



# The Tenant Fees Act 2019

## The Tenants Fees Act 2019

This Act came into force on the 1<sup>st</sup> June 2019 as a move by central government to regulate fees and deposits imposed by landlords and letting agents in the Private Rented Sector. The Act details fees that are permissible to be charged. This applies to Assured Short Term lettings to tenants under new contracts from the aforementioned date and to existing tenancies from 1<sup>st</sup> June 2020.

These are:

- rent
- a refundable tenancy deposit capped at no more than 5 weeks' rent where the total annual rent is less than £50,000, or 6 weeks' rent where the total annual rent is £50,000 or above
- a refundable holding deposit (to reserve a property) capped at no more than 1 week's rent
- 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
- 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.

Any fees not detailed above are prohibited.

## What this means for tenants:

From the aforementioned date if a tenant is charged for references; administration charges; inventory charges; tenancy agreement renewals or any other fee not detailed above the fee is a prohibited fee. This matter can then be referred to the please email [trading\\_standards@hertfordshire.gov.uk](mailto:trading_standards@hertfordshire.gov.uk) or call 01707 292429 who will then review what charges have been imposed and whether they are able to take action against the landlord or letting agent.

Full guidance for tenants can be found [here](#)

Further information for tenants can be found on the Councils website on the link below:

<http://www.dacorum.gov.uk/home/housing/private-housing/private-tenants>

## What this means for landlords and agents:

From the aforementioned dates you cannot require a tenant (or anyone acting on their behalf or guaranteeing their rent) to make certain payments in connection with a tenancy. You cannot require them to enter a contract with a third party or make a loan in connection with a tenancy

If you are uncertain as to whether a charge is permitted, you should refer to the information given in the Guidance for landlords & letting agents which can be found [here](#) or contact Citizens Advice Bureau (CAB) to obtain legal advice. Information on how contact the CAB can be found on the link below:

<https://dacorumcab.org.uk/>

Alternatively you could call the Private Housing Team at Dacorum, we can be contacted by calling 01442 228000 or by email [PShousing@dacorum.gov.uk](mailto:PShousing@dacorum.gov.uk)

If you are found to be in breach of the Tenants Fees Act 2019 the matter can be considered under the Housing and Planning Act 2016 for a first offence. In this situation a Civil Penalty of up to £5,000 could be imposed. If further breaches are committed within 5 years of this penalty or a conviction for a previous breach is found, this matter will be considered a criminal offence. In such a case local authorities will have the discretion whether to prosecute or impose a further financial penalty. Where a financial penalty is imposed, as an alternative to prosecution, this can amount up to £30,000 but does not amount to a criminal conviction.

Where two or more financial penalties have been imposed, on the same person, that person may be placed on the database of rogue landlords and property agents.

The penalty, should a prosecution take place, can include a banning order and include an unlimited fine. This would be considered criminal offence.

Information on banning orders can be found on the link below:

<https://www.gov.uk/government/publications/banning-orders-for-landlords-and-property-agents-under-the-housing-and-planning-act-2016>

**The tenants Fees Act 2019 also includes provision for action to be taken for where unlawful fees are not repaid or holding deposits are unlawfully retained. You cannot evict a tenant using the section 21 eviction procedure until you have repaid the fees and deposits that are owed.**

A breach of the requirement to repay the holding deposit is a civil offence and will be subject to a financial penalty of up to £5,000.

All other rules around the application of the section 21 evictions procedure will continue to apply.

Further information for landlords and letting agents can be found on the Councils website on the link below:

<http://www.dacorum.gov.uk/home/housing/private-housing/private-landlords>