



the little property co.

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Holding deposits for rented properties

A holding deposit reserves a property, the landlord (or their letting agent) can only take a maximum of one week's rent which can only be held for a maximum of 15 days (or an agreed alternative deadline). The deposit must be returned to the successful tenant within seven days and—with their consent—can be put towards the first month's rent or tenancy deposit (see below).

If you've paid a holding deposit then it must be returned to you if the landlord pulls out before the agreed deadline. If it's kept by the landlord then the reason for doing so must be outlined to you in writing. The landlord can only retain the holding deposit if you:

- Withdraw your interest in the property
- Fail a **right to rent** check (England only)
- Provide false or misleading information, e.g, incorrect salary
- Do not provide an answer by the deadline

Tenancy deposits

You will likely have to pay a deposit which serves as a security against damage to the property, usually equivalent to a month's rent. This is returned at end a tenancy minus deductions for damage or if there's any outstanding rent, this will be covered in your tenancy agreement.

There is no formal cap on deposits in Wales. In England tenancy deposits are however capped at five weeks' rent where the annual rent is less than £50,000, and six weeks' rent where the annual rent is £50,000 or more. If the deposit you paid before the introduction of the Tenant Fees Act exceeds the cap, then the excess will be refunded when your tenancy ends or you sign a new, fixed term tenancy.

TENANCY DEPOSIT DEDUCTIONS

Your landlord can request deductions from the deposit for breaches of the tenancy agreement (such as damage or alterations). However, the amount deducted must be reasonable and take fair wear and tear into consideration.

PERMITTED PAYMENTS:

- Rent
- Holding deposit (capped)
- Tenancy deposit (capped)
- Default fees such as a replacement key/security device or a late rent payment
- Variation, assignment or novation of a tenancy, i.e. if you ask for your contract to be changed
- Terminating your tenancy early
- Council tax (if not included in your rent)
- Utility bills (if not included in your rent)
- TV licence (if not included in your rent)
- Internet, landline, cable/satellite television (if not included in your rent)
- Green Deal charge (if applicable to your home)

PROHIBITED PAYMENTS:

You cannot be charged for anything that is not on the list above. If you believe you're being charged fees illegally then bring it up with your letting agent or landlord immediately. Fees that cannot be charged include:

- Credit checks
- Inventories
- Professional cleaning services
- Referencing
- Admin charges
- Gardening services

Renting with pets

Landlords cannot request a higher tenancy deposit if you have a pet, but they can charge a higher rent. This must be made clear to you so you can make an informed decision so consider the extra cost if you're planning on living with a pet.

Default fee: replacing a lost key/security device

Charges for replacing a lost key or security device must be evidenced in writing to demonstrate the reasonable costs incurred by the landlord. Ask for an invoice or receipt to make sure that what you're charged matches the cost of the replacement.

Default fee: late rent payment

Landlords and agents can only charge interest on rent from when it is 14 days overdue. Interest can be charged at no more than three per cent above the Bank of England's annual percentage rate for each day it is outstanding.

Contractor appointments

You cannot be charged a penalty for contractor call-outs or missed appointments. However, you can be charged for repairs deemed necessary before the end of your tenancy (e.g. a broken window) if the damage occurred was your fault. If you are subject to such a charge, your landlord (or letting agent) must provide evidence of the costs incurred.