This Act sets out the circumstances for secure tenancies under which an assignment is possible or prohibited, one of which is by way of mutual exchange.

- **Housing Act 1988 section 15**

This Act deals with the assignment of assured tenancies and sets out that it is an implied term of every assured tenancy that the tenant cannot assign the whole or any part of their tenancy without the landlord's consent.

- **Localism Act 2011 s158**

This Act introduced new provisions for mutual exchanges, particularly affecting different types of tenancies. It also sets out the grounds under which a landlord may refuse a mutual exchange. These grounds are similar to those grounds for secure tenants under the Housing Act 1985.

The Act also introduced a new 'void and re-let process' for tenants with fixed term assured shorthold tenancies of more than two years or local authority flexible tenancies. For these the mutual exchange is not done as a simple swap (assignment) but rather as a void and re-let process (surrender and re-grant).

- **Regulator of Social Housing Tenancy Standard**

This includes specific provisions regarding mutual exchanges. It puts a duty on social landlords to provide access and support for mutual exchange services, give opportunity to tenants to swap their homes, and that the mutual exchange process is fair, reasonable and transparent ensuring tenants understand their rights and the steps involved.

- **Rent Act 1977 Fair Rents**

Governs regulated (fair rents) tenancies and the implications of losing or gaining fair rent protection during mutual exchanges.

- **Regulator of Social Housing-Tenancy Standard**

Requires landlords to support tenants mobility, provide access to mutual exchange services, and ensure that processes are transparent and fair

4. Policy Objectives

- 4.1 To facilitate mutual exchanges between tenants fairly and transparently.
- 4.2 To provide tenants with housing options that meet their changing needs.
- 4.3 To ensure compliance with tenancy agreements and legal obligations.
- 4.4 Ensuring tenants understand the implications, of tenancy type and rent changes

5. Policy Statement

- 5.1 Unity HA will assist with a mutual exchange which allows tenants to swap their homes, whether under a statutory right or as a policy of Unity HA.

- 5.2 Unity HA will adopt clear policies and procedures to ensure that tenants' rights are upheld and that there is an open, effective and fair system for considering requests to mutually exchange.
- 5.3 Tenants are responsible for finding the exchange partner and for viewing the property they wish to exchange to. Tenants must not exchange keys or move belongings before formal written consent and assignment/surrender-and-regrant has taken place.
- 5.4 Tenants wishing to carry out a mutual exchange will be given assistance and support but are expected to get their own independent legal advice to understand the different tenancy types and the implications of any mutual exchange
- 5.5 Unity HA will promote mutual exchanges and tenant mobility through membership of Choice Based Lettings schemes and/or by participating in nationwide schemes such as House Exchange and HomeSwapper.
- 5.6 Unity HA will make available to tenants information on mutual exchange policy and procedure primarily through its website but also through other mechanisms where necessary.
- 5.7 No mutual exchange can take place without the written consent and approval of Unity HA and legal action will be taken where tenants have exchanged properties without written consent.
- 5.8 Unity HA will not withhold consent unreasonably but will consider all applications in accordance with the legal requirements as set out in the Housing Acts 1985 and the Localism Act 2011.
- 5.9 In some circumstances Unity HA may grant 'conditional consent' for an exchange. This means that the swap will not be allowed to go ahead until the condition has been met. This could apply to rent arrears being cleared or brought to a certain level, outstanding recharges to be paid or other minor breaches remedied.
- 5.10 All applications for mutual exchange must be in writing and Unity HA will acknowledge all applications within 10 working days.
- 5.11A Unity HA will notify all parties involved in the exchange of the decision within 42 days of receiving the written request as required by Section 92 of the Housing Act 1985. The notice will state the reasons for withholding consent. If Unity HA do not respond within 42 days, it cannot rely on any grounds for withholding consent. (Appendix B- Refusal Letter)
- 5.11B Unity HA will issue written confirmation when a mutual exchange is approved, including any conditions that must be met before the exchange can proceed. A standard approval letter template is provided in (Appendix C), to ensure consistent and legally compliant communication.
- 5.11C Unity HA will confirm in writing when a mutual exchange application is withdrawn or cancelled. A standard withdrawal/cancellation letter template is provided in (Appendix D) to ensure clear and consistent communication.

- 5.12 Unity HA will always request a written reference from any other landlord involved and inspect all properties involved in the swap.
- 5.13 Unity HA will ensure valid gas and electrical certificates are available for the property before the exchange is carried out.
- 5.14 Where mutual exchanges have been agreed in principle the exchanging tenants will accept the condition of the property as seen. Unity HA will remain responsible for all landlord obligations but tenant responsibilities such as internal decoration and alterations (whether or not Unity HA has consented to the alteration), and in some cases rechargeable repairs must be seen and accepted by the incoming exchange tenant.
- 5.15 Unity HA will not be responsible for any costs associated with the exchange other than those required to carry out repairs that fall within Unity HA's liabilities.
- 5.16 Assignment by way of mutual exchange does not count as a statutory succession.
- 5.17 Unity HA will not approve any mutual exchange where either party has held their existing tenancy for less than 12 months. (This is also detailed in Section 6 – Eligibility.)

6. Eligible to exchange – qualifying and non-qualifying tenants

6A. Fair Rents (Rent Act 1977)

- 6A.1 Some Unity HA properties are let under regulated tenancies governed by the Rent Act 1977. These properties are subject to **registered Fair Rents**, which are set by the Rent Officer and may be significantly lower than social or affordable rents.
- 6A.2 When a tenant living in a Fair Rent property completes a mutual exchange into a property that is not protected under the Rent Act 1977, they will **lose their right to a registered Fair Rent**. The rent for the new property will be determined in line with its tenancy type and Unity HA's rent-setting policy.
- 6A.3 An incoming tenant may also gain or lose Fair Rent protection depending on the tenancy they move into. Unity HA will clearly explain these implications prior to giving consent for the exchange.
- 6A.4 Unity HA will always check whether any of the properties involved in an exchange are subject to a registered Fair Rent. This will include verifying information with the Rent Officer service where required.
- 6A.5 Where a Fair Rent applies, Unity HA will:
 - Inform both parties of the Fair Rent status of the property
 - Explain the likely impact on rent levels and future rent reviews
 - Require written confirmation from both tenants that they understand and accept these implications before proceeding

- 6A.6 Unity HA may refuse an exchange where a tenant does not understand or accept the implications of gaining or losing Fair Rent protection, due to the significant differences in rent levels, tenancy rights, and rent regulation regimes.
- 6A.7 Unity HA will not provide financial or legal advice relating to Fair Rent implications. Tenants are encouraged to seek independent legal advice before completing a mutual exchange involving a Rent Act property.
- 6.1 All Unity HA tenants qualify for a mutual exchange if their tenancy allows a statutory right to exchange under the legislation outlined in section 3 of this policy or where there is a contractual right to exchange allowed in the terms of the tenancy agreement.
- 6.2 Secure tenants have a right to exchange by statute under s92 of the Housing Act 1985 and assured tenants by contract only. Assured tenants on a fixed term of two years or more have the right to exchange under s158 of the Localism Act 2011 but as a 'void and re-let process' and not as an assignment.
- 6.3 Tenants who do not have a statutory or contractual right to exchange will not qualify. These includes:
- Starter tenancies (within 12 months)
 - Intermediate Market Rent tenancies
 - Periodic assured shorthold tenancies
 - Fixed term assured shorthold tenancies less than two years
 - Tenancies within a demoted tenancy period
 - Licence agreements
- 6.4 Unity HA may, in exceptional circumstances, consider progressing a request from a tenant approaching the end of the 12-month period, but consent will not be granted until the full 12-month period is completed.
- 6.5 Unity HA will not approve a further mutual exchange where a tenant has already completed an exchange within the previous 12 months. Tenants must have held their current tenancy for at least 12 months following the date of the completed mutual exchange before a new application will be considered.

7. Grounds for refusal to exchange

- 7.1 Unity HA will rely on any of the statutory grounds stated in Schedule 13 Housing Act 1985 or Schedule 14 Localism Act 2011 and these apply to secure tenancies and non-shorthold assured tenancies granted before 1st April 2012. These are listed in Appendix A.
- 7.2 For all other qualifying tenancies the circumstances under which a mutual exchange may be refused are:

- (i) where there is any rent and/or other charges owed to the landlord by either tenant. Unity HA may give conditional consent on payment of these charges (subject to exceptions outlined in the mutual exchange toolkit)
- (ii) where either tenant has been subject to legal action or has pending legal action against them. Legal action could mean (but not limited to):
 - a Notice to Seek Possession has been or previously been served. Where the Notice is no longer valid Unity will use its discretion to make a decision depending on the length of time since expiry of the Notice and reasons for service
 - A possession order has been granted (suspended or outright) or where there is a pending application for a possession order for any breach of tenancy
 - A 'relevant order' which includes an Anti-Social Behaviour Injunction or Order under the Anti-Social Behaviour, Crime and Policing Act 2014
 - A Closure Notice or Order under Chapter 3 Part 4 of the Anti-Social Behaviour, Crime and Policing Act 2014
- (iii) Where the home requires major adaptations to meet the needs of the proposed incoming tenant or their household
- (iv) where our property will result in being under-occupied by more than one bedroom or statutorily overcrowded. Where tenants are allowed to under-occupy a property tenants should be able to transfer into a more suitable property in the foreseeable future
- (v) where the property is designated specifically as supported housing or has been provided with funding for specific needs
- (vi) where Unity HA have reason to believe that any tenant has been offered or sought financial incentives as a condition of the swap
- (vii) where there are significant safeguarding concerns or where other residents or members of the public are put at risk
- (viii) where the incoming tenant is unable to afford the property following a financial assessment
- (ix) where the property has been identified for disposal after the current tenancy has ended
- (x) where Unity HA has information, based on evidence, about the incoming customer or a member of their household causing anti-social behaviour or being involved in unlawful activity or other significant breach of tenancy but where no court order or notice of seeking possession has been issued

- (xi) where it would not be in the interests of Unity HA, acting reasonably, to allow the exchange to proceed
- (xii) where either party has held their current tenancy for less than 12 months.
- (xiii) Unity HA may refuse an exchange where the incoming tenant does not understand or accept the implications of moving to or from a Fair Rent (Rent Act) property, due to the significant rent and rights differences involved.

Unity HA will provide written notice stating the specific statutory or policy ground for refusal, in compliance with Section 92 of the Housing Act 1985.

8. Preserved Right to Buy and Right to Acquire

- 8.1 Under Section 171B(6) of the Housing Act 1985 (as amended) allows any tenant to retain their existing **Preserved Right to Buy (PRTB)** as long as they remain with the same landlord. This will apply to all Unity HA tenants with a PRTB when they either transfer or exchange with another Unity HA tenant. However, tenants may lose their PRTB if they exchange properties with the tenant of another landlord. Tenants are advised to seek their own independent legal advice on this before agreeing to any exchange. No PRTB can be gained with Unity HA in the mutual exchange process.
- 8.2 In a mutual exchange, the **Right to Acquire (RTA)** can be affected depending on the eligibility of the new property. When a tenant moves to a new property through a mutual exchange, RTA can only be exercised if the new property is eligible under the scheme. Independent legal advice should be sought on this before agreeing to any exchange.

9. Customer Satisfaction

- 9.1 Unity is committed to continuously improving and developing the service we provide to customers. In order to do this, we will monitor completed mutual exchanges and obtain feedback from our customers telling us what they think about the Mutual Exchange service.

10. Responsibilities

- 10.1 The Housing Services Manager has overall responsibility for the delivery of, and ensuring compliance with, this policy as well as making sure staff receive the appropriate training and support to act in accordance with this policy.
- 10.2 Housing Officers and other designated staff are responsible for:

- Providing accurate and timely information to tenants
- Completing all required checks, assessments and inspections
- Ensuring safeguarding concerns are identified and escalated
- Making recommendations on approval or refusal in line with legislation and this policy

11. Associated policies and documents

11.1 This policy should be read and applied in conjunction with the following:

- Lettings Policy
- Mutual Exchange Toolkit
- Tenancy Management Policy
- Tenancy Policy
- Unity HA tenancy agreements
- Complaints Policy
- Equality and Diversity Policy
- Data Protection Policy
- Anti-Social Behaviour Policy

12. Equality and Diversity Statement

- 12.1 Unity HA are committed to treating people fairly, and without bias and discrimination. We promote equal opportunities to all our customers and stakeholders regardless of race, religious or non-religious belief, gender, age, ethnic origin, disability, marital status or sexual orientation.
- 12.2 We also recognise that we have a diverse customer base and will therefore make reasonable adjustments to ensure residents understand this policy, and in any contact, we have with residents in the course of liaising with them about their tenancy.
- 12.3 We will monitor the outcomes of mutual exchange applications to ensure fairness and identify any potential equality impacts.
- 12.4 All staff receive Equality and Diversity training at Unity HA and are responsible for ensuring that the Equality, Diversity and Inclusion policy is incorporated into all aspects of their work.

13. Confidentiality and Data Protection

- 13.1 Unity HA have a clear policy on data protection and sharing data with other partners/third parties under the requirements of the UK General Data Protection Regulation, the Data Protection Act 2018 and other associated legislation. This is clearly set out in our Data Protection Policy which, along with its associated procedures, must be followed throughout the operation of this policy.
- 13.2 Information provided as part of a mutual exchange application, including landlord references and tenancy checks, will be shared only with relevant third parties where necessary and lawful to do so.
- 13.3 All personal information will be stored securely and retained in accordance with Unity HA's Data Protection Policy and retention schedules.

14. Review

- 14.1 This policy will be reviewed every 3 years or earlier if required to do so by any legislative or regulatory changes, or through best practice or operational changes.

Version Control

Version	Date amended	Key changes
1.0	September 2025	Original document

Appendix A

Schedule 3 of the Housing Act 1985	Schedule 14 of the Localism Act 2011	Grounds for refusing consent to the exchange
-	Ground 1	When any rent lawfully due from a tenant under one of the existing tenancies has not been paid.
-	Ground 2	When an obligation under one of the existing tenancies has been broken or not performed.
Ground 1	Ground 3	A court order for possession or a suspended possession order has been made for either property.
Ground 2	Grounds 4 and 5	The landlord has served a notice of seeking possession and the notice is still in force, or possession proceedings have commenced.
Ground 3	Ground 7	The property is substantially larger than is reasonably needed by the proposed assignee.
Ground 4	Ground 8	The property is not reasonably suitable for the needs of the proposed assignee and their household.
Ground 5	Ground 9	The property is part of or close to a building that is held for non-housing purposes, or it is situated in a cemetery and was let in connection with employment with the landlord or with a local authority, a new town corporation, housing action trust, an urban development corporation or the governors of a grant-aided school.
Ground 6	Ground 10	The landlord is a charity and the proposed assignee's occupation of the property would conflict with the objects of the charity.
Ground 7	Ground 11	The property has been substantially adapted for occupation by a physically disabled person and, if the assignment was approved a physically disabled person would not be living there.
Ground 8	Ground 12	The landlord lets properties to people in difficult circumstances (other than merely financial circumstances) and the proposed assignee would not fulfil this criteria.
Ground 9	Ground 13	The property is let to people with special needs and there is a social service or special facility nearby to the properties to assist people with those special needs and, if the assignment was approved no person with those special needs would be living there.

Appendix B – Mutual Exchange Refusal Letter (Template)

[Unity HA Letterhead]

[Date]

[Tenant Name]

[Address]

[Postcode]

Dear [Tenant Name],

Re: Mutual Exchange Application – Decision to Refuse Consent

Thank you for your application to complete a mutual exchange with **[Incoming Tenant Name]**, received on **[date received]**.

Unity Housing Association has now completed all tenancy, property, legal and safety checks required under the Housing Act 1985, the Localism Act 2011 and Unity HA's Mutual Exchange Policy. Following our assessment, we are writing to inform you that **we are unable to grant consent for the exchange**.

Legal Requirement to Provide Grounds for Refusal

Under **Section 92 of the Housing Act 1985**, Unity HA is required to provide written reasons where consent for a mutual exchange is refused. We have outlined the relevant reasons below.

Ground(s) for Refusal

The decision to refuse consent is based on the following ground(s):

1. Statutory Grounds (Housing Act 1985 / Localism Act 2011)

Ground [insert number from Schedule 3 or Schedule 14]:

[Insert clear explanation, e.g.: "There are rent arrears lawfully due under your tenancy which have not been paid."]

2. Unity HA Policy Grounds

In addition to statutory grounds, Unity HA may refuse consent based on its Mutual Exchange Policy. The following policy ground(s) apply:

- ☐ The tenant has not held their current tenancy for 12 months.
- ☐ There is outstanding rent or other tenancy-related debt.
- ☐ There is current or pending legal action in relation to the tenancy.
- ☐ There are significant safeguarding concerns that cannot be mitigated.
- ☐ The incoming tenant cannot afford the rent following assessment.
- ☐ The property is unsuitable due to size, adaptations or specialist designation.
- ☐ The incoming tenant does not understand or accept the implications of moving to or from a Fair Rent (Rent Act 1977) property.

☐ Other (please specify):
[Insert explanation]

Further Information

If you would like to discuss the reasons for refusal or require clarification on the checks undertaken, please contact [Officer Name / Housing Officer] on [telephone number] or by email at [email address].

You may submit a new mutual exchange application in the future if the circumstances leading to this refusal change. Any future application will be assessed in line with Unity HA's policy and relevant legislation at that time.

Thank you for your understanding.

Yours sincerely,
[Name]
[Job Title]
Unity Housing Association

APPENDIX C – Mutual Exchange Acceptance Letter (Template)

[Unity HA Letterhead]

[Date]

[Tenant Name]

[Address]

[Postcode]

Dear [Tenant Name],

Re: Mutual Exchange Application – Approval of Consent

Thank you for your mutual exchange application received on [date]. Unity Housing Association has now completed all required tenancy checks, property inspections, safety assessments and legal reviews in accordance with our Mutual Exchange Policy and relevant housing legislation.

We are pleased to confirm that **Unity HA grants consent for the mutual exchange** between:

You:

[Your name and address]

And:

[Incoming tenant name and address]

This approval is granted under **Section 92 of the Housing Act 1985 / Section 158 of the Localism Act 2011** (delete as appropriate), and in line with Unity HA's Mutual Exchange Policy.

Conditions of Approval

Before the exchange can proceed, the following conditions must be met (if applicable):

- ☐ All outstanding rent, recharges or tenancy breaches must be cleared or resolved.
- ☐ Written confirmation from all parties that the property condition has been accepted "as seen".
- ☐ All required safety certificates (gas, electrical) remain valid.
- ☐ Any additional Unity HA conditions:
[Insert condition or state "None"]

If conditions are listed above, **consent is conditional** and will only become final once all conditions are met.

Next Steps

You must not exchange keys, move in, or sign any agreement with the other party until Unity HA has:

- Confirmed all conditions are satisfied
- Scheduled and completed the assignment or surrender-and-regrant appointment
- Issued formal approval to proceed

Your Housing Officer will contact you shortly to arrange:

- The tenancy sign-over meeting
- Compliance checks such as GAS safety checks
- Completion of assignment paperwork or surrender-and-regrant forms
- Confirmation of the exchange date

Important Information

By completing this exchange, you will take on the full rights, responsibilities and rent charges associated with the new tenancy. These may differ from your current tenancy, including:

- Rent level and rent-setting method
- Tenancy type (secure, assured, fixed-term)
- Right to Acquire or Preserved Right to Buy status
- Repairs responsibilities
- Succession rights

If you are unsure about any implications, we strongly advise seeking independent legal advice before proceeding.

Please contact **[Housing Officer Name]** on **[phone number]** or **[email]** if you have any questions or require assistance with final steps.

Yours sincerely,

[Name]

[Job Title]

Unity Housing Association

APPENDIX D – Mutual Exchange Withdrawal / Cancellation Letter (Template)

[Unity HA Letterhead]

[Date]

[Tenant Name]

[Address]

[Postcode]

Dear **[Tenant Name]**,

Re: Mutual Exchange Application – Withdrawal/Cancellation

We are writing to confirm that the mutual exchange application involving:

You:

[Name and address]

And:

[Other party name and address]

has now been **[withdrawn / cancelled]** as of **[date]**.

Reason for Withdrawal/Cancellation

Please see the reason(s) below:

- ☐ You have informed Unity HA that you wish to withdraw your application.
- ☐ The other party has chosen to withdraw from the exchange.
- ☐ One or more of the required conditions of consent were not met within the agreed timescale.
- ☐ Required documentation was not provided.
- ☐ Safety certificates (gas, electrical) were not available or valid.
- ☐ The property inspection identified issues that prevent the exchange from proceeding.
- ☐ Safeguarding concerns have been identified which make the exchange unsuitable.
- ☐ The exchange can no longer be approved due to tenancy or legal changes.
- ☐ Other (please specify):
[Insert explanation]

What This Means for You

- Your tenancy **remains unchanged** and continues on its current terms.
- No assignment or surrender-and-regrant will take place.
- You may submit a **new mutual exchange application in the future**, provided eligibility criteria are met at that time.

If the exchange was cancelled due to unmet conditions, you may reapply once those conditions are resolved.

If You Have Questions

If you would like to discuss this decision or require advice about future mutual exchange options, please contact:

[Housing Officer Name]

Phone: [number]

Email: [email]

Unity HA remains committed to supporting tenants who wish to explore mutual exchange opportunities.

Yours sincerely,

[Name]

[Job Title]

Unity Housing Association