



Tenant fees

How this guide helps

This guide provides you with information on fees that can and cannot be charged when you rent a house.

The law

A new law called the 'Tenant Fees Act 2019' came into force on 1st June 2019. This law protects tenants from unreasonable and high fees charged by letting agents. Previously, letting agents could ask you to pay variety of fees, from referencing, check-out, inventory fees or charges for sending reminders about late rent.

Will this law apply to my contract?

The law covers all Assured Shorthold Tenancy agreements signed on or after 1st June 2019.

What kind of fees are banned?

Some of the banned fees that an agent cannot charge include:

- **Referencing**
- **Admin charges**
- **Contract signing fee**
 - **Charging for a guarantor form**
- **Credit checks**
- **Inventory checking charges**
- **Professional cleaning**
- **Check-out visit charges**



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What fees are allowed?

Fees that are allowed include:

- **Rent**
- **Security deposit**
- 2 types of **tenancy default charges**: for lost keys or late payment of the rent
- **Holding deposits**
- **Changes to tenancy** - cost of leaving early or swapping tenants/re-assigning the tenancy
- **Utilities, communication services, Council Tax, TV license** (if the tenancy agreement requires tenant to pay for these)

Allowed fees are usually limited to a specific amount, for example:

- **Security deposit** It must not exceed the equivalent of 5 weeks' rent.
- **Late rent** payment charges can only be 3% above the Bank of England base rate in interest from the date the rent payment is missed.
- **Holding deposits** can only be a maximum of one week's rent and there are clear rules of having it refunded:
 - ✓ A decision about what happens with the holding deposit will have to be made within 15 days from when you pay it.
 - ✓ The landlord or agent will have to refund the holding deposit if the tenancy does not go ahead due to his action, (for example landlord backs out, or decides to rent to someone else).
 - ✓ You won't get the holding deposit back in full if you drop out, don't provide necessary information to the landlord, fail the "right to rent" checks or provide false or misleading information.
 - ✓ If your tenancy does go ahead you should receive your holding deposit back within 7 days of the agreement, unless it is converted into a security deposit (that must be protected in one of the deposit protection schemes), or is used towards your first rent payment.
- **Changes to tenancy** - The landlords/agents will only be able to charge you £50 for any tenant amendments/swaps on the contract. They would have to provide evidence in writing if the cost they incur is more than £50. If during the tenancy you decide to leave early (surrender), the landlord or agent will only be able to charge you for the loss they incurred, so for example the lost rent. They can't charge new reference fees, new tenancy drafting for the replacement tenant etc.

Can the landlord or agent charge me for anything else?



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Unfortunately, the answer is yes. If you have breached your tenancy agreement and caused damage as a result (for example you have broken an item that belongs to the landlord), your landlord may be able to claim the cost of the repair by making deductions from your deposit or taking court action if necessary. The landlord/agent will have to provide evidence of any costs they have incurred before they ask you to pay for it. These costs will also have to be reasonable and adequate, for example the landlord/agent can't ask you to pay £200 for replacing a smoke detector you broke.

What can I do if the agent or landlord wants to charge me fees that are banned?

Firstly, you can make a complaint in writing pointing out the legal ban on fees. The Advice Centre can help you with the complaint.

Secondly, you can complain to the local Trading Standards department, who will be responsible for enforcing the fees ban.

Also, all letting agents are required to be members of one of the 2 redress schemes (The Property Ombudsman or The Property Redress Scheme), which can be used for escalating your complaint if you are unsatisfied with the agent's response.

Further guidance

For further guidance on housing matters, contact The Advice Centre. • Tel: 02380 592 085 • Email: advice@susu.org.

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