



Renting Homes (Fees etc.) (Wales) Act 2019 – What to expect from my letting agent

arla | propertymark



“The private rented sector now accounts for 13% of all housing in Wales. This legislation brings clarity which will help to improve the reputation of the sector overall, and also provide greater confidence that tenants are getting a fair deal. I want private renting to be a positive choice that is accessible to everybody.”

Julie James AM

Minister for Housing
and Local Government

WHAT IS CHANGING?

The Renting Homes (Fees etc.) (Wales) Act 2019 came into force on 1 September 2019. From this date it is illegal for landlords or letting agents to charge fees to tenants entering into a tenancy apart from a small number of exemptions that are referred to as Permitted Payments.

Permitted payments are:

- Rent
- Security Deposit
- Holding Deposit capped at one week's rent
- Default fees
- Utilities electricity, gas or other fuel, water, sewerage and Green Deal
- Council tax
- TV licence
- Communication services



WHAT FEES CAN YOUR LETTING AGENT ASK YOU TO PAY?

On tenancies signed on or after 1 September 2019.

Utilities, rent, council tax and TV licence	✓
A Holding Deposit	✓
A Security Deposit	✓
Default fees for breaches of the tenancy agreement	✓
Fees for ending a tenancy early	✓

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



HOLDING DEPOSIT (PER TENANCY) – ONE WEEK'S RENT

This is to reserve a property. Before accepting a Holding Deposit the landlord (or agent acting on their behalf) must provide prospective tenants with a set of specified information. Please Note: This will be withheld if any relevant person (including any guarantor(s)) withdraw from the tenancy, 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

Money held by the landlord (or agent acting on the landlord's behalf) as security during the period of the tenancy and reserved for any damages or defaults by the tenant.

CHANGES TO A TENANCY AGREEMENT

If either the landlord or tenant wish to change a tenancy agreement, a fee cannot be charged for the amendment.

CHANGE OF SHARER

Landlords or agents are unable to charge tenants to change a joint tenancy agreement to reflect a change of sharer, should one tenant leave and be replaced by another.

SURRENDER OF TENANCY

Where a tenant wants to leave a tenancy early, the landlord or agent is entitled to charge the tenant an early termination fee such as the landlords' costs to re-let the property and any outstanding rent until a new tenant moves in.

PAYMENTS IN THE EVENT OF A DEFAULT

A payment in default is a payment required by the landlord or agent where a tenant has breached the tenancy, whether late payment of rent by its due date or some other breach. This must be detailed in the tenancy agreement.

Where a default arises from late payment of rent, or where a landlord has been required to add, remove, or change keys, locks or another security device, there is a prescribed limit for as to how much the tenant can be charged.

The prescribed limits do not affect defaults arising from other breaches by the tenant of a term in the contract.





The fee ban applies to Assured Tenancies, this includes Assured Shorthold Tenancies (ASTs), that are entered into (signed) on or after 1 September 2019.

EXISTING TENANCIES

Tenancy agreements signed on or before 31 August 2019 could still have charges attached to them. These remain chargeable until the tenancy ends.

WHY DOES THE LEGISLATION REFER TO STANDARD OCCUPATION CONTRACTS?

The Act refers to Standard Occupation Contracts because this is what tenancies in Wales will eventually be called. When another existing piece of legislation, the Renting Homes (Wales) Act 2016, comes into force all new tenancies will be Standard Occupation Contracts. This will also mean that any existing ASTs will be converted into Standard Occupation Contracts.



FREQUENTLY ASKED QUESTIONS

DO I STILL HAVE TO PAY FOR MY REFERENCE?

Landlords and agents can ask a credit referencing agency to carry out a check on a tenant, and they can ask the tenant to provide the necessary details to complete the check. However, landlords and agents cannot make the tenant pay for this.

WHAT IF I WANT TO END MY TENANCY EARLY?

Guidance from the Welsh Government for Landlords and Agents says that in situations where a tenant wants to leave a fixed-term tenancy early, the landlord or agent is fully within their rights to expect to be paid for the entirety of the tenancy.

arla | **propertymark**

PROTECTED

#LOOKFORTHELOGO
[propertymark.co.uk](https://www.propertymark.co.uk)



arla | propertymark

propertymark.co.uk