



IMPACT ON TENANTS

Although renters will experience reduced upfront fees, many will experience increased rents. ARLA Propertymark commissioned independent research which found that each tenant is likely to pay an additional £103 per annum.

IMPACT ON LETTING AGENTS

Letting agents have always performed a dual role, representing the interests of landlords but also supporting the needs of tenants. All the core functions involved in managing properties, complying with legislation and safeguarding tenancies need to be continued. Agents will be engaging with landlords to discuss management fees, rent levels and their business costs.

WHAT PAYMENTS ARE ALLOWED?

The only payments that tenants can be charged are those expressly permitted under the Tenant Fees Act, all other charges are prohibited. The Act prevents landlords and their agents from requiring tenants to make any payment as a condition of granting, renewing or continuing a tenancy apart from:

- Rent
- Tenancy Deposit
- Holding Deposit
- Variation, assignment or novation of a tenancy
- Termination (surrender) of a tenancy

- Default fees
- Council Tax
- Utilities (electricity, gas or other fuel, water or sewerage)
- Television licence
- Communication services
- Green Deal charges

RENT

Increases or reductions of rent are allowed but landlords cannot generate additional income by charging a higher rent in any one period compared to any other period in the tenancy.

WHAT PAYMENTS AREN'T ALLOWED?

Tenants cannot be asked to pay any fees apart from the permitted payments specified. Your agent is NOT allowed to charge a tenant for any of the following:

- Referencing (for a tenancy in your property or an onward reference)
- · Any application fees
- Any set up costs for a tenancy
- Any fees for contract negotiation
- Any fees for inventory checks



HOLDING DEPOSIT

A landlord or agent can take a refundable Holding Deposit from a tenant to reserve a property, but this cannot exceed one week's rent. Agents can only accept one holding deposit per property.

TENANCY DEPOSIT

The new rules state that Tenancy Deposits are capped at five weeks' rent where the annual rent is less than £50,000 a year, and six-weeks' rent where the annual rent is higher. For detailed advice on transitioning existing deposits beyond 1 June 2019 speak to your ARLA Propertymark agent.

BREACHES OF THE TENANCY AGREEMENT – DAMAGES

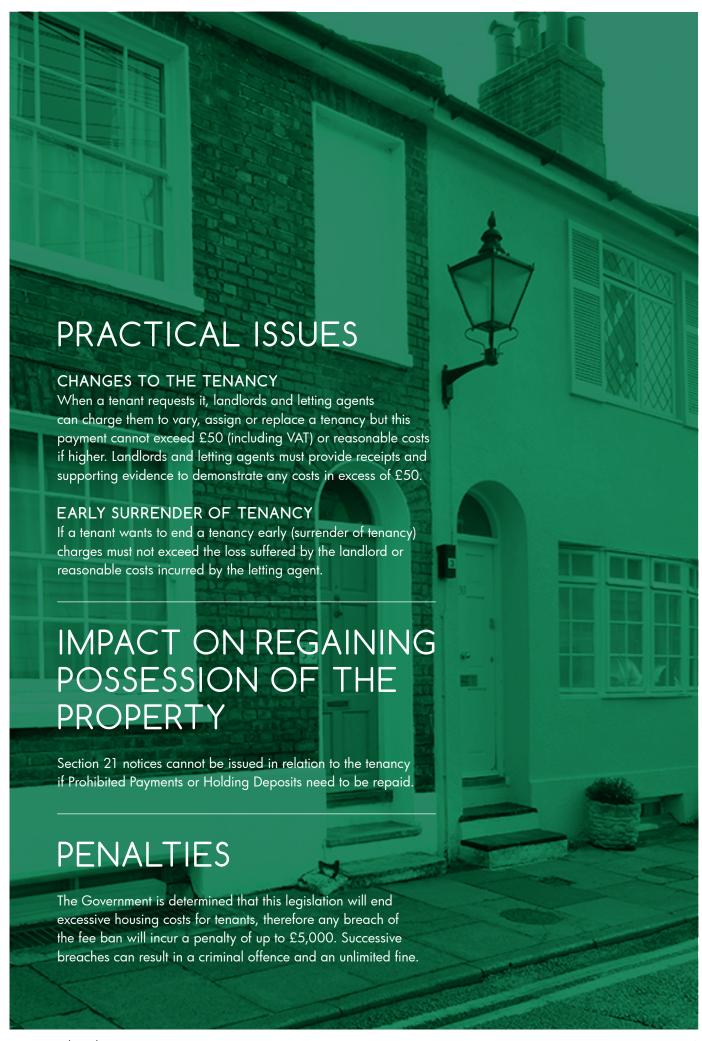
Where the tenant has breached their tenancy agreement and caused damage, landlords can still require tenants to pay for the costs of the damage as well as seek deductions from the tenancy deposit or take court action. Agents cannot charge tenants for additional penalty fees because of damage.

BREACHES OF THE TENANCY AGREEMENT – DEFAULT FEES

There are two situations where tenants can be required to pay default fees – lost keys (or security device) and late payment of rent. Both are subject to restrictions and landlords should consult their ARLA Propertymark agent for further details.

UTILITIES

Government guidance imposes strict criteria on reimbursement for utility services and landlords are not permitted to overcharge for energy, water or communications services. If tenants pay the energy bills directly, they must be allowed to choose the supplier themselves.





CLIENT MONEY PROTECTION

ARLA Propertymark has been providing financial protection for landlords and tenants for years and in 2017 our campaign to make Client Money Protection mandatory for lettings agents led to Government agreeing to change the law.

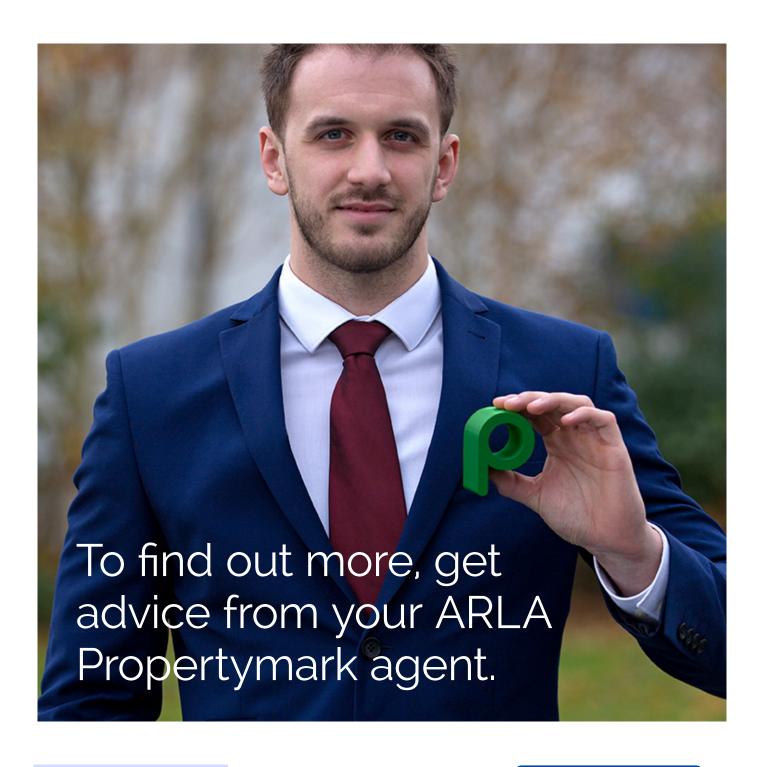
Client Money Protection is a compensation scheme which reimburses both the landlord and the tenants if an agent goes out of business or misuses client money (loss, theft, misappropriation).

Client money can include:

- Rent
- · Cash float to pay for maintenance and repairs
- Unprotected deposits
- Sale proceeds
- · Any interest earned which is due to the client

Since 1 April 2019, all property agents in England holding client money must belong to a government-approved Client Money Protection scheme.

PROPERTYMARK IS A GOVERNMENT-APPROVED SCHEME FOR CLIENT MONEY PROTECTION



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