

Tenant and landlord sanctions checks:

What landlords need to know



What are sanctions?

Sanctions are restrictions the government sets to prevent financial crime, protect national security, and uphold international obligations. They can apply to people, businesses, or even entire countries. There are several kinds of sanctions, including:

- **Financial sanctions** - block access to assets, restrict financial services, or stop services from being provided to specific individuals or entities
- **Trade sanctions** - limit the buying and selling of goods with certain countries
- **Immigration sanctions** - prevent named individuals from entering or staying in the UK
- **Transport sanctions** - control aircraft and ship movements associated with sanctioned entities

Which sanctions are most relevant to the lettings industry?

The key type to understand is financial sanctions, which freeze assets or block transactions with individuals or entities on the UK sanctions list.

What's changing on May 14, 2025?

From May 14, the government has decided that letting agents will be classed as a “relevant firm” under the UK's sanctions regulations. This means they'll have a legal obligation to report any confirmed or suspected sanctions breaches to the Office of Financial Sanctions Implementation (OFSI). To make these reports, they must check every prospective tenant and landlord against the UK sanctions list.

To whom does this apply?

Regardless of size, all letting agents in the UK are affected, irrespective of whether they deal primarily with students or company lets, or work as a relocation agent. In other words, whether they have one or 1,000 customers, they must comply with these regulations.

Do landlords need to do anything?

No, **only letting agents should complete sanctions checks**. Agents shouldn't instruct you to conduct them on their behalf in their terms of business because the regulation applies to them, not you.

Do I need to be checked?

Yes, letting agents must check you against the UK sanctions list at the point of instruction, alongside any named directors if you're part of a company. If you co-own a property, all parties will be screened.

Do agents need to ask my permission to conduct a sanctions check?

No, the names on the sanctions list are publicly available. However, your agent should ensure that their privacy policy is up to date with all data processing activities they carry out.

Will I know when I'm being screened?

Landlord sanctions checks typically happen during the Know Your Customer (KYC) process. This means you'll have a soft footprint on your credit report notifying them of a check, but **this footprint won't affect your credit score**.

I've worked with my agent for a while. Will they still screen me?

Legally, the rules only apply to prospective tenants and landlords. However, OFSI has suggested that sanctions checks should always have taken place. So, while not required, **agents may still conduct a sanctions check**.