



## Dispute Resolution Newsletter

Edition 3  
September 2019

Welcome to the third edition of our Dispute Resolution newsletter which brings useful information and news in the landlord and tenant sector.

### Tenant Fees Act 2019 - England

In our earlier edition we reminded you of the key date for the commencement of The Tenant Fees Act 2019 ("TFA 2019") which came into force on 1st June 2019. The Act introduces protections for most residential tenants in the private rental sector in England.

The Act restricts the type and amount of payments that landlords and letting agents can require from tenants of most private rented accommodation, which includes the amount that can be taken as a tenancy deposit or holding deposit.

Sanctions are imposed for non-compliance and please be aware that these provisions apply immediately to the grant of new tenancies, with a grace period of one year for existing tenancies.

The TFA 2019 prohibits all payments in connection with a tenancy, except payments which are expressly permitted. An example of the type of payments which are prohibited are: set up fees, inventory check fees, check out fees, professional cleaning costs and credit check fees. There is a list of permitted payments, but the list is not exhaustive and we would advise all landlords that if you are unsure as to how this legislation will impact upon you, contact one of our team for further advice and assistance.

### Reminder : Section 21 of the Housing Act 1988 - England

1st June 2019 was also the date for the new updated version of the prescribed form section 21 (Form No.6A). A landlord requiring possession of a property let on an assured shorthold tenancy pursuant to Section 21 (1) or 21(4) of the Housing Act 1988 in England must use the new prescribed form.



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# What is happening in Wales?

The Welsh equivalent of the TFA 2019 is the Renting Homes (Fees etc) (Wales) Act 2019 ("RHFWA 2019"). The RHFWA 2019 prohibits landlords and letting agents from requiring certain types of payments under, or as a condition of entry into, a letting arrangement. Criminal sanctions will be imposed for non-compliance.

The majority of the provisions of the RHFWA 2019 come into force on 1 September 2019, namely sections 1 to 19, 21 to 29 and Schedule 1 and Schedule 2. To summarise, the RHFWA 2019 will :-

- Prohibit landlords and letting agents from requiring certain payments under or in connection with a standard occupation contract.
- Restrict the amount that can be taken as a holding deposit and sets a timetable for dealing with repayment.
- Prohibit landlords and letting agents from requiring entry into a contract for services, or the grant of a loan, in connection with a standard occupation contract (subject to certain exceptions).
- Prevents a landlord who is in breach of any of its requirements from seeking possession of the property under one of the "no-fault" grounds in the Renting Homes (Wales) Act 2016.

## Tenancy deposit scheme Q & A

What deductions can a landlord make from the deposit after a tenant leaves?

A landlord can usually make certain deductions from the deposit after a tenant leaves a rented home. Landlords can usually deduct money from a deposit to cover:

- unpaid rent;
- damage to the property;
- missing items;
- cleaning costs.

What a landlord can deduct money for must be set out in the tenancy agreement or a separate document signed by both the tenant and landlord.

A landlord must inform the tenant of what the deductions are for and how much for each item. Any amount then left over must be returned to the tenant. If an agreement cannot be reached in relation to the deposit amount to be returned, the next step would be to exercise the adjudication/open a dispute through the tenancy deposit protection scheme where the deposit has been protected.

Allington Hughes can also advise you on the deductions a landlord cannot make.

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