

## **Tenant Fee Ban 2019**

As from the 1<sup>st</sup> June 2019, the Tenant Fee Ban comes into force which means that landlords and agents will no longer be able to charge a number of fees in England for new tenancies signed on or after this date.

This new legislation means that Landlords and agents will only be able to charge for payments defined as permitted in the legislation.

For all tenancies signed and commencing as from the 1<sup>st</sup> June 2019 onwards, permitted payments are as follows:

- Refundable holding deposit (to reserve a property) – capped at one weeks rent
- Rent
- Refundable tenancy deposit capped at five weeks rent where the annual rent is less than £50,000 per annum
- Changes to the tenancy requested by the tenant – capped at £50.00 inclusive of VAT
- Payments associated with early termination of the tenancy requested by the tenant – the rent for the remaining months of the tenancy or Landlords costs and rent until a new tenant moves in
- Utilities, communication services, TV licence and council tax
- Default for late payment of rent – capped at 3% above Bank of England base rate
- Replacement key/security device – capped that the cost of replacement

**Please be aware that with respect to the initial holding deposit paid to reserve a property, that should you decide to withdraw your interest this will be non refundable as detailed in this new legislation. This also applies should your application fail due to any mis-leading information provided eg non-disclosure of any county court judgements/bad debt.**

## **Transitional Period**

There will be a transitional period before the total ban comes in with effect of the 31<sup>st</sup> May 2020. This means that for tenancies which commenced before the 1<sup>st</sup> June 2019, any condition previously applied with respect to renewal fees will still be a permitted payment.

***Example: your current tenancy expires on the 2<sup>nd</sup> June 2019 and you are entering into a new lease with effect from the 3<sup>rd</sup> June 2019. You will be charged an agreement renewal fee on the renewal of your tenancy ie on the 3<sup>rd</sup> June 2019 which will be a Permitted Payment under this new legislation, however should you then enter into a new tenancy on the 3<sup>rd</sup> June 2020, as this falls after the 31<sup>st</sup> May 2020 no further renewal fee will be permitted.***

Furthermore, as deposits are now capped at five weeks rent, any deposits held above this cap will be refunded to you on the renewal of your agreement from the 1<sup>st</sup> June 2019 onwards.