



Mutual Exchange Policy

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Document control	Date	Comments/key changes
▪ Version	1	First joint Mutual Exchange Policy
▪ Customer Policy Group (Consultative Involved Customer Group)	14/10/25	Policy Development Group requested no changes and agreed the policy is clear and accessible.
HiS Senior Leadership Team	15/01/26	
Somerset Council HRA Management Team	05/02/26	
Policy Governance Board/ Head of Service Review	21/10/25	5.5 updated to strengthen our approach to repairs and maintenance and rechargeable works.
▪ Legal Review	February 2026	This Policy has been reviewed by Bevan Brittan.
▪ HiS Executive Team	30 April 2026	5.8 updated to include right to review a refusal.
▪ STAC/ TSG	N/A	For T1 only
▪ HiS Board	N/A	For T1 only
▪ Review by Lead Member for the HRA	11/05/26	For T1 and T2 only
▪ Somerset Council Executive Committee	N/A	For T1 only
▪ Approved Version Issued	June 2026	
▪ Tier Definition T1 - Strategic/ Regulatory Risk T2 - Significant Operational Risk T3 – Minor Operational Risk		
▪ Target Review	June 2029	

Mutual Exchange Policy

1. Introduction

A Mutual Exchange is a legal arrangement where two or more social housing tenants swap their homes and tenancies with each other, usually by way of an assignment of tenancy.

This policy sets out how Somerset Council and Homes in Somerset will support tenants who wish to move by way of mutual exchange, the process and the timescales we will work to.

This policy should be read alongside our Tenancy Policy.

2. Responsibilities (who is accountable for adherence to this policy)

To ensure accountability and adherence, the following roles have direct responsibility for compliance with this policy as follows :

Strategic Responsibility	Director of Communities and Customer Service / Director of Asset Management, Safety and Development
Operational Responsibility	Head of Housing, Income and Tenancy Management / Head of HRA Property

3. Policy Objectives

This policy aims to:

- Provide a framework to ensure that mutual exchanges are carried out efficiently and fairly in full compliance with legislation and the tenancy agreement.
- Minimise costs through a comprehensive inspection and approval process prior to and upon an exchange taking place.
- Encourage the use of mutual exchanges maximising utilisation of housing stock while minimising the risks of inappropriate moves.
- Establish/maintain a good relationship with all of our stakeholders including local authorities and other registered social housing providers.

4. Relevant Legislation or Regulation

- Housing Acts 1985, 1988,
- Equality Act 2010
- Localism Act 2011
- Data Protection Act 2018
- Social Housing (Regulation) Act 2023
- Regulator of Social Housing Tenancy Standard
- Somerset Council Tenancy Agreement

5. Policy Details

We encourage tenant mobility by making mutual exchanges accessible, straightforward and well supported. We do this by:

- Informing eligible tenants of their right to exchange in the tenancy agreement.
- Providing an opportunity for tenants to move anywhere in the country without needing to go through the choice based lettings (CBL) system, especially where they would not have a high priority for a move.
- Promoting mutual exchanges as a method to enable tenants to choose a home in the area they wish to live in.
- Providing advice and assistance for those carrying out an exchange (e.g. the implications for tenure, rent and service charges).
- Facilitating access to an online mutual exchange register without payment of a fee (HomeSwapper) .
- Providing reasonable adjustments and targeted support to ensure tenants with additional needs or vulnerabilities can access and use mutual exchange services effectively.

5.1 Types of Exchanges and Tenancies

Mutual exchanges are carried out in one of two ways:

- Assignment – the swapping of tenancies at the same time as the home is exchanged. This is used when those exchanging homes have a similar security of tenure.
- Surrender and re-grant of tenancies – tenants surrender their current tenancy and re-sign a tenancy with a similar security of tenure of their new property. This is used when the parties exchanging hold tenancies with different security, and one of the parties has their security protected by law.

Tenants who hold a lifetime tenancy (secure or assured) that was granted before 1st April 2012 have their security of tenure protected by law.

The legislative protection will not apply when a lifetime tenant chooses to exchange with a fixed term tenant on an affordable rent.

The table below sets out whether an exchange by assignment or by surrender and regrant will take place:

Tenant 1	Tenant 2	Mutual Exchange by:	Exceptions
Secure/ Assured	Secure/ Assured	Assignment (swapping tenancies)	
Secure/ Assured	Flexible/ Fixed term	Surrender and re-grant (each tenant gets a new tenancy agreement with the same/ similar level of security as they currently have).	If the secure/ assured tenancy commenced after April 2012: exchange by assignment If the fixed term has an affordable rent: exchange by assignment.

5.2 Grounds for Refusal

Section 115 of the Localism Act 2011 and Schedule 3 of the Housing Act 1985 set out the grounds under which a Mutual Exchange can be refused.

The table below shows the grounds that apply under both of these acts.

Schedule 3 of the Housing Act	Schedule 14 of the Localism Act	Grounds for Refusing a Mutual Exchange
	Ground 1	When rent lawfully due from a tenant under one of the existing tenancies has not been paid.
	Ground 2	When an obligation under one of the existing tenancies has been broken or not

		performed.
Ground 1	Ground 3	A court order for possession or a suspended possession order has been made for either property.
Ground 2	Ground 4 and 5	The landlord has served Notice of Seeking Possession and the notice is still in force, or possession proceedings have commenced.
Ground 3	Ground 7	The property is substantially larger than is reasonably needed by the proposed assignee.
Ground 4	Ground 8	The property is not reasonably suitable to the assignee and their household.
Ground 5	Ground 9	The property is part of a building that is held for non-housing purposes or it is situated in a cemetery and was let in connection with employment with the landlord or local authority or a new town corporation, housing action trust, urban development corporation or the governors of a grant aided school.
Ground 6	Ground 10	The local landlord is a charity and the proposed assignee's occupation of the property would conflict with the object of the charity.
Ground 7	Ground 11	The property has been substantially adapted

		for occupation by a physically disabled person and if the assignment went ahead a physically disabled person wouldn't be living there.
Ground 8	Ground 12	The landlord lets properties to people in difficult circumstances (other than merely financial circumstances) and the proposed assignee would not fulfil this criteria.
Ground 9	Ground 13	The property is let to people with special needs and there is a social service or special facility nearby to the properties to assist people with these special needs and if the assignment was to go ahead no person with those special needs would be living there.
Ground 10	Ground 14	The dwelling is the subject of a management agreement where the manager is a housing association of which at least half the members are tenants subject to the agreement and at least half of the tenants of the dwellings are members of the association, and also that the proposed assignee is not such a

		member nor is willing to become one.
Additional Ground (Housing Act 2004)	Ground 6	An injunction order under section 153 of the Housing Act 1996 or an anti-social behaviour order or a Demotion Order or a possession order under Ground 2 for secure tenancies or Ground 14 for assured tenancies is in force or an application for one of those is pending either against the tenant, the proposed assignee or a person who resides with either of them.

5.3 Homes subject to a Section 106 Agreement

Section 106 Agreements are made under the Town and Country Planning Act 1990 and make planning permission subject to certain conditions including a local connection letting criteria.

Where a Section 106 agreement applies, we will assess the incoming tenant's suitability against criteria, before accepting an application for exchange.

We will refuse applications where the incoming tenant cannot demonstrate the principles outlined in the Section 106 Agreement.

5.4 Permission to Exchange

All parties involved in the exchange must complete a mutual exchange application form which can be accessed on our websites, or by completing an application through an exchange service such as HomeSwapper.

We have 42 calendar days to decide if the exchange will proceed. In the event that the application forms are not submitted together, the time will start from the date the final application is received by us.

Before agreeing an exchange, we will:

- Acknowledge the application.
- Determine bedroom need by using the criteria set out in the Homefinder Somerset's Choice Based Lettings Allocations procedure.
- Carry out an inspection of our property.
- Request a landlord reference for the incoming tenant outlining tenancy conduct, rent payment history, concerns of anti-social behaviour and condition of the property.
- Ask for information on the household's needs so we can support with tenancy sustainment.
- Carry out checks to ensure all household members have the Right to Rent in the UK.

We will not approve an exchange without a satisfactory property inspection and reference and confirmation from all landlords that the exchange can go ahead.

The exchange must not take place before the date agreed.

5.5 Property Inspection and Safety Checks

We will carry out an inspection of our property to ensure it is in a good state of repair. We will record repairs that are our responsibility and ensure these are done before the exchange takes place.

We will outline work that needs to be completed by the tenant before we approve the exchange. This could be as a result of installing nonstandard fixtures and fittings, making changes to the property without permission, wilful neglect or damage. We will carry out a further inspection to check that this work has been completed. Should works be completed upon a rechargeable basis, these recharges would need to be repaid before we will allow the exchange to take place.

We may approve an exchange subject to works being completed, but may not agree a date until all repair work identified has been carried out, whether that be by us, or the tenant.

We will require incoming tenants to sign to accept liability for any non-standard alterations, or installations and any items which tenants have agreed with each other to leave in the property (shed, cooker, flooring for example). If the incoming tenant is happy to accept responsibility for works that would ordinarily be recharged to a tenant, they must sign to state this and be responsible for the recharge.

We will complete a list of required safety checks before allowing a mutual exchange to proceed, including an electrical inspection, asbestos check, EPC inspection, fire door inspection (if the property is a flat) and a gas

safety check. We will provide copies of safety checks to incoming tenants. Tenants will not be charged for the cost of the inspections and or certificates.

Incoming tenants will be able to report day to day repairs as soon as they've moved in and are eligible for inclusion in capital upgrade programmes.

5.6 Exchanges without Consent

If a tenant moves without our written consent, the exchange will be unlawful and both tenants will be in the position of:

- Having no legal interest in the tenancy at the property at which they are living.
- Being liable for the rent and other obligations of their respective tenancies.
- Losing their security of tenure because they no longer occupy their original home as their main or principal home.

In these circumstances the options available to us are to:

- Consider making the exchange legal by completing new tenancy agreements or Deed of Assignment forms retrospectively, or
- Demand that both tenants return to their original home, or
- Terminate the tenancies by serving a Notice to Quit (NTQ) and without prejudice service a Notice of Seeking Possession (NOSP) on the original home to seek possession.

We will be clear with tenants the route we will take and explain the reasons why.

5.7 Succession

Assignment by way of a mutual exchange does not count as a statutory succession.

The right to succession is personal to the tenant and this right transfers when they move via a mutual exchange.

No new succession rights are created as a result of a mutual exchange. If the incoming tenant has previously succeeded to a tenancy, no further successions will be permitted.

5.8 Complaints and Right to Review

Tenants have the right to request a review of a refusal decision by submitting a written request within 10 working days of being notified of

our decision. A Manager, not involved in the original decision will review the case and provide a written response within a further 10 working days.

Any complaints relating to the application of this policy should be made through our formal complaints process as outlined in our Customer Complaints and Feedback Policy.

6 Communication of the Policy

We will share this policy and associated processes with all of our operational teams and provide training.

This policy will be made available to our tenants and stakeholders on our websites.

Documents and forms relating to Mutual Exchange are available in an accessible format on our websites.

7 Equality, Diversity and Inclusion Impact

We are committed to working in a way that treats people equitably, celebrates diversity, and promotes inclusivity - because we believe this builds a better society for all. We believe this approach will help our leaders make good decisions; enable us to serve our customers better; ensure we are a great employer and shape the way we engage with our communities. This approach will also help us to meet the legislative requirements under the Equality Act 2010, including our Public Sector Equality Duty.

We may adapt our approach or provision to ensure that services are accessible to people with a protected characteristic (as defined by the Equalities Act 2010) as well as everybody else. This will be in line with our Customer Support and Reasonable Adjustments Policy.

We will be consistent in our approach to Mutual Exchanges and treat all customers who access our service in a fair and transparent manner allowing for reasonable adjustments as necessary. We will offer appropriate support to all residents and consider any sensitive or special needs. Consideration will be given to sign-posting customers to suitable agencies for additional support and guidance.

Where necessary, additional support will be provided, such as translation of documents or the use of language line for example

8 Monitoring Performance Metrics (what is measured to demonstrate adherence)

% of Mutual Exchanges Completed within 42 day statutory target
The number of Mutual Exchanges completed in the year
Customer satisfaction with the Mutual Exchange process

9 Policy Review

This policy will be reviewed every three years, unless there are changes in legislation or regulation which would affect compliance with the policy.

10 Associated Policies, Risk Assessments, Procedures, Safe Systems of Work etc

Neighbourhood Management Policy
Tenancy Policy
Homefinder Somerset Policy
Customer Complaints and Feedback Policy
Allocations Policy
Customer Support and Reasonable Adjustment Policy