
Accommodation

Letting agent and landlord fees

Find out what fees an agent or landlord can ask you to pay.

What you can be charged for

A landlord or agent can only require you (or anyone acting on your behalf or guaranteeing your rent) to make permitted payments in connection with a tenancy in England. This applies to all assured shorthold tenancies, tenancies of student accommodation and licences to occupy housing in the private rented sector in England from 1st June 2020, even if your tenancy started before then.

Permitted payments

The only payments you can be asked to make in connection with a tenancy in England are:

- the rent
- a refundable tenancy deposit capped at no more than five weeks' rent where your total annual rent is less than £50,000, or six weeks' rent where your total annual rent is £50,000 or above
- a refundable holding deposit (to reserve a property) capped at no more than one week's rent
- payments to change the tenancy when requested by the tenant, capped at £50, or reasonable costs incurred if higher
- payments associated with early termination of the tenancy, when requested by the tenant
- payments in respect of utilities, communication services, TV licence and council tax; and
- A default fee for late payment of rent and replacement of a lost key/security device giving access to the housing, where required under a tenancy agreement.

Prohibited payments

If a landlord or agent is charging you for something that is not on the above list it is a prohibited payment and is unlawful.

The following are some examples of prohibited payments:

- administration fees
- inventory charges
- set up fees
- referencing fees
- credit check fees
- renewal fees
- guarantor fees
- end of tenancy fees
- right to rent fees

Third party fees

A landlord or agent cannot require you to pay for the services of a third party such as cleaning, gardening, referencing, providing an inventory or insurance. You can choose to use third party services if you wish to do so, but any requirement to enter into a contract with a third party for the provision of a service in connection with a tenancy, is unlawful.

Deposits

A holding deposit is a payment to reserve the property. You cannot be required to pay more than one week's rent as a holding deposit.

A holding deposit is refundable if the tenancy proceeds. Normally it will be deducted from the first rental payment. The deadline for entering into the tenancy is 2 weeks from when you pay the holding deposit, unless you agree a different timescale with the landlord or agent. If the tenancy does not go ahead you will probably not get your money back unless your landlord is at fault. If your landlord intends to withhold the deposit they have to inform you of the reasons in writing within 7 days.

A security deposit is a payment that provides a landlord with security if you cause damage to a property, do not return it in its original condition, do not pay your rent or break

the terms of your tenancy agreement.

You cannot be required to pay more than five weeks' rent where your total annual rent is less than £50,000, or six weeks' rent where your total annual rent is £50,000 or above. A security deposit is refundable at the end of the tenancy, subject to any claim by the landlord for rent arrears, damage to the property or other tenant default.

A security deposit must be protected in a government approved tenancy deposit scheme within 30 days of you making the payment. For further information please see our Deposits factsheet.

<http://www.bristol.ac.uk/accommodation/media/docs/factsheets/deposits.pdf>

Change of sharer

If you request a change of sharer, a landlord or agent is entitled to charge you for the costs they incur for amending the tenancy. This charge should not exceed £50 in most cases. A landlord or agent can only charge more if they actually incur higher costs and can demonstrate that the costs are reasonable. You can ask them to provide you with evidence in the form of receipts or invoices. Any costs that are not reasonable are unlawful.

Early termination of contract

If you want to leave a tenancy before the end of the fixed-term and your landlord or agent agrees to this, they can ask you to pay rent until a suitable replacement tenant is found. This is because you are liable for rent until your fixed-term agreement has ended.

Your landlord or agent can charge an early termination fee to cover any referencing and advertising costs that they incur because of you leaving early, but you can ask to see evidence such as receipts and invoices to demonstrate these costs are reasonable and have been incurred. A fee which exceeds the reasonable costs incurred by the landlord or agent is unlawful.

Landlords and agents should consider on a case-by-case basis whether it is appropriate to make a charge, taking into account the reasons for the request.

Default payments

Landlords and agents can only recover default fees for late payment of rent and replacing lost key /security devices if the tenancy agreement allows for this.

If your rent is overdue by 14 days or more and your tenancy agreement allows it your landlord or agent can charge a fee which cannot be more than 3% above the Bank of England's base rate for each day that the payment has been outstanding. A fee which exceeds this amount is unlawful.

Landlords and agents can charge a default fee for a lost key or equivalent security device only if your tenancy agreement allows it. They can only recover reasonable costs incurred in replacing the lost key/security device and must provide you with evidence in writing to demonstrate that their costs are reasonable. A fee which exceeds the reasonable costs incurred by the landlord or agent is unlawful.

Landlords and agents cannot charge you other default fees (e.g. administration charges for sending letters) even if the tenancy agreement allows for it. Such charges are prohibited payments.

If you breach your tenancy agreement (e.g. by damaging the property) your landlord may recover damages for breach of contract. Often, a landlord or agent will seek to recover damages by claiming against the tenancy deposit at the end of the tenancy (but may do so at any time through agreement with you or by initiating legal proceedings). For more information see our Deposits fact sheet

<http://www.bristol.ac.uk/accommodation/media/docs/factsheets/deposits.pdf>

What to do if you have been charged a prohibited payment

Check that the payment is a prohibited payment. You can find more information about prohibited payments here

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/919893/TFA_Tenant_Guidance_190722.pdf

If you are still unsure contact our private sector housing advisers by email accom-private-sector@bristol.ac.uk

Write to your landlord or agent and request that they return the payment immediately. If they fail to do so, then your options are:

1. Formal complaint to a letting agent

All letting agents must belong to a Government-approved redress scheme and the details of the scheme should be on their website. If a letting agent has charged an unlawful payment and does not repay it on request, make a formal complaint. If this does not resolve the matter you can complain to the relevant redress scheme.

2. Contact your local authority

Local authorities (trading standards) are responsible for enforcing the ban. They can take formal enforcement action against the landlord or agent and require them to repay any fee that has been unlawfully charged. They may also require the landlord or agent to pay interest on this amount. You can find more information including how to report a property agent to Trading Standards here:

<https://www.bristol.gov.uk/web/student-tenancies/>

3. Apply to the First-tier Tribunal

You could recover the payment directly via the First-tier Tribunal. The First-tier Tribunal can order a landlord or agent to repay a payment which has been charged unlawfully.

Our private sector housing advisers may be able to help you seek redress.

The University of Bristol Accommodation Office runs a housing advice service for all staff and students, if you have any problems with your private rented accommodation please contact us.

Due to Coronavirus our office on campus is closed but our services are available remotely. Please contact us by email and an adviser will get back to you: accom-office@bristol.ac.uk



The contents of this fact sheet are for information only. You should consult the Accommodation Office or an advice centre such as the CAB before taking any action.