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Rent guarantor is on the rise

AN Englishman's home is his castle. But for more than four million households, that castle is privately rented, rather than owned outright. Some cannot afford to buy; others are just not interested in home ownership. Either way, numbers have been increasing in recent years and are likely to continue doing so.

Whoever the tenant, landlords are entitled to ask for documentation proving would-be occupants can pay the rent, such as employment records, character references and credit checks.

Up to 20 per cent of prospective tenants find this an issue. They may be perfectly capable of paying their bills but will often lack the requisite paperwork. In such cases, landlords tend to ask for a guarantor, often Mum and Dad for young people and students. But parents or colleagues may lack the

means or inclination to step in – and the logistics for anyone applying from abroad can be almost impossible to navigate.

Paul Foy, an entrepreneurial Irishman, spotted the problem and decided to try and fix it. With a portfolio of 27 properties, Foy has spent more than 30 years in the letting market and is a passionate advocate of fair play for both landlords and tenants.

Noticing that perfectly sound applicants were being turned down across the board because they could not provide documentation or guarantors, he founded

Rent Guarantor, an online business, designed to help both renters and property owners.

The company is listed on the Aquis exchange for small, fast-growing firms, the shares are £2.74 and should increase in price this year and beyond.

Set up in 2017, RentGuarantor is designed to help renters secure the homes they want and reassure landlords that they will not be out-of-pocket if tenants default on payments. Applicants fill out questionnaires online and receive a year-long guarantee, if they are successful. Foy and his

team have developed the process over several years and it seems to work. Thousands of tenants use RentGuarantor, defaults are rare and the firm is increasingly endorsed by estate agents and specialist groups, such as Clever Student Lets.

Annual results for 2023 will be released in full this spring but a trading update last week revealed that revenues surged almost 80 per cent year-on-year to £742,000, the number of tenant contracts increased 57 per cent to 1,124 and the value of each contract rose too.

Foy has been investing heavily in the business so it remains loss-making but revenues are expected to rise at pace and profits should follow through.

MIDAS VERDICT: RentGuarantor is a pioneer in the rental market, using clever technology to make life easier for landlords and tenants. Foy is an astute businessman with decades of experience under his belt. With more than 30 per cent of the shares, he is also motivated to succeed. At £2.74, the shares should go far.

Traded on: Aquis

Ticker: RGG

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