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**Mutual Exchange Policy**  
**(Social and Affordable Tenancies)**

**SER-POL-07**

**Version 5**

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**Date approved: 10<sup>th</sup> June 2026**

**Approved by: Executive**

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## 1. Introduction

- 1.1 A Mutual Exchange is when two or more households agree to swap homes. At Southway, we support Mutual Exchange because it gives tenants more choice, helps us use our homes well, and allows us to better meet housing need.
- 1.2 We will prioritise home inspections for mutual exchanges so we can complete safety checks, repairs and decisions as quickly as possible.
- 1.3 Most applications are approved, but there are some situations where we may need to refuse, explained in this Policy.
- 1.3 Support and guidance for anyone thinking about a Mutual Exchange is available on our website and is given to all tenants who apply. We also promote and subscribe to Home Swapper, the main online system for finding swaps. If a tenant cannot access online tools, we can offer other support such as home visits or help getting online.
- 1.4 Mutual exchanges are accepted on an 'as seen' basis. All parties are encouraged to view and inspect the home before agreeing to the exchange, to ensure it meets their individual needs. We may help facilitate arrangements between the parties, but we cannot be held responsible for any agreements that are later not upheld.

## 2. Legal Right to Exchange

- 2.1 A tenant's legal right to exchange depends on their tenancy type:
- **Secure tenants** have a legal right to exchange under Section 92 of the Housing Act 1985.
  - **Assured tenants** have a right to exchange as set out in their tenancy agreement.
  - **Assured Shorthold Tenants**, including those on a **Starter Tenancy**, do not have the right to exchange during the initial 12 months (or any extended period).
- 2.2 When an exchange happens, each tenant takes on the tenancy terms of the home they move into. This can mean a change to tenancy type and may affect rights such as the Right to Buy.

- 2.3 Under the Localism Act 2011, secure or assured tenants who have been in their property since before the Act may ask us to grant them a new assured or secure tenancy when exchanging with someone on a flexible or fixed-term tenancy.
- 2.4 When an exchange goes ahead, the incoming tenant will be charged the current rent for the property. This will apply regardless of any other Southway policies that may otherwise affect rent setting.
- 2.5 Incoming tenants are not responsible for any arrears owed before the exchange date.
- 2.6 If all parties are Southway tenants and rent arrears exist, a Deed of Assignment may not be suitable. In these cases, we may grant new Assured or Assured with Protected Rights tenancies to make sure the incoming tenant does not inherit arrears, and that the outgoing tenant remains responsible for paying what they owe.
- 2.7 We make sure all tenants understand any changes to their legal or contractual rights before an exchange takes place.

### **3. Mutual Exchange Decisions**

- 3.1 We aim to make a decision within **42 days** of receiving a complete application, in line with statutory guidance. If we cannot meet this timescale, we will explain why and provide an updated deadline.

#### **Final consent**

- 3.2 Final consent is given once:
- All checks have been completed.
  - Any required actions have been met.
  - There are no outstanding safety or legal concerns.

#### **If we need to refuse an exchange**

- 3.3 If we refuse an application, we will always explain the reasons in writing.
- 3.4 We may refuse if any of the grounds in **Schedule 3 of the Housing Act 1985** apply. These are included as an appendix to this policy, along with our definitions for Grounds 3, 4 and 7.
- 3.5 We may also refuse for other reasons, such as:

- The rent would be unaffordable for the incoming tenant.
- A local lettings policy applies (for example, age restricted housing)
- Pets are not allowed in the property being exchanged.
- Any other reasonable concerns about suitability or risk

3.6 The Head of Housing Management and Support or the Assistant Director Customers and Communities can make a discretionary refusal. A full written explanation will always be provided.

### **Conditional Consent**

3.7 We may give conditional consent where:

- Repairs are needed that are the outgoing tenant's responsibility.
- Rent arrears need to be cleared.

3.8 We cannot approve an exchange if any alterations are unsafe — for example, glass doors or unapproved gas or electrical work. Even if an incoming tenant is willing to accept these risks, we must refuse.

3.9 Nonstandard but safe items may be gifted to the incoming tenant. A disclaimer will be signed so the tenant accepts responsibility for future repairs unless the item becomes a health and safety concern.

### **If rent arrears need to be cleared:**

3.10 If there are arrears but no legal action has been taken, we may give conditional consent, and the arrears must be cleared before final approval.

3.11 In exceptional circumstances, and where this will help achieve a sustainable tenancy, we may agree an exchange even with outstanding arrears. This will be approved by the Director of Homes and Communities.

### **Final Consent**

3.12 Final consent will only be granted where all checks are complete, and no further action is required by the tenant.

3.13 Complaints about how we have applied this policy will be managed in line with our Complaint Handling Policy.

## **4. Performance Monitoring**

4.1 We monitor mutual exchanges and report to Board as part of the Annual Lettings Report each year.

This includes:

- The number of completed exchanges
- Reasons for discretionary refusals
- Any trends or areas for improvement.

4.2 We also review tenant feedback and complaints to help us improve our approach and procedures.

## **5. Equality**

5.1 An Equality Impact Assessment has been completed to ensure that all appropriate actions are put in place to support tenants who have protected characteristics.

5.2 A range of mitigating actions can be considered during case management, including:

- Clearly explaining any restrictions linked to age-restricted, sheltered or specialist housing, and offering tailored advice on alternative rehousing routes
- Providing non-digital routes and practical support for tenants with limited digital access
- Applying a transparent, evidence-based affordability check, with automatic referrals to Income Maximisation where households may struggle.
- Giving tenants plain-language information about rights, responsibilities and the “as seen” standard, and ensuring they understand the Deed of Assignment
- Requiring Head of Service approval for any discretionary refusal, supported by a clear written rationale
- Monitoring equality impacts through annual reporting, including trends in refusals and complaints.

## Glossary

Assured Tenancy	A tenancy that includes the right to exchange as set out in the agreement.
Assured Shorthold Tenancy (AST)	A tenancy type, including Starter Tenancies, where tenants cannot exchange in the first 12 months (or any extended period).
Conditional Consent	Approval given on the basis that certain actions — such as repairs or clearing arrears — are completed before the move.
Deed of Assignment	A document signed when tenants swap homes, agreeing to take on each other's tenancy terms.
Final Consent	Approval confirming the exchange can go ahead once everything has been checked and agreed. 1.
Flexible or Fixed Term Tenancy	A time limited tenancy created under the Localism Act 2011. 2.
Grounds for Withholding Consent (Schedule 3, Housing Act 1985)	The legal reasons a landlord can refuse an exchange.
House Exchange System	The online platform promoted by Southway for tenants to find exchange partners.
Local Lettings Policy	A policy that sets specific criteria — such as age limits — for who can live in certain homes.
Mutual Exchange	A home swap between two or more households, with landlord approval.
Non Standard Items	Alterations or items not usually provided by Southway, which may be gifted to the incoming tenant if safe.
Rent Arrears	Unpaid rent owed by a tenant.
Secure Tenancy	A tenancy with a legal right to exchange under Section 92 of the Housing Act 1985.
Starter Tenancy	A 12month introductory tenancy (may be extended) with no right to exchange during this period.

## Appendix 1

### Grounds for withholding consent - Schedule 3 Housing Act 1985.

Southway may refuse permission to an exchange based on any of the grounds listed in Schedule 3 of the Housing Act 1985 as summarised below.

<b>Grounds for Withholding Consent: Secure and Assured Tenancies</b>	<b>Detail</b>	<b>Southway Definition</b>
<i>Ground 1</i>	You or the person you want to swap with have been served with a possession order or a suspended possession order.	
<i>Ground 2</i>	A notice seeking possession (NSP) has been served on you or the person you want to swap with, or possession proceedings have begun.	
<i>Ground 2a</i>	A landlord can withhold consent to a Mutual Exchange if you are subject to a specified type of injunction, a demotion order, anti-social behaviour order or a possession order granted on the grounds of nuisance is in force, or if court action to obtain such an order is pending.	
<i>Ground 3</i>	The property of the person you wish to swap with is substantially larger than you need, or your property is substantially larger than the incoming tenant needs.	The Trust considers 'substantially' to mean 2 or more bedrooms than your household need or where the Spare Room Subsidy would be applied. This will be based on the Local Authority bedroom calculator.
<i>Ground 4</i>	The property you want to move to is not reasonably suitable for your needs, or your property is not reasonably suitable for the needs of the person of the incoming tenant.	The Trust considers 'needs' to mean number of bedrooms or where there is medical or health conditions to consider i.e. the incoming tenant required adaptations which were not present in the property

<i>Ground 5</i>	The property is part of or close to a building that is held for non-housing purposes. Or it is situated in a cemetery and was let to you or your predecessor in connection with your employment with the landlord.	
<i>Ground 6</i>	The landlord is a charity and if the exchange went ahead the occupation would conflict with the objects of the charity.	
<i>Ground 7</i>	The property is designed for a physically disabled person and if the exchange went ahead a disabled person would not be living there.	The Trust considers this to be any property where there have been major adaptations to assist a person with disabilities.
<i>Ground 8</i>	The landlord is a housing association or housing trust that lets its property to people who experience difficulty in meeting their own housing need, and if the exchange went ahead the criteria would not be met.	
<i>Ground 9</i>	The property is one of a group let to people with special needs with a social service or special needs facility close by to help the tenants and if the exchange went ahead there would be no one who required this specialist support living there.	The Trust considers this to be any service where additional care or support is offered i.e. extra care housing or homeless support properties

<b>POLICY REVIEW HISTORY</b>	
<b>Previous versions</b>	
<p>V 1.0 - July 2009  V 2.0 - Sept 2013  V 3.0 August 2022  V 4.0 May 2024  Revisions drafted by Age Friendly Housing Manager  Policy owned by Head of Housing Management and Support</p>	
<b>Date of last EIA:</b>	31 <sup>st</sup> March 2026
<b>Review lead by:</b>	Head of Housing Management and Support Age Friendly Housing Manager
<b>Main points or amendments made and reasons</b>	
<p>V2. Minor word amends only. No legislative or best practice amends required.</p> <p>V3 - Introduced new grounds for refusal beyond those in Schedule 3 Housing Act 1985. This will allow the Trust to have greater flexibility managing mutual exchanges for newer tenants (whose rights to mutual exchange are defined in the policy), following legal advice.</p> <p>V4 - Defining certain key terms in Schedule 3 will mean greater clarity and efficiency whether dealing with older or newer tenants.</p> <p>V5 – Larger emphasis given to timescales around inspections and decisions. Clearer language about Southway’s responsibility in arrangements and non-standard items, and a commitment to monitoring feedback to improve the process.</p>	
<b>Next review due:</b>	<b>Q1 – 2029/30</b>
<b>Approval level:</b>	<b>Executive</b>