



## The Tenant's Guide

# Our Fees Explained

## What is changing?

The Tenant Fee Act 2019 came into force on 1st June 2019. From that date it is illegal for letting agents to charge fees to tenants apart from a small number of exemptions that are referred to as 'permitted payments'.

### Permitted payments are:

- Rent
- Utilities and council tax
- Holding deposits
- Security deposits
- Default fees
- Fees for changing a tenant or ending a tenancy early

## What fees can we ask a tenant to pay?

On tenancies signed on or after 1st June 2019

Utilities, rent, council tax and TV licence	✓
A holding deposit	✓
A security deposit	✓
Default fees e.g. replacement key or charge for a late rent payment	✓
Fees for changing a tenant or ending a tenancy early	✓

Administration fees	✗
Application fees	✗
Set up fees	✗
Referencing fees	✗
Credit checks	✗
Guarantor fees	✗
Permitted occupier fees	✗
Right to Rent fees	✗
Contract negotiation fees	✗
Inventory charges	✗
Saturday move-in fees	✗
Check-in fees	✗
Check-out fees	✗
Renewal fees	✗
End of tenancy fees	✗



## Tenant Fees

### Holding Deposit (per tenancy) – one week's rent

This is to reserve a property. Please Note: This will be withheld if any relevant person (including any guarantor(s)) withdraw from the tenancy, fail a Right-to-Rent check, provide materially significant false or misleading information, or fail to sign their tenancy agreement (and/or Deed of Guarantee) within 15 calendar days (or other Deadline for Agreement as mutually agreed in writing).

### Security Deposit (per tenancy) – Rent under £50,000 per year – five weeks' rent

This covers damage or defaults on the part of the tenant during the tenancy.

### Unpaid Rent

Interest at 3% above the Bank of England Base Rate from Rent Due Date until paid in order to pursue non-payment of rent. Please Note: This will not be levied until the rent is more than 14 days in arrears.

### Loss of Key(s) or other security device(s)

Tenants are liable to the actual cost of replacing any lost key(s) or other security device(s). If the loss results in locks needing to be changed, the actual cost of a locksmith, new lock and replacement keys for the tenant, landlord and other persons requiring keys will be charged to the tenant. If extra costs are incurred there will be a charge of £15 per hour (inc. VAT) for the time taken replacing lost key(s) or other security device(s) and call out if the tenant has locked themselves out.

### Variation of Contract (Tenant's request) – £50 (inc. VAT) per agreed variation

To cover the costs associated with taking landlord's instructions as well as the preparation and execution of new legal documents.

### Change of Sharer (Tenant's request) – £50 (inc. VAT) per replacement tenant

To cover the costs associated with taking landlord's instructions, new tenant referencing and Right-to-Rent checks, deposit registration as well as the preparation and execution of new legal documents.



## Tenant Fees

### Existing Tenancies

While agents cannot charge fees to tenants (other than permitted payments) on tenancies starting after 1st June 2019, agents are allowed to charge fees on pre-existing tenancies until 31st May 2020.

In this case our fees are as follows:

- Guarantor fee - £30 (inc. VAT)
- Change of Sharer - £50 (inc. VAT)
- Variation of Contract - £50 (inc. VAT)
- Loss of Key(s) or other - Cost of replacement and £15 (inc. VAT) per hour if called out

### What is and isn't a new tenancy?

The fee ban applies to Assured Shorthold Tenancies (ASTs). If your tenancy renews and a new contract is signed after 1st June 2019, then the letting agent can't charge any further fees. However if the tenancy continues after the end of the fixed term (what is known as a 'periodic tenancy') then your letting agent can continue charging fees until 31st May 2020 when they fall due under the terms of your tenancy agreement.

### Early Termination (Tenant's request)

Should the tenant wish to leave their contract early, they shall be liable to the landlord's cost in re-letting the property, £450 (inc. VAT), as well as all rent due under the tenancy until the start date of the replacement tenancy. These costs will be no more than the maximum amount of rent outstanding on the tenancy.