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The Fees Ban: what every tenant needs to know

On 1st June 2019, the Tenant Fees Act, commonly known as the Fees Ban, became law, but what does that mean for you as a tenant? Here's a quick guide to the essentials you need to know.

What is the Fees Ban and why has it been introduced?

The Government wants to make renting fairer for tenants. Campaigners have argued that the fees charged by some agents and landlords before a tenancy commenced had become excessive. The aim of the ban is to make the cost of renting clearer and to make it more affordable to move between different properties

Upfront fees, with a few exceptions, are now banned by the new act. You cannot now be charged for administration, references, checking-in or out or for inventories.

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Where and when does it apply?

The new act covers all Assured Shorthold Tenancies (AST). It applies in England from 1st June 2019, and similar legislation will be introduced in Wales from 1st September 2019. A ban is already in force in Scotland.

If your AST commences or is renewed after 1st June 2019, the fees ban will apply, but if you are renewing and charges for renewal or checking-out were agreed in the earlier tenancy agreement, these fees can still be charged until the end of May 2020.

What's happening with deposits?

As part of the new legislation, security deposits are now capped at the equivalent of five weeks' rent for most properties (six weeks for properties with an annual rental value of £50,000 or above). If the deposit you have paid is above the new cap, when you renew, your landlord must reduce the deposit to meet the new criteria.

Landlords will no longer be able to apply a higher level of deposit for certain tenants, for example, those with children or pets. The five-week-cap applies across the board.

What can I be charged for?

Some fees are still chargeable, but these are optional or are for those costs incurred because of your actions.

You can still be charged a holding deposit if you wish to reserve a property you have viewed. This will be capped at the equivalent of one week's rent and can only be retained by the landlord or agent for 15 days.

You can be charged 'reasonable' fees if you request an alteration to your tenancy agreement.

You can be charged a late rent payment fee but note that you cannot be charged for the cost of chasing the late payment.

You can be charged a reasonable fee for lost keys, and it will be up to the landlord or agent to prove that their costs are reasonable.

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What will happen to my rent?

Good question. A lot of the charges previously levied and now outlawed will still be incurred by landlords and agents, and it is likely that over time rents will rise to cover the cost. But ultimately, rents will still be determined by the market. As in Scotland, tenants, landlords and agents will adjust to the new situation.

Although fees varied, the big change for tenants is that the costs of moving will be far less onerous in future. With tenants more able to shop around, the onus will be on landlords and agents to maintain high standards.