



**Pubs Code
Adjudicator**

Statutory Review of the Pubs Code and Pubs Code Adjudicator 2022-2025 and the Pubs Code post-implementation review

Submission by the Office of the Pubs Code
Adjudicator to Department for Business and Trade

August 2025



Introduction

1. During the statutory review period, the embedded operation of the Pubs Code has provided important transparency rights that support tenants at key points in their tenancy including negotiating to enter a pub, in their day-to-day interactions with their pub-owning business and in rent negotiations. The period has seen apparent stabilisation of overall regulated estate numbers in the context of significant trading pressures and wider economic challenges for tied tenants and the pub industry as a whole. There has been ongoing innovation by POBs in delivering information to tenants as required by the Pubs Code as well as improvements in tenant access to independent professional advice. The PCA has considered the application of the Code to new agreement types. The continued reduction in the number of formal disputes is notable. The MRO option provides an incentive to POBs to promote good tied relationships, and a valuable right to eligible tenants, though the Secretary of State may wish to consider whether limited and diminishing access to MRO may place restrictions on the ability of the Code to deliver the “no worse off” principle by this means.
2. Over the statutory review period the PCA has developed our strategic approach including to risk-based regulation and has formalised compliance structures including the self-reporting of breaches, broadened engagement and communications, and built a new website to provide clear and accessible information on Pubs Code rights. The PCA has developed our annual tied tenant survey into a key regulatory tool that measures and compares the performance of the regulated POBs. The survey now provides valuable data on tenant satisfaction to support improving standards, rebalance the tied relationship and support tied businesses, to the benefit of POBs themselves. The PCA has also provided an effective arbitration service for Pubs Code disputes. The period has seen evidence in the tied tenant survey of increased trust in the PCA among tied tenants.
3. The PCA gave evidence to the BEIS Select Committee in July 2022 and provided [additional information](#) for the Committee’s consideration. As the PCA explained to the Committee in relation to discretionary COVID-19 support, the partnership arrangements under the tied operated to the benefit of regulated tenants during that period of crisis.
4. To support the post-implementation review, some data since the commencement of the Code is provided. Compliance reports for the reporting year ending 31 March 2025 are due for submission to the PCA shortly. The PCA will analyse these reports on receipt. A glossary of key acronyms used in this submission is provided as an annex.

SECTION A – OPERATION OF THE PUBS CODE

Regulated estates

5. There has been industry interest in whether and to what extent the Pubs Code may have changed the regulated pub market by influencing the commercial practices of the POBs. This interest relates to changes in the overall size of the regulated estates, as well as the types of agreement and approaches to protections under the 1954 Act. The PCA has gathered data to support understanding of any such impact.
6. The below table (figure 1) sets out the number of agreements regulated by the Pubs Code at the end of each reporting year (31 March). Figures for 2017 and 2025 are drawn from the quarterly estate figures reported to the PCA by POBs.

Figure 1: total number of Pubs Code agreements 31 March each year

	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total	11142	10099	9435	8881	8678	8669	8109	7983	8438

7. The below graph (figure 2) provides the same data graphically per POB. The bar chart (figure 3) shows the overall estate numbers quarterly over the statutory review period, relying on the POB quarterly reports, and includes the figure for June 2025 to show the most up to date position.

Figure 2: estate size between 2017 and March 2025

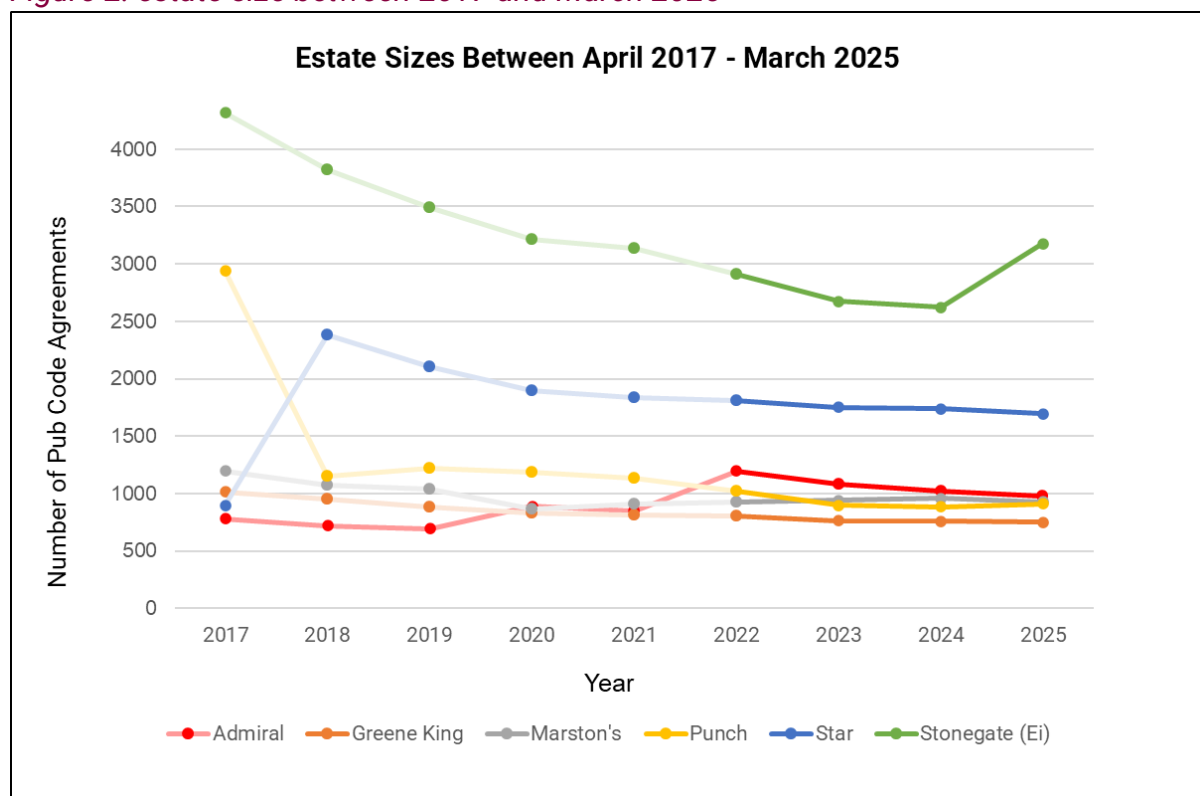
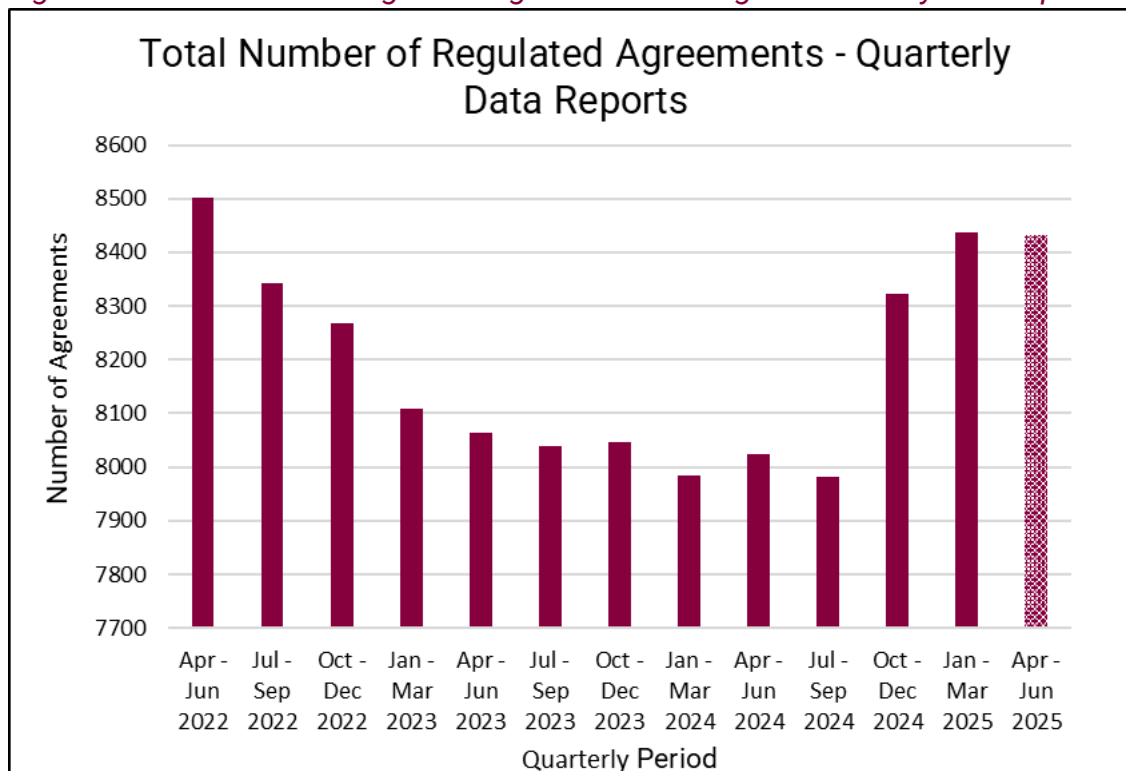


Figure 3: total number of regulated agreements during the statutory review period



8. There were some significant changes in POB estates after the introduction of the Code, although these were not as marked across all POBs. Changes in the last four or five years have been much less pronounced. The data suggests that total tied estate numbers appear to have stabilised and indeed increased overall in recent quarters. Changing estate figures may be due to a variety of contextual issues, including broader economic circumstances, commercial decision making and wider market forces. Some POBs have changed their estate profile by buying properties or moving pubs back into leased and tenanted estates. Data about the number of all pubs available from other sources, though it does not isolate tied pubs, may support the Secretary of State to consider changes in regulated estate sizes in the wider context.
9. Outside of the compliance reporting cycle, the PCA has obtained data from the regulated POBs as to the average duration of the tied tenant relationship – that is the average length of time over which the relationship between the two parties persists (in a single or successive agreements). Two POBs replied saying they do not gather this data. Figure 4 shows the data from the four POBs that provided a return.

Figure 4: average duration of a tied relationship in years (decimal) by POB

	2016	2017	2018	2019	2020	2021	2022	2023	2024
Admiral	6.0	5.7	5.8	6.2	7.0	6.2	6.5	7.1	7.0
Greene King	5.8	5.9	6.2	6.3	6.8	7.5	7.5	7.6	7.6
Punch	4.8	4.9	4.9	5.1	5.3	5.2	5.2	4.9	4.4
Stonegate	6.0	6.4	6.7	6.9	7.1	7.5	7.6	7.6	7.2
Average (unweighted)	5.7	5.7	5.9	6.1	6.6	6.6	6.7	6.8	6.6

10. This data should be treated with a degree of caution: Admiral and Greene King's data is an average as of 31 December for each year; Punch data is a snapshot of January each year to give average tenure duration of tied tenants, and it only holds continuity data if the new agreement is in exactly the same name. Greene King's data is for their whole estate. There may be many reasons why average duration of the tied relationship may increase – e.g. more business minded operators which might reduce the number of pub changes or closures, using fewer tenancies at will, or having a higher proportion of estates let on longer agreements. However, this data may be of interest in considering in context any impact of changes in tied agreements available in the market, and whether the operation of the Pubs Code correlates with indicators as to the health of the tied tenant relationship.

New agreement types

11. The PCA notes that the Call for Inputs asks specifically for evidence on the use of hybrid agreements, including any actual or potential risks of harm to operators arising from them. Related to this, the Secretary of State may wish to consider the practical applicability of particular Pubs Code rights in relation to different types of agreements now available in the market, and any appropriate amendments to exemptions under the power in section 71 which currently relate to franchises, short agreements and the investment exception.

12. The PCA refers the Secretary of State to our published statement of 13 March 2025 in relation to the regulation of [innovative agreement types](#), in which the PCA outlined difficulties in applying the Pubs Code legislation to some agreement types and sought evidence and views. The PCA made clear that it does not at present consider it appropriate to require compliance in respect of any of these types of agreements which may fall under the Pubs Code and will not be taking action to regulate them. The PCA advised it was not aware of evidence showing significant harm to operators from these types of agreements, that it would continue to keep the matter under review, and invited stakeholders to share information about the operation of these agreements. In response the PCA has been made aware of some industry concern related to limits on operator control and stock variety, but wider evidence in relation to the harms of these agreements has not been forthcoming.

13. Condition C in the definition of a tied pub in section 68 of the 2015 Act includes that the premises are occupied under a tenancy or licence. The PCA is aware of differences of view as to whether an intention to operate a pub under some of the agreement types that are the subject of our published statement could amount to occupation by a landlord for the purposes of repossession under s.30(g) of the 1954 Act. Jurisdiction in relation to the interpretation of s.30(g) lies with the courts.

Landlord and Tenant Act 1954 Protection

14. The PCA has continued to gather data on the number of regulated agreements which are protected under the 1954 Act, including the number of new agreements. Commentators suggest that a reduction in such protection is a reaction to the MRO right. Without a renewal right, there is no associated MRO event at the end of the agreement term. The total number of agreements with statutory protection under the 1954 Act, as well as the proportion such agreements represent of the number of Pubs Code agreements, has reduced year on year during the statutory review period to the end of March 2024, though the approaches of the six regulated POBs are not consistent. Consideration of the up-to-date picture will be possible on receipt and analysis of the 2024/25 compliance reports.
15. There are complex interactions between the 1954 Act and the Pubs Code Regulations. The Secretary of State may wish to consider how proposals to reform the 1954 Act may interact with parliament's intentions in enacting the Pubs Code, including in relation to the balance of fairness between tied pub tenants and the largest POBs, as well as taking into account market trends in relation to 1954 Act protections in regulated tied agreements, which have reduced over time. The PCA has provided information in relation to this interaction to the Law Commission, in our [response to the Commission's recent consultation](#) about its review of the 1954 Act, and its aims to modernise commercial leasehold legislation and foster an improved business relationship.

Market Rent Only (MRO) Option

16. MRO is the key to delivery of the core Code principle that tied tenants should be no worse off than if they were free of tie. Tied tenants have the right to compare the tied and free of tie options every time they have the right to renegotiate their tied rent under the Pubs Code. The tenant can compare the tied and free of tie offers, negotiate and choose the best option for their business. This valuable right has enabled some tenants to achieve more favourable tied deals or a free of tie tenancy. This right is not available to those on a short agreement/tenancy at will or franchise, or who have agreed to an investment exception. The right to request MRO is only available at one of the four available MRO events (the receipt of a RAP, the renewal of the tenancy, a SIIP or a 'trigger event' as defined in the Code).

17. The PCA gathers data from POBs, with the support of the [BBPA](#), on the use of the MRO procedure. This data suggests that, at the end of the reporting period 1615 valid MRO notices had been accepted since the commencement of the Code, with 332 of these accepted during the statutory review period (a reduction of approximately 39% on the previous statutory review period). Of the 453 MRO processes which ended during the statutory review period, 35% resulted in a free of tie agreement. This is comparable to the proportion for last statutory review period. The PCA understands the existence of the right to MRO has helped some tenants negotiate free of tie without serving notice to their POB landlord.
18. The English Devolution and Community Empowerment Bill, introduced to parliament in July 2025, proposes to ban upwards only rent reviews. Such terms are already proscribed in tied agreements under the Pubs Code. If enacted, the Bill will impact on MRO agreements, where such terms have been used. This would provide valuable consistency and certainty to those considering moving to a free of tie agreement using the MRO process. The PCA will continue to maintain an awareness of market approaches to compliant MRO terms, the progress of this Bill and the potential interaction with the Pubs Code Regulations.

MRO Events

19. In the post implementation review, the Secretary of State has sought evidence from POBs including as to the typical length of contracts offered under the tied model and whether this has changed since 2016. An increase in the use of agreements of up to five years would be consistent with a reduction in MRO events, as there would typically be no right to a contractual rent review and receipt of a RAP. A reduction in the number of MRO events would also be consistent with a reduction in the number of agreements with protection under the 1954 Act.
20. While the existence of the MRO right may be understood to operate as an incentive to POBs to build positive tied relationships with their tenants, there are many such tenants who are unlikely to have any MRO gateway, and therefore no statutory right to compare their tied arrangement with a free of tie deal to put the no worse off principle into practice. The number of tenants with a gateway is reducing and this reduction may be expected to continue.
21. Commentators have expressed concern that the decision to oppose statutory renewal may be influenced by the tied tenant serving (or taking steps preparatory to serving) a MRO notice. In particular, the PCA can see that the interaction of the MRO process with the statutory renewal timetable may lead a tenant who receives a notice opposing their s.26 notice after they have served a MRO notice to perceive a causal link between the two. The Pubs Code protects a tied tenant from detriment in relation to the exercise, or attempted exercise, of Code rights. As discussed below, the PCA in statutory guidance issued in March 2023 has

made clear our expectation that the POB should be able to evidence its reasons for decisions having been made which are compliant with the Code. Where a POB does not have appropriate, contemporaneous records of a decision to take back premises into management or otherwise oppose lease renewal, the PCA is likely to take that into account in the exercise of regulatory functions, including when determining why such a decision was made when considering whether it was connected to a tied tenant's attempts to exercise a right under the Code. The PCA monitors data in the compliance reports on the number of instances of POBs opposing renewal in reliance on the ground that it seeks to take the property back into its occupation.

22. During the statutory review period until the end of March 2024, only one (rejected) rent assessment was requested on the basis of an alleged SIIP and no MRO notices submitted on the basis of a SIIP. In the same period, there has been only one request for a rent assessment on the basis of a trigger event and three MRO notices submitted on the ground of a trigger event, which were all rejected by the relevant POB. This data could reflect a lack of awareness of this option. While the PCA provides straightforward information about the option in our factsheet, and has sought to raise awareness through our website, social media and otherwise, the test is complex and the PCA recommends that tenants seek professional advice in relation to it. The PCA has sought to improve awareness of the test for a trigger event among professional advisers, including training and information for the BII's professional adviser networks and news articles.
23. The PCA has seen evidence to suggest that the criteria for showing that a trigger event has occurred may be difficult to meet. For example, the tenant must show that the effect of the event is to decrease the level of trade that they reasonably expect to achieve over a continuous period of 12 months. There have been five published arbitration awards concerning trigger events since the commencement of the Pubs Code (though none in the statutory review period) in which various arguments have been made by tied tenants and POBs, and one application for permission to appeal to the High Court¹. A PCA review of published arbitration awards has shown that tenants have failed to discharge the burden on them to produce sufficient proof of an anticipated decrease in trade on a month-by-month basis over a continuous period of 12 months. An event which impacts significantly on peak seasonal trade, for example, may have no significant impact during off peak periods of trade. Furthermore, the effect of the event must be one which the tenant could not substantially mitigate, and there may not be agreement about forecasts based on alternative business models.

¹ *Punch Taverns Ltd v Swan Hospitality Ltd*. [2018] EWHC 905 (Ch)

24. The Secretary of State may wish to include in his assessment of the effectiveness of the MRO right, how current MRO gateways have impacted and whether sufficient access to this right is available to support the no worse off principle by this method.

Independent assessors

25. The PCA has engaged with the RICS, which administers the IA panel, and with the IA panel members themselves to understand how the IA process is operating. Evidence suggests that while numbers using IAs are limited, the panel and process is working smoothly and provides an effective independent means of rent determination with overall positive outcomes for tenants. Making a referral to an IA to determine the market rent for an MRO tenancy where agreement cannot be reached can add time and cost to the MRO procedure. The PCA monitors data on the use of IAs through the compliance reports and keeps the criteria for their appointment under review.

Protected MRO agreements at the end of their term

26. Commentators have continued to suggest that tenants who take the MRO option are vulnerable to opposition to statutory renewal at the end of their term on the ground that the pub company seeks to bring the pub into its own management. At the end of the last statutory review, little data was available to enable assessment of this concern. At that point, of 18 MRO agreements that came to the end of their term or reached the last year of the agreed term of the tenancy, five renewals were opposed under the 1954 Act, s.30(1)(g).
27. The PCA has gathered data from POBs showing that where the formerly tied tenant moved to a free of tie agreement following service of an MRO notice, 44 of these agreements with 1954 Act protection have ended during the statutory review period. Five of these saw the landlord opposing renewal - either in whole or in part - by the service of a notice under s.30(1)(g) of the 1954 Act.

Rent negotiations

28. Pubs rents are negotiated based on a reasonable forecast of the profitability of the pub (accordingly to the applicable valuation methodology). The Pubs Code provides tied tenants with the right to an analysed rental offer from the POB and transparent information to support it, in order to provide the tenant with strength in those negotiations – at the start of the tenancy and at rent review.
29. New questions in the tied tenant survey for 2025 indicate that the majority of tenants think that the rent negotiation process works well. Of the four in ten tenants who negotiated or renegotiated their rent in the past two years, 64% agreed that their POB handled any negotiation fairly. 62% said that they were satisfied with the information provided to support their rent offer. 51% said that the information provided helped them in negotiations, which demonstrates that a significant number of tenants are not only satisfied with the information provided,

but actively using it to assist them in the course of their negotiations on rental payments with POBs.

Insurance

30. The Code allows tenants to price match their premises insurance. While the number of tenants who use this right has been low, the PCA is aware of views that its existence, and the associated information duties, may be incentivising POBs to maintain competitive insurance rates, and to have up to date insurance valuations to enable compliance with Code information duties related to insurance costs per pub, and manage their insurance arrangements effectively.

Arbitration

31. The number of tenants referring for arbitration has remained low at 44 in total over the statutory review period. The great majority of these are MRO disputes. This compares with 360 arbitration referrals in the first statutory review period. This substantial reduction in the number of disputes cannot be accounted for simply by a reduction in the number MRO notices served and may be due to a range of factors. These factors may include the April 2022 Code amendments which included the introduction of a three-month resolution period. This gives the parties more time to negotiate on the MRO terms and rent after the tenant receives the POB's MRO proposal and before deciding whether to refer any dispute to the PCA for arbitration. The PCA has encouraged POBs to resolve disputes without arbitration by using referral numbers in our levy apportionment and has worked to provide an efficient and effective arbitration service. The PCA also has issued statutory guidance and advice on the MRO process to support consistency and reduce disputes.

32. While low dispute numbers might imply that POBs are effectively handling compliance or tenant concerns, the PCA is concerned to understand if current arbitration rules discourage tenants from making referrals, particularly non-MRO referrals, which are much less likely to settle than MRO disputes, and so more often end in a substantive award after full litigation of the issues. Tenants who are not legally represented in arbitrations may be at a substantial disadvantage due to a lack of experience and understanding of Pubs Code legislation and Ciarb Rules. The PCA remains concerned that the imbalance of arms between many tied tenants and the well-resourced and professionally represented POBs means that the current dispute resolution process may remain a disincentive to tenants.

33. To address any potential issues relating to the accessibility of arbitration rules, the PCA issued a policy consultation on 31 July 2025 seeking information about the possible benefits of bespoke rules for Pubs Code arbitrations in improving access to dispute resolution and reducing cost and complexity.

34. The PCA is unaware of any High Court appeal against arbitration awards having been brought during the statutory review period. It is notable that all such

appeals since the commencement of the Code have been brought by POBs, and this may be because tenants are discouraged from bringing an appeal, even where grounds exist, due to the risk and cost of the current appeal route to tenants. Since such appeals may bring binding clarification as to the correct interpretation of the law, this may impact on the issues and arguments considered by the court, and therefore on the interpretation of the Pubs Code to the benefit of the POBs.

PCA Powers

35. The PCA has a duty to report to the Secretary of State unfair business practices (as specifically defined in the Code) when, in the PCA's opinion, a practice is unfair and is designed to avoid the operation of the Code. The PCA has at no stage made such a report. Unlike the PCA's powers of investigation, which are coupled with information gathering powers backed by criminal sanctions, the duty to report an unfair business practice is not accompanied by information gathering powers for this purpose. The lack of these presents a substantial barrier to enabling the PCA to understand what information exists relevant to the intention of a POB in respect of a commercial practice.

36. In relation to consistency of PCA powers, the power in regulation 61 of the Code in respect of gathering information relating to MRO arbitrations is more limited in scope than the same power in respect of non-MRO arbitrations which is included in section 52 of the 2015 Act. The PCA considers it appropriate for MRO and non-MRO arbitration information gathering powers to have the same scope. Furthermore, the absence of a general information power contrasts with the powers exercised by other UK regulators, which can provide a clear legal basis for information requests and a duty to comply, supporting effective regulation.

SECTION B: PERFORMANCE OF THE PCA

Regulatory approach

1. The PCA strives to work in accordance with the principles set out in the Regulators' Code and was one of the first regulators to become a member of the Institute of Regulation. The PCA is committed to good regulatory practice across all its activities and as a 'micro' regulator with a very small body of staff, always aims to take a proportionate route to embedding Code principles without hindering business growth. This includes through working with POBs to promote knowledge of the Pubs Code across the pubs trade and supporting good practice, such as the development of voluntary agreements between POBs.
2. The PCA's annual tied tenant survey helps measure the impact of the Code and provides valuable data to POBs to support their tied relationships and positive incentives. Figures from 2025's survey demonstrate that 8 in 10 tenants are aware of the Pubs Code, while 61% are satisfied in their tied relationship with their POB. In 2023, the PCA's survey was featured as a good practice case study in [national research](#) on UK regulators' approaches to using data.
3. The PCA also seeks to meet the Regulators' Code through ensuring the provision of clear, jargon-free information to POBs and tenants. This includes through factsheets, the development of a new accessible website which supports tenants in understanding and accessing their Code rights, and also in the provision of information, advice and guidance to the industry. The PCA engages in simple and straightforward ways with POBs, including six-monthly meetings with senior leadership teams and regular round tables with Code Compliance Officers (CCOs), addressing key risks to Code compliance, supporting the development of positive compliance cultures and providing greater insight into issues impacting the pubs trade.
4. We take a transparent approach to regulation, for example, the PCA's approach to each self-reported breach is published on the PCA's website, and information about stakeholder engagement is also regularly published. The PCA does not always communicate publicly and contemporaneously about enforcement steps where it considers that doing so may prejudice such action.
5. A healthy business relationship benefits both tied pub tenants and regulated POBs and the PCA is committed to minimising potential regulatory burden. We have begun engagement with POBs to seek to understand regulatory burden and how it may be reduced, and to review our annual compliance report template and other information requirements. The PCA has this year developed our approach to risk, proportionate to our size. The PCA's priorities and activities are guided by information and insights gathered from different sources. These include the tied

tenant survey, self-reported Code breaches, arbitrations, tenant enquiries and engagement with stakeholders.

6. In 2022, the PCA developed our first strategy in consultation with stakeholders, '[Rebalancing the tied pubs trade](#)'. The strategy covers the three-year period to August 2025 and has underpinned delivery of key work programmes as set out below. The PCA has recently consulted on a new strategy for 2025-2027, focusing on three potential key priorities: (a) Effective regulation; (b) Exploring innovation; and (c) Streamlining delivery, which supports the reduction of any unnecessary regulatory burden. We look forward to further developing our strategy in light of stakeholder feedback.
7. As a regulator funded by industry levy, the PCA is acutely mindful of the need for regulation to be carried out at a proportionate cost. This is reflected in the year-on-year reduction in the overall approved levy on the POBs: from £3,425,118 in 2022/23; to £2,969,507 in 2023/24; to £2,650,000 in 2024/25; and to £2,640,000 for 2025/26, an overall reduction of 22.9%. Staff costs and other expenditure also show annual reductions from April 2022 to 31 March 2025². Unspent levy monies are returned to POBs annually, and the PCA's latest annual expenditure compares favourably against costs anticipated by government's initial impact assessment published in 2016. The PCA takes time to ensure the levy calculation is based on reliable data that promotes fairness between different POBs; the 'polluter pays' approach is inherently unpredictable, relying on analysis of compliance-related behaviour. The PCA will consider carefully POB evidence to understand attitudes to a more predictable approach to the levy calculation, whilst considering the ability of the levy apportionment to incentivise compliance. The PCA continues to pursue cost reductions, for example, by bringing management of the arbitration service back in-house over the coming year, in light of low arbitration numbers, to reduce service overheads.
8. In June 2024 the first applications in our newly developed case management system went live, providing greater consistency and efficiency in the PCA's regulatory work and administration as well as improving the PCA's monitoring and reporting capabilities.
9. At the end of the reporting period the PCA had 11 staff seconded from other organisations in addition to the Pubs Code Adjudicator herself. By statute, the office of the PCA is unable to employ staff directly, and human resource support can present challenges. The NAO has recently [reported](#) on accountability in small government bodies; the PCA would be supportive of suggested changes to

² Please note figures for 2024-25 are yet to be certified by the National Audit Office

reporting requirements on small bodies to improve our efficiency and ability to focus on delivering our core regulatory functions.

POB engagement and voluntary good practice

10. Since 2024, the PCA has held quarterly roundtables with POB CCOs to support the sharing of good practice across the regulated industry. Discussions have included issues flagged by tenants or by the PCA's tenant survey, such as provision of manageable and accessible statutory Pubs Code information for tenants; the development of minimum standards for tenants on short agreements; fixtures, fittings and the end of tenancy arrangements; and the role of the CCO in improving tenant understanding of the Code.
11. Through this engagement, the regulated POBs working together with the PCA have voluntarily agreed minimum standards in dealing with tied tenants on short agreements, to whom most Pubs Code rights do not apply. POBs have committed to exceed their limited statutory duties and provide additional information to those entering short agreements, including about Pubs Code rights, the PCA, professional advice, complaints procedures and the role of the CCO and, consistent with the Pubs Code rights of those taking on substantive agreements, to all provide notes of conversations about rent, repairs and business planning. POBs have also agreed to consistently provide advice in writing in advance of short agreements that tenants should not invest their own capital into the pub and the risks and implications if they do.

Stakeholder and tenant engagement

12. Through 2022-25, the PCA has deepened and widened our engagement with tenants and organisations that support and represent them, to ensure our regulation is informed by tenant experiences. This included meetings with different tenant representative bodies; holding round tables for tenants and those who support them; and visiting tenants at their pubs with POB representatives and the Society of Independent Brewers. The PCA published 'Day in the Life' blogs based on our pub visits, highlighting important aspects of the Pubs Code. The PCA also met tenants at regional POB events and exhibited at major annual industry events, such as PubWatch and the Northern Restaurant and Bar. Such engagement provided on-the-ground information in addition to evidence gathered from our annual tied tenant survey.
13. The PCA has engaged with RICS in relation to its professional standards and Rules of Conduct related to pub rental valuations relevant to the understanding of Code requirements, and in relation to the launch of their professional standard 'Valuation of licensed leisure property 2nd edition', which includes information regarding tied pubs and a specific section for non-valuers such as stakeholders in the tied pubs market. The PCA has engaged with the BBPA regarding relevant and current data in connection with typical operating costs referred to tied tenants in their profit and loss forecasts by POBs as a Code requirement.

14. The PCA notes the introduction of the Scottish Pubs Code and appointment of the Scottish PCA on 30 March 2025. Recognising the significant differences between the two Codes, the PCA has engaged with the Scottish PCA to maintain awareness and identify any opportunities to reduce regulatory burden.

Improving information for new tenants

15. The PCA has worked with POBs to [improve the new tenant experience](#), and engaged with them regarding their improvements to the accessibility of the wide range of Code information they must provide to new tenants including:
- a) Streamlining and adapting recruitment information to suit the digital age
 - b) Provision of clearer, bite-sized information to applicants, such as accessible online guides and visuals
 - c) Moving new tenant information to digital platforms, such as websites and mobile apps
 - d) Improving recruitment and induction information for new tenants such as moving some information online or holding real life events with new tenants
 - e) Ensuring more regular reviews of sustainable business plans throughout tenancies
 - f) Improving staff training in relation to new tenant information
 - g) Improving the visibility of the BDM and CCO within POBs to ensure tenants know who to contact and why, with videos of CCOs and regular tenant newsletters highlighting important Code rights or information from the regulator.
16. The PCA is encouraged that a number of POBs are planning to make further significant improvements in how statutory new tenant information is provided, particularly in the development of new technologies to support digital tenant journeys, and we will continue to work to encourage innovation and improvement in this area. The PCA has supported the BII to provide further clarity on Code duties in its PEAT online course aimed at prospective tenants.

Professional Advice

17. Professional advisors are key to both ensuring tenants are set up for success and that tenants are aware of their Code rights. The PCA continues to be aware that tenants typically take advice from an accountant, but not all prospective tenants take advice from a solicitor or surveyor in advance of taking up their tenancy agreement or during their tenancy. A factor is the perceived cost of advice.
18. The PCA has therefore undertaken further work with POBs, the BII and others to promote professional advice such that tenants (including prospective tenants) can access the right advice at the right time. All regulated POBs now provide membership of the BII to those negotiating to take on a tied pub, as well as their tied tenants. This enabled the PCA to signpost tenants to the BII's Accredited

Advisers network which provides access to independent professional advisers (accountants, surveyors and solicitors). Through 2024, the PCA also developed relationships with the Chairs of the panels of accredited advisors for each of the three professions, providing training and information on the Code and has undertaken further work to promote the use of intermediaries giving advice.

PCA Impact: Tenant Feedback including Annual Tied Tenant Survey

19. The PCA's [annual tied tenant survey](#) provides high quality data aiming to drive positive change in the tied pubs industry. In 2023, the PCA doubled the number of tenants surveyed to over 1,200, representing 15% of the regulated industry, providing statistically significant data to enable comparisons of results over time and between different POBs to incentivise POBs to take steps to improve their tied relationship. Results are shared publicly at an industry launch event and online, as well as with POBs, providing positive incentives and informing both POB and PCA workplans.
20. Since 2023 (when the survey sample was increased), tenant satisfaction has remained broadly stable (61% in 2025) with some variance between POBs. Seven in ten tenants are satisfied with their relationship with their BDM. This relationship is critical to the success of the tied partnership, and the PCA has been pleased to see consistently high satisfaction levels over recent surveys. In addition, the 2025 survey demonstrated that eight in ten tenants find the information provided before the start of their agreement useful and 59% of tenants are satisfied with their current agreement (2025).
21. During the review period, there has been a significant increase in the awareness of tenants towards their CCO reported in the tied tenant surveys. In 2023 the PCA highlighted that more needed to be done to raise the profile of CCOs as only 25% were aware of their CCO at that point. The 2024 survey showed a 14-percentage point increase to 39% in 2024 and awareness of the CCO increased again in the 2025 results to 46% (up 7 points on 2023 and 21 points overall within the reporting period). The PCA has worked with POBs to improve awareness of the six CCOs and their role, and CCOs also initiated activities to raise their profiles among tenants including producing video content.
22. Results from the 2025 tenant survey also demonstrate that tenant familiarity with key Code rights has improved sharply year on year. For example, awareness of rights has increased as follows:
 - a) when receiving a Rent Proposal: up 16 points to 83%
 - b) when receiving a Rent Assessment Proposal: up 16 points to 80%
 - c) to price match POB premises insurance: up 12 points to 68%
 - d) to request MRO option in certain circumstances: up 7 points to 70%
23. A consistent pain point for tenants, across both survey and more informal engagement, has been the handling of repairs and dilapidations by POBs, where

45% of tenants are satisfied and 41% dissatisfied (2025). In 2023, the PCA held dedicated discussions with POBs and BII to understand current business practices and issues for tenants. The PCA then completed a thematic review of POB management of repairs and dilapidations under the Pubs Code, publishing insights and recommendations to drive improvements in the industry in October 2023. The PCA continued to engage with POBs and tenant representative bodies on repairs and dilapidations and amended the survey questionnaire to provide better insights on tenant experiences.

24. This demonstrated that 68% of tenants understood well the process for how their POB deals with repairs the POB is responsible for at their pub (21% understood this badly). However, only 45% were satisfied with how their POB deals with repairs at the pub which the POB is responsible for (41% were dissatisfied) and 41% were satisfied with how the POB deals with them where the tenant was responsible for repairs (with 22% being dissatisfied). These averages show significant differences between POBs which might in some cases be related to their estate, tenancy types and repairing obligations. The PCA uses survey findings to engage further with individual POBs and has continued to gather intelligence to inform our regulatory approach.

25. Survey results show trust in the PCA's ability to regulate independently of the POBs has increased (by 7 percentage points to 64% in 2024) and independently of government (by 5 points to 61% in 2024). These increases were broadly sustained in 2025.

26. Broad and informal engagement with tenants and stakeholders suggests that many tenants generally value Code rights. The following is an example of tenant comments regarding the MRO:

"The MRO has given me a deal that's broadly as good as being free of tie, and that's what the aim is meant to be. You choose whether you want to be free or tied - they both should have benefits, and they did have. Now I'm given two deals and I can make a decision after negotiating. The pros and cons are down to you... and now it's fair because you've got the PCA on your side."

27. The following further examples are taken from tenant interviews:³

"It's very helpful to get notes from the minutes of the meeting because we can go back on them as well about the problems we have and discussions how we are moving forward."

³ Tenant story videos available at: [Admiral Compilation](#); [Marston's Compilation](#); [Stonegate Compilation](#)

"Yeah, I definitely think the Pubs Code has made a massive difference especially to tenants that are coming into something that's new, fact that they have got something behind them, backing them up, which is normally quite scary for somebody, I think it helps a lot."

"The Pubs Code is there to ensure fairness between the pub company and the tenant. This is there so that everyone understands their obligations."

"I feel the Pubs Code is very important for everybody, it gives transparency, it allows us to understand that we have our options available to us and that we are being fairly dealt with."

"Pubs Code 16 came in when I had my rent reviewed and looked at the MRO option to decide whether or not I wanted to make changes to that lease. During that time I took some advice and decided to stick with the tied model which is where I am today."

28. Further comments from tenants about satisfaction in the tied relationship, both negative and positive, are highlighted in the [headline findings](#) of the 2025 tied tenant survey.

(a) giving advice and guidance

29. The PCA has the power to issue statutory guidance under section 61(3) of the 2015 Act and to issue statutory advice under section 60. The PCA exercised these powers in the following instances during the statutory review period.

30. The PCA issued statutory guidance to POBs in March 2023 following arbitration disputes and tenant concerns about barriers and disincentives to accessing the Market Rent Only (MRO) option to go free of tie. This guidance was designed to improve tenant access to MRO, as well as consistency and transparency. Due to this guidance, now in most cases POBs will offer the option for tenants to pay any large upfront costs gradually; and tenants receive better information to understand how the proposed MRO rent has been calculated. The PCA also worked with POBs to review the information they provided about MRO and all POBs subsequently provided clearer and more accurate information to tenants.

31. In April 2022, the PCA issued an advice note to the industry to clarify the PCA's view on how the Fees Regulations apply to disputes about IA determinations. In June 2023 the PCA updated our advice note on the timing of non-MRO referrals for arbitration to provide greater clarity for tenants on time limits.

Information for tenants

32. Interpreting complex legislation can be challenging, so the PCA provides a range of online information about the Pubs Code and related processes, such as factsheets, in addition to formal statutory advice, to help tenants understand and

navigate their rights more easily. These factsheets are the most accessed parts of our website. During the period we published five new factsheets on: arbitration disputes, franchise agreements, short agreements, repairs and dilapidations and assignments. In March 2025, in tandem with the launch of our new website, we updated our 20 factsheets to ensure they explain key Code rights to tenants in clear accessible language.

33. Through 2022-25, the PCA increased our focus on social media and online publications to improve awareness of the PCA and the support we can provide for pub tenants and the wider industry. Channels including LinkedIn, X (formerly Twitter) and professional industry titles such as the Morning Advertiser, Propel, Estates Gazette and Link magazine for surveyors helped showcase Code rights. During 2023, we produced and published videos with tied tenants from different POBs to help explain how tenants can use their Pubs Code rights. A number of our online articles reached audiences of more than 70-80,000 people.

New website

34. The PCA applied to the Cabinet Office for an exemption from gov.uk, owing to the need to reflect the independence of the PCA's arbitration service from government, and procured an external supplier to develop a new independent website. This included new, more engaging branding to build awareness of the Pubs Code and visibility within the industry. The [new site](#) went live in March 2025, receiving positive feedback from the industry and over 8,000 views in its first three months. The website is more user friendly and has a clear, intuitive layout for improved user flow with an improved search functionality which also allows visitors to find the information they need more easily.

Correspondence and enquiries handling service

35. The PCA operates an enquiry service providing information on Pubs Code rights and processes, which can be accessed by email, call back request or online form. Through 2023/25 the PCA also deepened our external relationships to improve our ability to refer tenants appropriately to support services, including the Institute of Licensed Trade Stock Auditors, the Licensed Trade Charity, UK Hospitality and Hospitality Action.
36. In 2022, the PCA introduced a new KPI to drive responsiveness in enquiry and correspondence handling. The PCA either met or was within 1 percentage point of KPIs as set out in figure 5.

Figure 5: PCA correspondence and enquiries performance measures

Performance measure	2022/23	2023/24	2024/25
95% of correspondence (excluding regulatory interactions with POBs and arbitration case correspondence) responded to within 15 working days	100%	99%	99%
95% of enquiries (excluding regulatory interactions with POBs and arbitration case correspondence) responded to within 15 working days	100%	100%	94%

(b) investigating non-compliance with the Pubs Code

37. The PCA's monitoring of its recommendations to Star Pubs made as a result of our first formal statutory investigation into suspected breaches of the Code was ongoing until the end of 2023. The PCA had found that the POB had committed 12 breaches of the Pubs Code in respect of various aspects of its approach to the inclusion of stocking terms in its MRO proposals between July 2016 and July 2019. As a result of the breaches, the PCA made eight binding recommendations under s.56 of the 2015 Act in respect of action to be taken by the POB aimed at improving processes and governance, and overall compliance with the Pubs Code. The PCA monitored Star's compliance with these recommendations, which included Star taking steps to remove non-compliant lease terms from the market. Star fully co-operated with the PCA and implemented these recommendations for the benefit of all its tenants.

38. The POB's appeal to the High Court under s.58(3) of the 2015 Act against the imposition of the financial penalty notice by the PCA was settled in April 2023 and Star Pubs paid a penalty of £1.25m. Star Pubs took significant steps to reform its processes in order to achieve compliance with the Pubs Code, including the introduction of monthly 'Compliance Cabinets' into their management system. It is notable that Star Pubs has seen a significant increase in tenant satisfaction since this case was concluded, with satisfaction rising 15 percentage points over the two years from 55% in 2023 to 70% in 2025.

39. During the statutory review period, no statutory investigation was conducted by the PCA. In line with the principles of good regulation, based on the Macrory and Hampton Reviews which underpin the Regulators' Code, the PCA aims to take the most proportionate approach to driving compliance with the Pubs Code, including preventing non-compliance. The PCA must have regard to our published statutory guidance before commencing any investigation and must consider a wide range of factors including impact, strategic importance, risks and benefits and resources.

(c) enforcing the Code where non-compliance is found

Transparency in regulatory compliance

40. Consistent with the operation of the Code to empower tied tenants through transparency, the PCA is committed to transparency to promote confidence in our work, and as a regulatory tool to support and encourage compliance. For example, we published the full tenant survey methodology and data, a register of self-reported breaches of the Code and arbitrations on our website, and [Pubs Code Action Stories](#) to inform tenants, POBs and wider stakeholders about key regulatory outcomes. This included information about regulatory activity which resulted in tenants being reimbursed by POBs, updates on regulatory interactions and supervised enquiries, and actions POBs had taken to improve their practice in specific areas.

Breach reporting process

41. The Pubs Code requires POBs to inform the PCA retrospectively only of non-compliance annually in the compliance report. In 2022 the PCA implemented formal arrangements for the voluntary self-reporting of Code breaches to satisfy the PCA of mitigating action taken to reduce the risk of repeat breaches and steps taken to identify and remedy any detriment caused to tenants. This was a step forward in monitoring live compliance with the Pubs Code and is a mechanism by which the pub company can seek to demonstrate that it can be trusted to monitor effectively its Code compliance and take appropriate and timely action in response to breaches. Since then, additional improvements have been made to the policy and process. The self-report ensures the PCA is made aware of the POB's understanding of the breach, how it happened and the impact on tenants. The PCA can consider this when deciding what, if any, regulatory response is needed.

42. The PCA established a register on our website in April 2022 containing information about the POBs' breach reports and the PCA's approach to them. The PCA's new website allows for the Breaches Register to be searched to further aid transparency and accessibility.

Supervised inquiries

43. In the reporting period the PCA developed and piloted a new regulatory tool, the 'supervised inquiry' process, to provide a structured and proportionate approach to the effective resolution of breaches with PCA oversight short of a formal investigation. Where the PCA offers this approach, it is voluntary for the POB. The PCA delivered two supervised inquiries, one with Star Pubs following self-reported breaches in relation to its insurance arrangements and Code duties under regulation 46(2). Following the supervised inquiry into Star Pubs' reported breaches the PCA carried out further regulatory engagement with all POBs in relation to compliance in respect of premises insurance duties under the Code. We also worked with Stonegate in relation to historic breaches reported around its provision of rent proposals for new agreements under regulation 15(7).

Engaging where appropriate in this collaborative process enables the POB to demonstrate a proactive approach to addressing identified compliance issues.

Extended Protection

44. The PCA has instituted and maintained processes to record compliance with notification requirements in relation to the sale of a tied pub to a pub company with fewer than 500 tied pubs and to support compliance with the extended protection rights of those tenants.

(d) arbitrating disputes under the Pubs Code

45. Across the reporting period, the PCA met all our performance measures in relation to the provision of the arbitration service, managed on the PCA's behalf by Ciarb under a procured contract. Ciarb recommend suitable arbitrators to the PCA for appointment, where the PCA exercises her statutory power to appoint an alternative arbitrator. The PCA is pleased to have improved our performance measure for appointing an arbitrator, reducing the time within which 90% of appointments are made from 25 working days of accepting the referral and receiving all relevant information from the parties to 20 working days.
46. The Ciarb and the PCA have worked together to improve the arbitration service including through recruitment, appointment, training and monitoring processes. For example, in September 2022, specialist training was implemented, requiring arbitrators (who must comply with the PCA's arbitrator standards with respect to timeliness, quality and consistency) to also pass an assessment to demonstrate the required standard of Pubs Code knowledge. For the statutory review period, the average length of arbitration (not including mutually agreed stays), was almost six months.
47. At the start of the review period, in March 2022, there were 43 open arbitration cases and by the end of the period, in March 2025, there were just five. This compares to 118 open cases at their peak in mid-2018. During both 2022/23 and 2023/24 17 cases were referred to the PCA for arbitration and in 2024/25 10 were referred. At the end of the fourth year, and second one-year extension, of the arbitration services contract, the PCA is also planning to bring the arbitration service back in-house to continue to ensure continued value for money.
48. The PCA continues to publish arbitration awards or, where consent to publish has been withheld, summaries of the findings made in awards, to create greater transparency in the arbitration process. The PCA exercises our information powers to monitor arbitrations and had engaged with POBs when it has identified behaviours of concern, providing transparency in publishing Pubs Code Action stories in relation to such engagements. The new PCA website provides a searchable arbitration database to improve transparency for the industry in respect of Pubs Code arbitration and the behaviours of the regulated POBs, and the facility for greater information to support tenant understanding.

SECTION C: Costs, fees and financial penalties

1. Out of 41 awards issued during the review period, three included a requirement for the tenant to pay towards the POB's costs under regulation 3(4) of the Fees Regulations for MRO disputes and regulation 4(3) for non-MRO disputes. In two of these cases the tenant's liability was capped at £2,000. In the other case, the tenant was ordered to pay uncapped costs of £4,530, the arbitrator having found that the tenant's conduct had unreasonably increased the costs of the arbitration. Tenants who are supported by a representative without professional qualifications may run a greater risk of pursuing unmeritorious cases and an award for costs.
2. There has been one case in the review period where a tenant's referral was found to be vexatious, and they were ordered to pay the arbitrator's costs of £5,832 under section 51(6) of the 2015 Act. However, the POB did not notify the arbitrator and the tenant that it had admitted relevant breaches of the Code which the PCA was considering. After [intervention from the PCA](#), the POB repaid the arbitrator's costs to the tenant. In a further arbitration award, the tenant was ordered to pay 35% of the arbitrator's costs, despite not finding the referral to be vexatious. The PCA's view was that the arbitrator did not have the power to make this order and after [intervention from the PCA](#) the POB agreed to pay the arbitrator's costs. The PCA took steps to draw the attention of the panel of arbitrators to the relevant costs provisions.
3. The PCA considers the 2015 Act and regulations remain appropriate in ensuring the tenant's liability for fees and costs is capped to minimise barriers to arbitration but also recognising these provisions can act as a deterrent to claims being brought without merit. The availability of quality advice is nevertheless important to minimise a tenant's exposure to costs. The PCA's consultation on bespoke arbitration rules seeks to understand whether these might make arbitration more cost effective and reduce complexity.
4. The PCA has seen no evidence to indicate the £200 referral fee is not appropriate or has been a barrier to tenants accessing arbitration (96% of referrals over the review period have been made by the tenant).
5. As referred to above, the PCA imposed a financial penalty on Star Pubs as a result of a statutory investigation and a High Court appeal against the penalty was settled in April 2023.

Glossary of terms

BBPA	British Beer and Pub Association
BII	British Institute of Innkeeping
CCO	Code Compliance Officer within the POB
Ciarb	The Chartered Institute of Arbitrators
IA	Independent Assessor
KPI	Key performance indicator
MRO	Market rent only option
NAO	National Audit Office
PCA	Pubs Code Adjudicator
PEAT	BII's pre-entry awareness training
POB	Pub-owning business
RAP	Rent Assessment Proposal
RICS	Royal Institution of Chartered Surveyors
Scottish PCA	Scottish Pubs Code Adjudicator
SIBA	Society of Independent Brewers and Associates
SIIP	Significant Increase in Price
The 1954 Act (or LTA)	The Landlord and Tenant Act 1954
The 1996 Act	The Arbitration Act 1996
The 2015 Act	The Small Business, Enterprise and Employment Act 2015
The Ciarb Rules	Ciarb's Arbitration Rules 2015
The Fees Regulations	The Pubs Code (Fees, Costs and Financial Penalties) Regulations 2016
The Code or Pubs Code	The Pubs Code Etc. Regulations 2016
TPT	Tied pub tenant