

FEES FOR LETTING PROPERTY 2019 – TENANTS

CLIENT MONEY PROTECTION PROVIDED BY: RICS Client Money Protection Scheme

INDEPENDENT REDRESS SCHEME PROVIDED BY: The Property Ombudsman (www.tpos.co.uk) or CEDR Solve

With effect from 1st June 2019, and in accordance with the Tenant Fees Act 2019, the only payments which will be charged to Tenants in connection with a tenancy are as follows:

- a) **The rent**
- b) **A refundable tenancy deposit** – capped at no more than 5 weeks' rent where the annual rent is less than £50,000 or 6 weeks' rent where the total annual rent is £50,000 or above.
- c) **A refundable holding deposit** (to reserve a property) – capped at no more than 1 week's rent with agreed consent by the Tenants.
- d) **Payments to change the tenancy** – when requested by the Tenant capped at £50 or reasonable costs incurred if higher.
- e) **Payments associated with early termination of a tenancy** – when requested by the Tenant.
- f) **Payments in respect of utilities, communications services, TV licence and council tax.**
- g) **A Default fee** for late payment of rent and replacement of lost key/security device where required under a tenancy agreement.

Refundable Tenancy Deposit

Payable prior to the start of the new tenancy and calculated as monthly rent x 12 ÷ 52 x 5. Tenancy deposits will be held and registered with the Tenancy Deposit Scheme within 30 days of taking the payment. A certificate will be provided to each Tenant.

If a Tenant signed a tenancy agreement before the 1st June 2019 (and that tenancy is continuing or is a Statutory Periodic Agreement) then the Tenant will be bound by the terms of that contract until it is either renewed or terminated. There is a twelve months' transition period from 1st June 2019 to 31st May 2020. From 1st June 2020, any provisions in continuing tenancies that breach the fee ban or deposit cap will no longer be legally binding. This includes continuing Assured Shorthold Tenancies and Statutory Periodic Tenancy Agreements arising during the transitional period from a fixed term signed before 1st June 2019. A Landlord does not need to return immediately any part of the deposit which is in excess of the cap. However, they will be required to refund the deposit at the end of the tenancy in the usual way and any new tenancy agreed after this will need to comply with the new tenancy deposit cap.

Refundable Holding Deposit

This may be requested as a holding fee from a prospective Tenant to reserve a property whilst reference checks and preparations for a tenancy agreement are undertaken.

It is calculated based on the monthly rent x 12 ÷ 52. Should the tenancy proceed, this holding deposit will go towards the total tenancy deposit.

Only one holding deposit will be accepted for one property at any one time and once a holding deposit has been paid, the property will cease to be advertised. A copy of the tenancy agreement will be provided before taking the holding deposit.

The holding deposit will be refunded where the Landlord decides not to let the property or an agreement is not reached before the “deadline for agreement” and the Tenant is not at fault, or if the Landlord imposes a requirement that breaches the ban on fees and/or acts in such a way that it would be unreasonable to expect a Tenant to enter 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 by both parties in writing.

The Landlord may only retain a Tenant’s holding deposit if the Tenant provides false or misleading information which reasonably affects the Landlord’s decision to let the property to them; if the Tenant fails a Right to Rent Check; if the Tenant withdraws from the proposed agreement for whatever reason; or if the Tenant fails to take all reasonable steps to enter an agreement when the Landlord and/or agent has taken all reasonable steps to do so. Where the Landlord wishes to retain the holding deposit, the reason for this will be set out in writing to the Tenant within 7 days of deciding not to enter the tenancy agreement if this is before the “deadline for agreement” or within 7 days of the “deadline for agreement” passing.

Default Fees

A Tenant will only be charged a default fee where this has been written into the tenancy agreement and where this is for a late payment of rent which is more than 14 days overdue or this is for a lost key/security device giving access to the housing. Interest rates will be no more than 3% above the Bank of England’s base rate for each day that the payment has been outstanding. The Tenant Fees Act 2019 does not affect a Landlord’s entitlement to recover damages for breach of the tenancy agreement by way of a deduction from the tenancy deposit or by taking court action.

Changes to the Tenancy

Where a Tenant requests a change to the tenancy agreement (e.g. a change of sharer or permission to keep pets on the property) there will be a charge of **£48 incl. VAT** for the work involved in amending the tenancy agreement or the amount of our firm’s reasonable costs if they are higher. These provisions for a change to the tenancy do not apply to a renewal or to a change in the length of the tenancy.

Early Termination

A Landlord can require a Tenant to make payments in connection with the early termination of the tenancy, where the Tenant has requested this. The costs will not exceed the financial loss that the Landlord has suffered in permitting this to take place and/or all reasonable costs that have been incurred by our firm as agent in arranging for the Tenant to leave early (e.g. loss of rent, costs of re-advertising, etc.).

Pet Deposit

There are no special provisions or exemptions under the Tenant Fees Act 2019 if a Tenant has a pet. The standard tenancy deposit up to a maximum of 5-6 weeks’ rent applies universally.

Gardening Services

A Tenant cannot be required to pay for gardening services unless this has been included as part of the rent.

Chimney Sweeping Services

Landlords cannot require Tenants to pay for the services of a third party including chimney sweeping services. If the Tenants prefer to employ the services of a third party, they will be responsible for any associated costs.

However, Landlords have a duty to ensure the property is maintained safely and will consider the potential risks associated with chimneys. If the tenancy agreement prohibits Tenants from using a fireplace or obliges them to have the chimney swept and the Tenants fail to comply with the restriction or obligation and this constitutes a loss to the Landlord (i.e. causes damage or additional expense) the Landlord may seek to recoup this loss from the tenancy deposit.

Professional Clean At The End Of A Tenancy

A Tenant is not required to pay for a professional clean when they check out at the end of the tenancy. However, a Landlord is entitled to request that a property is cleaned to a professional standard and Tenants are responsible for ensuring that the property is returned in the condition that they found it with the exception of any fair wear and tear. If the property is not left in a fit condition by the Tenant, the Landlord will be able to recover costs associated with returning the property to its original condition and/or carrying out necessary repairs by claiming against the tenancy deposit.

If the tenancy was entered into before 1st June 2019 and the Tenant agreed in their contract to pay such fees, these can be charged up until 31st May 2020. From 1st June 2020, the term requiring that payment will no longer be binding on the Tenant.

Inventory and Schedule of Condition

Whilst an Inventory check and Schedule of Condition will be undertaken at the beginning of a tenancy, a Tenant will not be charged for this service.

Utility Payments and Sub-meters

Where a tenanted property has a sub-meter for the provision of any utility (gas, electricity, water, sewerage etc) Landlords must charge no more to Tenants than the amount they are charged by the relevant company/provider. Tenants are entitled to receive a breakdown of the costs paid by a Landlord upon request. With regard to water or sewerage services, Landlords are also allowed to charge a reasonable administration fee equating to around £5 per year for a property without a meter and £10 for a property with a meter.

IF YOU HAVE ANY QUESTIONS ON OUR FEES, PLEASE ASK A MEMBER OF STAFF.

FOR FURTHER INFORMATION PLEASE ALSO SEE

<https://www.gov.uk/government/collections/tenant-fees-act>



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