



Tenant Fees Act Explained

David Cox

ARLA Propertymark Chief Executive

arla | propertymark

A man in a blue and white plaid shirt is sitting on a grey couch. He is looking down at a dark brown wallet he is holding in his hands. The background is a plain, light-colored wall.

TENANT FEES ACT 2019

TOTAL BAN

- No “Prohibited Payment”
- For arranging the grant, renewal or continuance of a tenancy
- Includes landlords and 3rd parties
- No higher rent in month one
- References for former tenants

“PERMITTED PAYMENTS”

- Rent + utilities
- Tenancy Deposit
- Holding Deposit
- Tenant Default Fees



HOLDING DEPOSITS

CAPPED AT ONE WEEK'S RENT

- Agents can only take one
- Held for up to 15 days

MUST BE RETURNED

- If landlord or agent pulls out
- To the successful tenant
- Can go towards rent or deposit

CAN BE KEPT IF TENANT

- Pulls out
- Fails Right to Rent check
- False or misleading statements
- Drags their feet
- Reason for keeping must be in writing

OTHER KEY PROVISIONS

TENANT DEFAULT FEES

- Rent arrears and lost keys only
- Must be in AST
- And on Fee Schedules

ASTS AND LICENSES ONLY

- Non-Housing Act tenancies
- Company Lets

TRANSITIONARY PROVISIONS

- Only new agreements
- SPTs but not renewals
- For one year after introduction
- SoS power to amend



A photograph of three people in a hallway. On the left, a man with a beard and a blue shirt is looking towards the center. In the middle, a woman with long dark hair wearing a red top is smiling and looking towards the right. On the right, a man with glasses and a dark suit jacket over a blue shirt is smiling and looking towards the woman. He is holding a folder and a tablet. The background shows a hallway with a door numbered '22' and a white door with a silver handle.

ENFORCEMENT

TRADING STANDARDS TO ENFORCE

- Or District Councils

PENALTIES

- Return "Prohibited Payments"
- No Section 21 until fees repaid
- £5,000 first offence
- £30,000 further offences in 5 years

LEAD ENFORCEMENT AUTHORITY

- To cover Fees, Redress and CMP
- Issues guidance
- Prosecute themselves
- Encourage others to prosecute



NON-FEES CLAUSES

TENANCY DEPOSITS

- Deposits capped at five weeks
- Or six weeks if rent over £50,000pa

CLIENT MONEY PROTECTION

- Display name of CMP Provider

FEE TRANSPARENCY RULES

- Extended to cover portals



PRACTICAL ISSUES

GREEN DEAL

- Permitted Payment

DEPOSIT REPLACEMENT INSURANCE SCHEMES

- Allowed as long as optional

CHANGE OF SHARER

- Capped at £50 or reasonable costs if higher

SURRENDER OF TENANCY

- Permitted Payment



FOR MORE INFORMATION

ARLA PROPERTYMART

Arbon House, 6 Tournament Court
Edgehill Drive, Warwick, CV34 6LG

Email: lettingfees@arla.co.uk

arla | propertymark