

The Tenant Fees Act 2019: Ban on letting fees begins

On Saturday 1st of June 2019, the Tenant Fees Act 2019 came into force, seeking to bring to an end to the 'unfair' charges and practices that tenants have faced to date.

The Act prohibits landlords and letting agents charging various types of fees to their tenants, such as administration and check-out fees. The Act will apply to new tenancies entered into from 1 June and existing tenancies upon renewal.

The Act also sets out a prescribed list of **permitted payments** that may be charged to tenants, which includes the following:

- Rent;
- Holding deposits (a maximum of 1 week's rent);
- Deposits (a maximum deposit of 5 weeks' rent for annual rent below £50,000, or 6 weeks' rent for annual rental of £50,000 and above);
- Payments to change a tenancy agreement e.g. change of sharer (capped at £50 or, if higher, any "reasonable" costs);
- Payments associated with early termination of a tenancy (capped at the landlord's loss or the agent's "reasonably incurred" costs);
- Utilities, communication services (e.g. broadband), TV licence and council tax;
- Interest payments for the late payment of rent (up to 3% above Bank of England's annual percentage rate); and
- Reasonable costs for replacement of lost keys or other security devices.

The Act does not have retrospective effect, meaning fees charged by landlords or letting agents or fees permitted in a contract/tenancy agreement signed prior to 1 June 2019 will not have to be repaid/may still be charged (until 31st May 2020).

The spirit and aim of the Act is for renters to save money, principally, by no longer being subject to unfair charges or rental practices. However, it remains to be seen whether landlords will collectively raise rents and if letting agents seek the 'lost' revenue directly from landlords in the form of higher management/letting fees.

R O O K S

R I D E R

S O L I C I T O R S

If you have any questions or would like to know more, please contact a member of Rooks Rider Solicitors' Dispute Prevention & Resolution team.



Matthew Ball
Partner
Head of Dispute Prevention & Resolution
mball@rooks rider.co.uk
+44(0)20 7689 7142



Nicola Stewart
Senior Associate
Dispute Prevention & Resolution
nstewart@rooks rider.co.uk
+44 (0)20 7689 7252



Aaron Heslop
Associate
Dispute Prevention & Resolution and Employment
aheslop@rooks rider.co.uk
+44 (0)20 7689 7209



CREaTe

Rooks Rider Solicitors LLP

CentralPoint
45 Beech Street ■ London ■ EC2Y 8AD

Disclaimer:

Please note that the information on the law contained in this bulletin is provided free of charge for information purposes only. Every reasonable effort is made to make sure the information is accurate and up to date, but no responsibility for its accuracy and correctness, or for any consequences of relying on it, is assumed by the author or the firm. The information does not, and is not intended to, amount to legal advice to any person.

www.rooks rider.co.uk