

# TENANT FEES ACT 2019

*Moving forward together*



## What is the Act?

- The Act prohibits Landlords and Letting Agents from charging fees to the Tenants in connection with a Tenancy, unless it is a permitted payment under the Act.



# When does the Act take effect?

## 1 June 2019

For tenancies entered into before 1 June 2019 you will still be able to charge fees required under the tenancy which are not permitted payments until 31 May 2020.

## 1 June 2020

After 31 May 2020 you will not be able to charge any prohibited payments, even if the Tenancy Agreement states otherwise.



# Permitted fees

The only payments you can charge in connection with a tenancy are:

- a) The rent
- b) A refundable tenancy deposit
- c) Payments to change the tenancy (limited to £50.00)
- d) Payments associated with early termination of the tenancy
- e) Payments in respect of utilities, communication services, TV licence and council tax;
- f) A default for late payment of rent and replacement of a lost key/security device, where required under a tenancy agreement; and
- g) A refundable holding deposit.

# A refundable holding deposit

**This can be taken to reserve a property and is capped at no more than one week's rent. This is for the entire property.**

You may only accept one holding deposit for one property at any one time. If you accept more than one this will be a **prohibited payment**.

## **You must refund the whole of the holding deposit where:**

- the tenant later enters into a tenancy agreement;
- the landlord decides not to rent the property;
- an agreement is not reached before the deadline for agreement and the tenant is not at fault; or
- if you impose a requirement that breaches the ban/or act in such a way that it would be unreasonable to expect a tenant to enter into a tenancy agreement with you (i.e. harassment or including unfair terms into a tenancy agreement).

The deadline for agreement for both parties is usually 15 days after a holding deposit has been received by a landlord or agent (unless otherwise agreed in writing).

## **You can only retain a tenant's holding deposit if:**

- they provide false or misleading information which reasonably affects your decision to let the property to them;
- they fail a right to rent check;
- they withdraw from the proposed agreement; or
- they fail to take all reasonable steps to enter an agreement, when the landlord has done so.

Where you wish to retain the holding deposit, you must set out in writing the reason for this within seven days of deciding not to enter the agreement or the deadline for agreement.

## Prohibited fees

- Property viewing fees
- Referencing fees
- Administrative charges
- Charging for guarantors
- Inventory costs
- Right to rent checks
- Pet fees and deposits
- Renewal or exit fees
- Interest on permitted payments
- Garden services



## Enforcement and penalties

- Enforced by Trading Standards and some councils, also by Tenants through the First-tier Tribunal
- Cannot serve s21 Notice
- Fines and/or convictions



# Contact us

For more information please contact a member of our team.



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