
From:**Sent:** 13 June 2013 14:17**To:** Enquiry Enquiry (Other Government Departments)**Subject:** Pub Companies

Dear Dr. Cable,

You are right to look into the oppressive, parasitic and bullying relationship between the big pub companies and the pub landlords.

My and I are the lessee of an Enterprise Inns pub and have first hand experience of their operation.

They would argue that you entered into the contractual arrangement freely, which of course is correct but once they have you in their spider's web they tap you for every penny they can. The only option available to you is to walk away and lose all that you have put into the business in the way of cash, time, blood, sweat and tears, lots of tears.

Can I suggest that you extend your review and look into the whole contractual package that the pub companies lock you into and not just the tie on beer.

For instance such issues as:

1. RPI increase in the rent each year regardless of sales. In addition there are five yearly rent reviews.
2. Pub companies sometime set minimum barrellage figures so that if you don't sell as much beer as they think you should you have to make up the difference in cash.
3. Unlike the arrangement with a domestic landlord. The lessee is responsible for the total maintenance and repair of the property and if your cash flow doesn't allow you to undertake the work to their timescale they send in their own builders and send you the bill. In addition any improvement to the property is at your expense but it's the pub companies asset that is increasing in value.
4. For the duration of the lease they hold three month rent which is your money that is unavailable to you which they earn interest on. They also require you to be a guarantor for the rent so that all of your personal assets are potentially at risk.
5. Finally, for me the biggest issue is what I consider to be a moral one, I know there is no place for morals in business. The fact that the pub companies want to tie your rent to the profits of the business is wrong. The more successful you are, the more they want in rent. The successes of the business has very little to do with the property you are renting from the pub company. The building is the same whether you are successful or not. Success comes about due to the hard work, quality of service, marketing and innovation of the pub landlord. So the pub companies not only want their rent for the property they also want a share of the profits that you work so hard to achieve. You feel that you are in bondage to the pub company, you can't afford to walk away so you are stuck in this parasitic relationship with your life blood being drained away.

Sincerely yours,

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