

## THE TENANT FEES ACT 2019

A ban on tenant fees, including admin and agency fees

The Tenant Fees Act came into force on 1 June 2019. It bans most letting fees and caps tenancy deposits paid by tenants in the private rented sector in England and is designed to protect you from hidden costs when renting.

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The ban on tenant fees applies to new or renewed tenancy agreements signed on or after 1 June 2019. Landlords or agents can now only charge tenants for:

- Rent
- Refundable tenancy deposits capped at no more than 5 weeks' rent for annual rents under £50,000
- Refundable holding deposits capped at no more than 1 weeks' rent for annual rents under £50,000



Your landlord/agency can no longer ask you to cover the cost of referencing, check-in, inventory or any admin fees relating to new or renewed contracts.

There are three exceptions:

#### 1 Late Rent Fees:

Landlords can still charge fees for rent payments that are over 2 weeks late. These are a maximum of 3% plus





#### 2 Lost Keys:

Landlords can still charge tenants for losing their keys (or other security device if your property is high-tech). They should provide you with evidence of the cost. These fees need to be included in your written tenancy agreement for your landlord or agency to be able to charge them.

#### 3 Changes to Tenancy:

Landlords can charge up to £50 for making changes to the terms of the tenancy. This includes for example, adding a new tenant or allowing a pet. This exception doesn't apply to renewals or changes to the length of the tenancy.



If your landlord or agent ignores the ban on letting fees, they will now face a fine of  $\pm 5,000$ , which could increase to  $\pm 30,000$  for repeat offenders or result in a criminal offence.



#### New rules to holding deposits

Landlords or agents must return your holding deposit to you, either in direct payment, by putting it towards your first rental payment, or with your security deposit.

In the following cases the landlord can keep the holding deposit:

- You decide to withdraw from the proposed agreement
- You failed to take all reasonable steps to enter into the tenancy agreement
- You failed a Right to Rent check

• You provided misleading information which affects your suitability to rent the property

#### **Repayment of Holding Deposits**

Landlords can only hold your holding deposit for 15 days unless another 'deadline' date is agreed in writing.

After the deadline, the holding deposit must be refunded in full within 7 days.



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