

## OFT launches market study into sale and rent back

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The OFT has launched a market study into the sale and rent back sector.

Sale and rent back (also known as 'sale and lease back') arrangements involve individual homeowners selling their property at a discount in return for the option to remain in the house as a tenant. These arrangements may be taken up by consumers in financial difficulty facing possible repossession of their homes.

Sale and rent back is a relatively new sector which appears to be growing quickly. If the number of consumers potentially facing repossession increases, it is possible that the take-up of sale and rent back arrangements will also increase. Given the current economic climate, the OFT considers this important market study is timely.

The OFT intends to take a detailed look at the characteristics of the sale and rent back product and, bearing in mind the circumstances in which these products are sold, consider whether existing consumer protection legislation is sufficient and effective.

We aim to complete the work in September this year.

John Fingleton, OFT Chief Executive, said:

'Sale and rent back schemes might be helpful for some consumers but there are a number of potential concerns including whether consumers in difficult circumstances are making well informed choices. We are therefore prioritising this work to take a good look at whether consumers are adequately informed and protected.'

The OFT will be contacting key parties directly. Other interested parties can submit written views to:

Sale and rent back study  
Office of Fair Trading  
Fleetbank House  
2-6 Salisbury Square  
London EC4Y 8JX

Email: [saleandrentback@oft.gsi.gov.uk](mailto:saleandrentback@oft.gsi.gov.uk)

Further information can be found in the [market study](#) of this website.

### NOTES

1. The OFT will contact trade bodies, providers of sale and rent back arrangements, consumer groups and other organisations associated with the industry. The OFT also aims to contact consumers who have used sale and rent back schemes. The OFT will also contact, and work closely with, other government departments, including the FSA, throughout the study.
2. OFT market studies are carried out under section 5 of the Enterprise Act 2002 (EA02) which allows a market-wide consideration of both competition and consumer issues.
3. The OFT is unable to provide advice or resolve individual complaints for consumers. Consumers who are concerned about whether sale and rent back is the right product for them should seek independent advice. They may wish to contact an organisation such as their local [Citizens Advice Bureau](#). Consumers who are concerned they have been unfairly treated by a company offering sale and rent back can contact Consumer Direct (tel: 08454 04 05 06, or visit the [Consumer Direct website](#)).