

Tenant Fees Act 2019

1. Introduction

The Tenant Fees Act 2019 (“the Act”) introduces protection for most residential tenants privately renting in England and came into force on 1 June 2019.

2. What protections are covered by the Act?

The following are covered by the act:

- Restrictions on the type and amount of payments for landlords / letting agents from tenants with shorthold tenancies, students and those under licences to occupy.
- Restrictions on the amount that can be taken for the deposit.
- Restrictions on the amount that can be charged for a holding a deposit and a timetable for dealing with repayment of the deposit.
- Preventing landlords / letting agents from requiring tenants to enter a contract with a third party for a service or insurance.
- Imposing sanctions for non-compliance.

3. What payments are permitted?

There are number of payments that landlords / letting agents can still require tenants to make (there may be certain conditions and caps imposed). These are:

- Rent.
- Tenancy deposit – capped at five weeks’ rent, if annual rent is less that £50,000. If the annual rent is more than £50,000 the deposit is capped at six weeks’ rent.
- Holding deposit – landlords / letting agents can only charge one week’s rent.
- Payment for default events e.g. losing keys and failure to pay rent.
- Fee for varying (assignment or novation) the tenancy – landlords / letting agents are permitted to charge £50 or a reasonable amount.
- Payment for ending the tenancy early.
- Council tax.
- Utilities and payments for landlines / internet and satellite TV.
- TV licence.

4. What payments are prohibited?

Landlords / letting agents cannot ask tenants to make any of the following payments:

- Tenancy set-up fee
- Viewing fees
- Credit-check fees
- Inventory check fees
- Check-out fees or
- Fees for professional cleaning services

5. What does the Act mean for current tenancies?

Current tenancies granted before 1 June 2019 can charge fees in accordance with their current agreement until 31 May 2020 or until the tenancy comes up for renewal. Following this, any charges in the tenancy agreement that are prohibited will be ineffective. Any prohibited payment received by the landlord must be returned within 28 days.

6. Consequences of not complying with the Act.

Breaching the Act is a civil offence, with a financial penalty of up to £5,000. If the landlord commits a further breach within five years of an earlier breach they could face a financial penalty of up to £30,000.

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