

What Tied Pub Tenants Need To Know

Extended Protection under the Pubs Code



How to use this factsheet:

This factsheet is for tied pub tenants who want to know more about provisions in the Pubs Code about **extended protection**.

It provides information to support tenant understanding. It is not a substitute for the Pubs Code legal framework.

Our website contains other useful information about accessing your Pubs Code rights and the PCA's role as regulator in enforcing those rights: www.pubscodeadjudicator.org.uk

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At a glance... extended protection

You have Pubs Code rights if you are a tied pub tenant (TPT) and your pub-owning business (POB) has 500 or more tied pubs.

If your POB falls below 500 tied pubs (for example because your POB sells pubs to another company which owns fewer than 500 tied pubs), you may still have certain rights under the Pubs Code. These rights last until the end of the next rent assessment, or if sooner, when the tenancy ends.

Terms and abbreviations

Term/abbreviation	What it means
Code	The Pubs Code etc. Regulations 2016
CCO	Code Compliance Officer. Someone employed by the Pubowning Business who is suitably qualified and whose role is to verify its compliance with the Code
MRO	Market Rent Only
PCA	Pubs Code Adjudicator
POB	Pub-owning Business (often referred to as pub companies). POBs have obligations to tied tenants under the Code
Rent Assessment	An assessment of the rent you must pay in relation to an existing tenancy conducted in connection with a rent review or requested under regulation 19(1)(b) of the Code
TPT	Tied Pub Tenant (this includes a tied pub licensee and lessee)



What is extended protection?

See Small Business, Enterprise and Employment Act 2015 - Section 69

The Pubs Code applies in full to Pub-Owning Businesses (POBs) with 500 or more tied pubs in England and Wales.

Extended protection means you keep some Code rights for a period of time if:

- The POB sells its interest in your pub to a landlord with fewer than 500 tied pubs in England and Wales; or
- The number of tied pubs your POB has in England and Wales has fallen below 500. If this happens, your full Pubs Code rights would not change to extended protection rights until at least the next financial year. This is because whether a pub company is a regulated POB is based on the number of tied pubs it had during the previous financial year.

If the POB sells its interest in your pub to a landlord with fewer than 500 tied pubs, your **new landlord** is the POB during the period of extended protection.

Will I know if my pub premises is to be sold?

See Pubs Code - Regulation 49

In most situations, the POB must inform you if the freehold owner or superior leaseholder of the pub premises (whether that be the POB or another person) has done the following:

- taken any steps to advertise the premises for sale;
- placed their interest in the premises on the market;
- employed an agent to sell their interest in the premises; or
- entered into an agreement to sell their interest in the premises.

Where there has been an agreement entered into to sell the freehold of the premises or a superior leasehold, the POB must tell you the name and address of the buyer.



How long does extended protection last?

See Pubs Code - Regulations 52 and 53

Extended protection will end once:

• You conclude your next rent assessment (by agreeing the new rent in writing).

Or sooner if:

 Your tenancy or licence ends (including where it is renewed under the Landlord and Tenant Act 1954)

Once extended protection ends, you will no longer have any Code rights.

What Code rights do I have under extended protection?

Under extended protection, you no longer have the right to request the Market Rent Only (MRO) option to go free of tie. But you keep all other rights under the Code.

Note: The PCA cannot investigate a POB for a suspected breach of Code rights under extended protection.

Are you going through the MRO process?

If a POB sells its interest in your tied pub to a landlord with fewer than 500 tied pubs, you cannot continue the MRO process once the sale takes place.

You can read more about the MRO process in the PCA's MRO factsheet.



If you have any queries or concerns about your rights under the Code you may wish to contact your POB's <u>Code Compliance Officer (CCO)</u>.



Questions about this factsheet

For **general queries** about the information in this factsheet, you may contact our enquiry service.

Please note, we can provide information about your rights, the Code and our processes. We cannot advise you about your case.



Complete our online enquiry form



Email: office@pubscodeadjudicator.gov.uk



Call 0800 528 8080 to request a call back

This factsheet provides information to support tenant understanding. It is not a substitute for the Pubs Code framework.

You may find it helpful to take independent professional advice before making any decisions that may affect you and your business.

Find out more

Follow the PCA on social media @pubscodepca









Access all PCA factsheets here

Last updated: March 2025

