

# **Report into Star Pubs' non-compliance with Regulation 41 of the Pubs Code over the period 2018 - 2024**

A review of a large number of breaches, actions  
and the Pubs Code Adjudicator's decision



### Summary

1. This is a report into breaches of the Pubs Code by Star Pubs (**Star**) over the period 2018 - 2024. It covers failures by Star to provide tied pub tenants with notes of meetings with their Business Development Manager (**BDM**). It explains the breaches which took place, the steps the Pubs Code Adjudicator (**PCA**) took, Star's response to the PCA and the PCA's conclusions.

### The PCA and the Pubs Code

2. The PCA exists to protect fairness in the tied business relationship.
3. The [Pubs Code](#) regulates the relationship between all pub companies owning 500 or more tied pubs in England and Wales and their tied pub tenants. The Pubs Code supports two core principles:
  - a) Fair and lawful dealing by pub-owning businesses in relation to their tied pub tenants.
  - b) Tied pub tenants should be no worse off than they would be if they were not subject to any product or service tie.

### Background

4. A key part of the PCA's role is to promote the rights that tied tenants have under the Pubs Code. An important one of those rights is the right to be provided, within 14 days, with appropriate written notes of any discussions between the tied tenant and their BDM in connection with rent proposals, rent assessments (or assessments of money payable in lieu of rent), repairs to the premises, and current or future business plans. A "BDM" is any person employed by the pub company as such, as well as anyone who represents the pub company in negotiations with tied pub tenants in connection with those matters. Under the Pubs Code legislation, a "tied tenant" is a person who is a tenant or licensee of a tied pub, or a person who is a party to negotiations relating to a prospective tenancy or licence for a tied pub. Star has informed the PCA that the breaches that are the subject of this report relate only to tenants who are in occupation of a pub, rather than prospective tenants.
5. The right to timely notes of discussions with the BDM is crucial for tenants to be able to understand what was agreed in meetings and to have a reliable record of the meeting to refer to when considering future business planning, and whether the pub company has complied with its verbal agreements, obligations under the tenancy and the Code.



6. The PCA takes a structured approach to the reporting of breaches of the Code by pub-owning businesses. In addition to the Pubs Code requirement on the pub-owning business to include details of any breaches within its annual compliance report, the PCA expects all Pubs Code breaches to be reported at the time the Code Compliance Officer (**CCO**) becomes aware that there has been a breach, using a standard breach reporting form. This is to ensure that the PCA receives a prompt report, which contains all the information required to assess the severity of the breach and appropriateness of the remedial action proposed and/or taken. The PCA's policy on breaches is [here](#).
7. On 8 July 2024, Star submitted a breach report to the PCA. The report advises of multiple failures by some Star BDMs to provide meeting notes to tenants within 14 days of the relevant discussion having taken place with the tied tenant, or in some cases a failure to have provided meeting notes at all, in breach of regulation 41 of the Pubs Code.
8. The PCA sought further information from Star in order to understand the nature and extent of the breach, and Star's remedial steps. In response to questions from the PCA, Star provided the PCA with further information about the number and type of breaches that occurred:
  - a. on 19 July and 11 October 2024, Star provided responses to written questions. It explained in more detail its process for auditing the number of breaches and the remedial training that it had carried out internally to prevent recurrence; on 21 October 2024 Star attended a meeting with the PCA;
  - b. on 13 January 2025 Star provided further information in response to a written request from the PCA. It explained its methodology for assessing breaches for years earlier than 2023 and what further steps it had taken to identify tenant impact; and
  - c. on 11 April 2025, Star attended a further meeting with the PCA.

### ***Initial audit carried out by Star***

9. Prior to submitting the breach report in July 2024, Star audited a sample of 15,373 Business Review Sheets (**BRS**) from 2023. This audit identified that BDMs had been using four different methods to complete the BRS:
  - a. 4.3% (668) of BRSs had been completed with 'ignore' entered into the tenant's email address field: this resulted in a copy of the BRS being saved to Star's document storage system, **but not** emailed to the tenant (**Category 1**);
  - b. 1.8% (281) of BRSs had been sent manually to the meeting minutes mailbox, **often** copied to the tenant: this resulted in a copy of the record



being saved to Star's document storage system, but **not always** emailed to tenants (**Category 2**);

- c. 36.6% (5,629) of BRSs had been sent to the email address of the employee who issued the meeting minutes – typically the BDM. The employee would then manually attach the BRS to a covering email and issue this to the tenant: this resulted in a copy of the record being saved to the document storage system, but **not always** emailed to tenants (**Category 3**); and
- d. 57.2% (8,795) of BRSs had been completed with the tenant email field correctly populated, and the record saved to the document storage system: this is the correct procedure and would have either resulted in tenants receiving their minutes, or an email delivery failure being flagged-up by Star's IT system for further review and action (**Category 4**).

#### ***Further information provided about pre-2023 breaches***

- 10. The PCA sought to further understand the historic scope and severity of the breaches, and in response to a request from the PCA, Star submitted further information on 13 January 2025 including data on pre-2023 BRSs. In total, between 2018 - 2022, Star identified the following number of BRSs that were processed as per categories 1–4 above: 2601 (**Category 1**), 2101 (**Category 2**), 22,490 (**Category 3**), and 62,560 (**Category 4**).
- 11. Star has advised that the data provided in respect of 2018 - 2022 was “not subject to the audit undertaken for the 2023 proportionate data”. However, it can be seen from this data that a minimum of 2,601 additional breaches in Category 1 took place between 2018 and 2022, with the possibility of further breaches in Categories 2 and 3.

#### ***Actions taken by Star in response to the breach***

- 12. The breach was initially identified following Star fulfilling a Data Subject Access Request (**DSAR**) from a tenant. Following a review of the DSAR information the tenant informed Star that the documentation shared included meeting minutes that they had previously not received. Star commenced an internal deep dive into the sending of meeting minutes to identify if this was an isolated incident. Its initial investigation identified the large number of breaches listed in paragraph 9 above for 2023.
- 13. Star told the PCA that, on identifying the breach and before reporting it to the PCA, it had taken a number of remedial measures in order to prevent a repeat



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of the breach. Star said that it immediately retrained its BDMs through regional interventions. This training included recording videos on the correct way to complete BRSs, which were distributed to relevant staff. Each line manager in a relevant position was required to sign off that their function was competent in this respect.

14. Star has also increased its annual refresher training and introduced additional training that its regional directors complete when their direct reports first take up the position. It has also introduced additional training on the Pubs Code which includes an enhanced section on the completion of BDM notes. Star has introduced regular check-ins between its CCO, its regional teams, and its team of operational directors to see if any current issues exist. These will be reflected in future training.
15. Star informed the PCA during its evidence that it had transitioned to a new IT system in respect of the completion of BDM notes for onboarded tenants. Star has assured the PCA that this system has been subject to intensive testing and that it significantly mitigates the possibility of breaches of this type.
16. As a result of the PCA's [statutory investigation](#) into Star (which began in 2019 and was completed in October 2020) Star established a Compliance Cabinet, which meets once a month and includes a senior operations manager and property managing director. The purpose of the Cabinet is to assess performance of compliance against the Code. Regular audits and metrics from the Cabinet are shared with senior leadership teams. Along with the Compliance Cabinet, Star introduced Compliance Champions across its departments, whose role is to improve company knowledge and feedback on the Code. This provides a contact point for Code issues to be fed back to the CCO.

### **Initial Action Taken By the PCA**

17. Following the breach report of 8 July 2024, the PCA considered the information provided and the steps which Star had taken upon identifying the breach. The factors the PCA considered included whether Star had:
  - Been transparent with affected tenants about the breach;
  - Carried out an appropriate internal investigation and identified the root cause of the breach;
  - Taken, or was proposing to take, appropriate remedial action that will prevent repetition of the breach;



- Demonstrated that the breach has not caused any detriment to tenants, or that it has taken steps to identify tenants who have suffered detriment; and
- Taken appropriate steps to put tenants, as far as reasonably possible, in the position they would have been in had the breach not occurred.

18. Though the PCA acknowledged that Star had taken some proactive steps in response to the breach, the PCA was not satisfied that Star had taken appropriate steps to understand tenant impact. Star's initial email to tenants of 12 June 2024 did not invite them to respond if they had received notes of meeting but those notes had been received outside of the 14-day statutory deadline period. Furthermore, it did not invite tenants to notify Star if they had suffered any negative impact from the breach. The email provided a 14-day deadline for a response and did not indicate that tenants could come forward after that deadline should they identify any such impact.
19. The PCA therefore requested further evidence from Star about the steps it had taken to identify the scope of the breach and the impact on tenants since 2018, and clarification of the nature of the breaches. This was provided on 19 July 2024, 11 October 2024 and 13 January 2025. The letter of 13 January 2025 explained that Star would be issuing an additional letter to tenants making clear that the original 14-day deadline in the email of 12 June 2024 was not absolute, and inviting tenants to contact Star with any evidence that they had suffered negative impacts from the failure to receive BDM notes.
20. Following the collection and consideration of all appropriate evidence from Star, the PCA took the decision to issue a [Call for Evidence](#) on 8 July 2025. The deadline for responses was 19 August 2025. The purpose of this was so that the PCA could better understand the extent of the impact on tied tenants of the failure to provide meeting notes. The PCA set out in the Call for Evidence that it would consider any responses in deciding any regulatory action it might take.

### **Call for Evidence Responses**

21. Five responses were received to the Call for Evidence from Star tenants, former tenants and a tenant representative in relation to seven tenancies. These raised a range of issues:
- a. One respondent said that, other than for a short period, they had no BDM at all for a period of over four years from 2020, and that they had not received BDM notes of their rent review in that period;



- b. One respondent said that they had not been provided with BDM notes at all in 2018 and that notes were provided two months late in 2023;
- c. One respondent raised an issue from 2025 - they said that BDM notes in relation to an exit agreement were not provided and / or were not agreed by the tenant. They said that this had impacted on their ability to agree final settlement figures;
- d. One respondent said that their BDM missed vital information in notes and that no amended versions had been provided after correction by the tenant; and
- e. One respondent stated that Star's processes were cumbersome and that their BDMs are not allowed to talk to Star's legal department. However, this respondent stated that Star BDMs in general do a good job.

### **Additional Sources of Evidence**

22. In considering the exercise of its regulatory powers, the PCA also taken into account a number of other sources of evidence, including relevant documents from arbitration proceedings, Star's comments from meetings with the PCA, Star's compliance reporting, tenant enquiries to the PCA and Star's annual tied tenant survey figures.
23. In considering tenant impact, the PCA has had regard to what it knows about tied tenant satisfaction in the BDM relationship from its annual tied tenant survey. The survey is not a test of Pubs Code compliance. Nevertheless, the PCA has had regard to what the results indicate as to tenant satisfaction, including in the BDM relationship. In the [PCA's survey](#) of tied pub tenants in 2025, 70% of Star tenants reported that they were satisfied with their relationship with Star. This represented a 6% increase over 2024 and a 15% increase over 2023. Of 254 Star tenants (those who knew who their BDM was) surveyed in 2025, 205 said that they were very satisfied with or fairly satisfied with the relationship. Of the 254, 197 agreed or strongly agreed that their BDM provided them with accurate notes of discussions. A further 26 neither agreed nor disagreed.
24. In its 2023 - 2024 Compliance Report to the PCA, Star described its training procedures for BDMs. It stated that all its BDMs receive full training on the Code and rent assessments before they complete their induction and have contact with tenants. Star stated in the Compliance Report that all relevant Star personnel are subject to continuous professional development and improvement. This includes, for example, ongoing training throughout the year



on Code related topics. Completion of the annual Code training is an objective within the Star appraisal system for all BDMs. Star reported that it is promoting and encouraging personnel to attain British Institute of Innkeeping Accredited qualifications in relevant areas.

25. The content of Star's 2023 - 2024 Compliance Report repeated the content of compliance reports that Star had provided to the PCA in previous reporting years. The PCA therefore has concerns that Star's compliance reporting prior to the initial breach report was repetitious and lacked attention to how it was verifying its duty to take BDM notes. Notwithstanding this, the PCA welcomes Star's ongoing commitment to professional development for its BDMs.

26. As part of its evidence gathering, the PCA also reviewed arbitration proceedings in which Star had been involved and which related to BDM notes. In an [arbitration award](#) issued on 23 October 2019, issues were determined in relation to the conduct of a representative of Star who fell within the definition of a BDM. An [arbitration which concluded in 2023](#) included allegations concerning BDM conduct.

27. Additionally, in 2024, the PCA received evidence from a tied tenant which gave the PCA cause for concern that adequate notes of BDM meetings in 2022 had not been provided. Furthermore, in the course of 2024, the PCA received four enquiries from Star tied tenants referencing either the BDM or CCO. Of those, two are relevant to this report:

- a) One enquirer said that they had not received their BDM notes in a timely manner and that the notes had often taken at least 4 weeks to be received. This had hindered effective planning and decision making; and
- b) One enquirer said that their BDM had failed to respond to correspondence.

### **PCA decision**

28. The PCA has carefully considered the sources of evidence referenced in this report, including the responses from tied tenants (and former tied tenants) to the Call for Evidence.

29. It is not in dispute in this case that there have been multiple failures by Star to comply with regulation 41 of the Pubs Code.





30. The PCA has considered the exercise of its available statutory powers under the Small Business, Enterprise and Employment Act 2015 (**the 2015 Act**), including those of investigation under section 55 where it has reasonable grounds to suspect that a pub-owning business has failed to comply with the Pubs Code.
31. As required by section 61 of the 2015 Act, the PCA has applied the principles set out in its [Investigation and Enforcement Statutory Guidance](#) (issued in November 2016) in making a decision on whether to carry out a statutory investigation in this case. Those principles are:
- a) **Impact;**
  - b) **Strategic importance;**
  - c) **Risks and benefits;** and
  - d) **Resources.**
32. The PCA considered in particular the issue of **impact** when it made the decision to issue the Call for Evidence in July 2025. At the conclusion of the Call for Evidence, the number of responses, and the issues identified in them, indicated to the PCA that although the number of breaches identified was very high, there was only limited evidence to show that there had been significant detrimental impact on individual tenants. The improvement in Star's tenant satisfaction evidenced in the PCA's tied tenant survey results is supportive of the conclusion that the impact on tenants resulting from this breach has been limited.
33. The PCA considered that the extent of tenant impact was also relevant to the **strategic importance** factor it is required to consider under its statutory guidance. Ultimately, the PCA determined that in consideration of the totality of evidence on tenant impact and the significant mitigating steps taken by Star since the initial breach report, a proportionate response to the breach would be the issue of a written censure in the form of this report.
34. In cases such as this, the PCA expects to see robust evidence that the pub-owning business has (1) taken adequate steps to understand and address the impact of the breach, and (2) put in place procedures to minimise the risk of any similar breach occurring again in the future.
35. In determining the **risks and benefits** of opening an investigation in this case, the PCA further took into consideration the considerable investigatory work carried out by Star and the steps Star has taken since identifying the breach to



reduce the risk of similar breaches occurring in the future. It considers the following factors to be relevant:

- a) Star initially became aware of the breach in February 2024 following a Subject Access Request from a tied tenant. It carried out work to establish the extent of the breach, which was used to inform the breach report to the PCA in July 2024. There is no evidence that the breach was concealed or that information was withheld from the PCA;
- b) Following identification of the breach, Star proactively carried out a comprehensive review of its processes. All employees using BRSs, have had their records checked as part of Star's review;
- c) Since becoming aware of the Breach, Star has checked every BRS that has since been inputted;
- d) Monthly audits have been carried out by Star to check pubs have had a BDM visit, with a sample reviewed monthly by line managers;
- e) Since the initial breach report, Star has put in place a new meeting minutes system as of 9 January 2025. Star has told the PCA that the new IT system has been designed so that BDM note recording can only be sent to the onboarded tenant email address, and that the new system, when in use, effectively removes the possibility of notes not being issued to the tenant by a BDM following a meeting; and
- f) Star had a developed compliance framework within the business, including a Compliance Cabinet and Code Champions, to promote Code awareness and reduce the possibility of further breaches.

36. In some cases, the PCA may carry out a supervised inquiry to establish whether a breach has occurred and what the impact is on tenants so it can decide on appropriate outcomes. The PCA will consider engaging in such an inquiry where it is proportionate to do so, and in the interests of tenants, to address a suspected or actual breach of the Code without resorting to a formal investigation. In this case, because Star conducted its own investigation thoroughly in response to engagement from the PCA, the PCA did not consider it proportionate to carry out a supervised inquiry.

37. For those reasons, and taking all the other available evidence into consideration, the PCA does not consider it appropriate to take further regulatory steps in respect of these breaches at this time.

38. By way of this report, the PCA issues a written censure to Star on the basis that it considers it extremely disappointing that such a large number of breaches was allowed to happen in a systemic manner and that the breaches remained undetected for such a long period. The PCA therefore considers this



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occurrence of non-compliance to be sufficiently serious that just recording the breach and publishing it in the PCA's register of breaches would not adequately promote public confidence or deter future non-compliance.

39. The PCA considers a written censure to be a proportionate response to the particular circumstances of this breach, albeit it does not consider it appropriate to undertake a statutory investigation or other enforcement activity at this time.

40. The PCA welcomes the significant and comprehensive mitigating actions taken by Star to avoid a repeat of such breaches in the future.

41. The scope of this report is limited to the breaches reported to the PCA by Star in its report of 8 July 2024. The PCA reserves the right to take these breaches into consideration when determining any future regulatory action it may take in relation to Star's duties under the Pubs Code, including under regulation 41.

**Pubs Code Adjudicator  
December 2025**