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The Tenant Fees Act 2019: A short guide for letting agents and landlords



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The Tenant Fees Act 2019 came into force on 1 June 2019 and bans every payment a landlord or letting agent can require from a tenant in connection with a tenancy, except a defined list of permitted payments set out in Schedule 1. The aim, as the government put it, was to stop tenants being hit with a proliferation of upfront and in-tenancy and to cap the deposits that had been drifting upwards.

Which tenancies it applies to

The TFA applies in England only. The Welsh equivalent is the Renting Homes (Fees etc.) (Wales) Act 2019 and is a separate, albeit similar, regime.

The TFA catches:

- assured tenancies, other than social-housing assured tenancies;
- student accommodation, whether let on an assured tenancy or outside the Housing Act 1988 due to the PBSA exemption (but not in relation to rent in advance);
- licences to occupy housing, including licences to lodgers;
- private lettings by housing associations and local authorities.

It does not catch long leases or shared ownership leases (as defined in the Leasehold Reform, Housing and Urban Development Act 1993), holiday lets, excluded licences, or any tenancy which is outside the Housing Act 1988.

How it works

The mechanics of the TFA are simple. All fees are banned unless they are in the permitted list in Schedule 1. A tenancy-agreement term that requires a prohibited payment is not binding on the tenant, and the tenant does not have to pay it. If the landlord or agent asks for or accepts a prohibited payment, the local authority can serve a notice of intent and impose a civil penalty of up to £5,000 per breach. A second breach of section 1 or section 2 within five years of an earlier penalty being imposed (and not withdrawn) is a criminal offence. The authority then has a choice: prosecute or impose a civil penalty of up to £30,000 as an alternative.

The permitted payments — at a glance

Payment	Detail	Limits	Notes
Rent	The rent under the tenancy, once both parties have signed	Cannot be required before a tenancy agreement is signed except in the case of PBSA exemption tenancies). Higher rent in the first month is prohibited.	The TFA does not cap rents. Rent payment of more than one month is not banned by the TFA but is prohibited by the Housing Act 1988 (not applicable to PBSA exempt tenancies). Tenants can voluntarily pay more than one month's rent but it is up to them and cannot be put in the tenancy agreement.
Refundable tenancy deposit	Security for the tenant's obligations under the tenancy	Max of 5 weeks' rent where rent is under £50,000 pa; 6 weeks' rent where rent is £50,000 pa or more	Weekly rent is the annual figure divided by 52. Do not round up. Cap applies to the tenancy agreement as a whole, not per tenant.
Refundable holding deposit	Payment to reserve the property while referencing and paperwork are done	Max of 1 week's rent, based on total agreed rent for the property	Only one holding deposit per property at a time. Default deadline for signing tenancy is 15 days (can be varied in writing). Must be refunded, or applied to rent/deposit. Retained if the tenant fails right-to-rent check, withdraws, gives false or misleading information, or fails to sign.
Default fee — late rent	Interest on rent that is overdue	Annual percentage rate of no more than 3% above the Bank of England base rate, applied daily	Charge only starts once the rent is 14 days or more in arrears (interest can then be backdated to the day it fell due).
Default fee — lost key or security device	Cost of replacing a key, fob or other access device	Landlord's or agent's reasonable costs actually incurred	Cost should be evidenced to the tenant. Does not affect the landlord's separate right to recover damages via the deposit or the courts.
Change of tenancy at tenant's request	Assignment, novation or variation (adding or swapping a joint tenant)	£50 or reasonable costs actually incurred if higher	Where more than £50 is charged, the landlord or agent should produce evidence of the higher cost. The FTT has been sceptical of higher fees.
Early termination	Tenant wants to leave early	Landlord's actual loss only	Only bites where the tenant asks and has not given full notice.
Utilities and communication	Gas, electricity, water, sewerage, broadband, landline		This covers payment to utility providers or to the landlord where the landlord provides these services.
Council tax	Where the tenant is liable	Must be paid to the billing authority	Payable to the Council only, not to the landlord. If the landlord is paying the Council Tax it can be included in the rent but not as a separate payment.
TV licence	TV licence fees	The licence fee payable to the BBC	Payable to the BBC, not to the landlord or agent. No separate additional charge on top of rent if it is already included.

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Disclaimer: This table is intended as a reference guide only and does not constitute legal advice. Always refer to the primary legislation and statutory guidance for authoritative information.

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