

Tenant Fees Act 2019

The Tenant Fees Act 2019 came into force on 1 June 2019. The Act introduces a new set of requirements designed to protect tenants from the burden of letting agent fees and other costs.

The key provisions introduced by the Act include

- Holding deposits are capped at 1 weeks' rent
- Deposits are capped at 5 weeks' rent
- Upwards only stepped rent is permissible but in the first 12 months rent for a period of the tenancy cannot be higher than in the second 12 month period
- Limiting the costs that can be charged in certain default events such as a lost key to those reasonably incurred
- Capping the fee to vary or assign a tenancy agreement to £50 or those costs reasonably incurred

From 1 June 2019 prohibited fees include

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

The penalties for agents who breach the requirements of the Tenant Fees Act 2019 range from £5,000 to £30,000. In the most serious cases agents and landlords may be subject to a banning order under the Housing and Planning Act 2016 which carries an unlimited fine.

A section 21 notice cannot be given in relation to an AST if the landlord is in breach of the prohibitions applying to landlords and while a prohibited payment paid to the landlord or holding deposit held in breach of the prescribed terms has not been repaid to the relevant person (in whole or part), unless with consent the money has been applied towards rent under the tenancy or towards the tenancy deposit.

The full text of the Act can be found here

<https://www.legislation.gov.uk/ukpga/2019/4/contents>