



Any AST from June 1st 2019 were severely limited on the fees that can be charged to tenants. Note that this applies to landlords and agents, and this also applies to all existing AST's meaning any pre-existing fees cannot be enforced.

Summary

- Limit tenancy deposits to five weeks' rent
- Limit holding deposits to one week's rent
- Ban on most other payments
- Fines of £5,000 for first offence (civil); Fines of £30,000 for second offence (criminal)

In more detail

All payments/fees have been banned (conditions apply, see below) apart from:-

1. rents;
2. deposits;
3. late rents fees;
4. lost keys;
5. permitted payments.

Details

1. Rents have to be equally proportioned over the period. This means that it will not be possible to charge an initial high rent, then settling back. Thus if the rent is to be £600 over 6 months it has to be charged at a rate of £100 per month. It will be possible to charge a part month at the commencement and end of the let. Note if charging premium for pets must be clearly stated in the advert, e.g. without pets £800; with pets £850.
2. Deposits are at:-
 - 5 weeks rent for rents below £50k;
 - 6 weeks for rents above £50k.Holding deposits will be capped at 1 weeks rent, and can only be held for a maximum of 15 days, unless agreement to extend between the parties.
The holding deposit can be retained if the tenant:-
 - pulls out;
 - fails to take reasonable steps to enter into the tenancy;
 - fails the Right to Rent check;
 - provides false or misleading statements. Ensure your application form is correct.The holding deposit has to be returned if:-
 - the landlord or agent pulls out;
 - the let goes ahead to a successful tenantNote that only one holding deposit can be taken per tenancy.
3. It is only be possible to charge a late rent fee at 3% over the Bank of England base rate (currently 0.75%). No other fees are allowed, including the cost of sending a letter. This rate can only be charged after the tenant has been in arrears for 14 days, but then it can be backdated to the start of the arrears.
4. You can charge for any lost keys, but only the cost of actually cutting the keys(s). Any other costs, e.g. petrol cannot.
5. Permitted payments are:-
 - Council Tax;
 - Electricity, gas or other fuel;
 - water or sewage;
 - TV licence;
 - communication services (e.g. broadband charges)
 - Change of sharer/early surrender of tenancy by tenant

Penalties

Landlord (or agents) who charge illegal fees will face paying large fines. The first offence would be a civil offence, with a fine of up to £5,000. If the offence is repeated within five years, there would be a criminal offence with a fine of up to £30,000.

There are also plans to help tenants recoup any illegal fees they paid from the landlord (or agent).

Any Section 21 will be invalid unless unlawful fees are returned.

Local Trading Standards will enforce the ban.