



Tenant fees guide

A new law called the Tenant Fees Act 2019 comes into force on 1st June 2019.

This law will protect 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?

Any tenancy agreements signed before the date the law comes in to force may still be charged letting agent fees.

Only tenancy agreements that are signed on or after 1st June 2019 would not allow letting agent fees to be passed on to the tenants. All existing tenancies will be brought under the new rules from 1st June 2020.

What kind of fees are banned?

Some of the **banned fees include:**

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

Allowed fees:

- Rent,
- Security deposit,
- 2 tenancy default charges: for lost keys or late payment of the rent
- holding deposits



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- cost of leaving early or swapping tenants/assigning the tenancy
- utilities, communication services, Council Tax, TV license (if the tenancy agreement requires tenant to pay for these)

There are some rules on the allowed fees:

Security deposit

It must not exceed the equivalent of 5 weeks' rent.

Late rent payment charges

These charges can only be 3% above the Bank of England base rate in interest from the date the rent payment is missed.

Holding deposits

The holding fee/deposit 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 (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 (the one that has to be protected in one of the deposit protection schemes), or is used towards your first rent payment.

Changes to tenancy

For any tenant swaps on the contract landlords/agents will only be able to charge you £50. 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 the lost rent. They can't charge new reference fees, new tenancy drafting for the replacement tenant etc.

Can the landlord charge me for anything else?



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Yes. If you have breached your tenancy agreement and caused damage as a result (for example you have broken something in the house), 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. See our [guide on Letting Agents](#) for more details.

Further guidance

For further guidance on housing matters, contact the Advice Centre.

- Tel: 02380 592 085
- Email: advice@susu.org

You can also visit us in Building 40, Highfield campus. Our opening hours are Monday–Friday 09.00–17.00.

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