

Renting from a letting agency

Introduction

A letting agency can help you find accommodation owned by a private landlord. Some will help you simply to find accommodation, but many letting agencies manage properties on behalf of a landlord, which means that you may have no direct contact with your landlord.

This fact sheet provides you with information on what charges a letting agency can make and a checklist of points you should ask before registering with an agency and signing a tenancy agreement.

Using a letting agency

It is best to use an agency which is a member of a voluntary self-regulating trade body as they will require the agency to have a complaints procedure and money protection arrangements. This means that if the agency goes out of business, you will not lose your money. The main trade bodies are:

- Association of Residential Letting Agents (ARLA)
- National Association of Estate Agents (NAEA)
- Royal Institution of Chartered Surveyors (RICS)
- UK Association of Letting Agents (UKALA).

For contact details of the above organisations, see under Further help. If the agency is not a member of a trade body, find out whether it participates in a set of standards known as the National Approved Letting Scheme (NALS). These standards include a complaints procedure which you can use and independent redress from an ombudsman scheme.

In England, the organisations mentioned above and some others have signed up to a private rented sector code of practice. The code sets out the legal requirements of agents. It may be useful for you to refer to the code if the agent you use is a member of one of the organisations that have agreed to follow it. A copy of the code is available from the Royal Institution of Chartered Surveyors website at www.rics.org/uk.

You can also look out for agencies that have the Safe Agent registered mark. This means that your money will be protected through a client money protection scheme. More information is available from the Safe Agent website at www.safeagents.co.uk.

In England, if you're likely to have an assured shorthold tenancy, which many private rented tenants do, you may find it useful to refer to a government publication called 'How to rent - The checklist for renting in England'. It summarises things that you need to look out for and questions you can ask a letting agent. It's available from the GOV.UK website at www.gov.uk.

What a letting agency cannot charge for

A letting agency cannot charge you:

- to register with the agency
- for providing a list of properties available for renting.

It is a criminal offence for an agency to make these charges. If you have paid any of these charges, you should contact Trading Standards. The Citizens Advice consumer service can help you report a problem to Trading Standards. You can contact them on 03454 04 05 06.

What a letting agency can charge for

A letting agency can charge you:

An **unlimited fee** once you have signed a contract to accept a tenancy. You must have agreed to take the tenancy before the agency can charge you.

Administration fees

Many agencies will charge you an administration fee. This fee may cover things like the cost of preparing the tenancy agreement, checking references, making up the inventory and any other costs of setting up the tenancy. Many agencies will charge you for renewing your tenancy agreement once it expires.

It is best to shop around because not all agencies make these charges and the amounts can vary between agencies. If you are receiving housing benefit, it will not pay for these fees.

The agency should provide you with clear information about their charges before you agree to take up a tenancy. Charges should also be reasonable.

If you have paid unreasonably high charges or you were not given full details of the charges by the agency in advance, you may be able to challenge the charges on the grounds they are unfair. You should contact a specialist housing adviser or the Citizens Advice consumer service, who can help you report the problem to Trading Standards.

A non-returnable holding deposit

This is charged when you agree to rent a property, but have not yet signed the tenancy agreement. This deposit is usually deducted from the security deposit when you move in.

You should make sure that you want to take up the tenancy because if you change your mind, your holding deposit will not be returned.

There may be circumstances when you are not able to move into the property for reasons beyond your control, for example, your reference was not satisfactory or the agency has increased the rent. In these circumstances, it may be unfair for the agency not to return your holding deposit. You should seek advice if this happens to you.

If you have paid a holding deposit and the landlord chooses not to go ahead with the tenancy, you should get the deposit back. If the agency will not return it to you, you should seek advice.

Security deposit

This is charged as security against damage to the property or getting into rent arrears. It should be returned to you at the end of your tenancy if you have not breached your tenancy agreement.

An agent who charges you a security deposit for an assured shorthold tenancy on or after 6 April 2007 must protect it in a government-approved scheme and provide you with details of the scheme. This also applies if you paid a deposit before 6 April 2007 and your tenancy has been renewed since that date.

You should agree with the agent what condition the property is in when you start renting it, including a list of the furniture and fittings (known as the **inventory**). This should help stop any disagreements at the end of the tenancy.

For more information about security deposits, see **Tenancy Deposits** in **Housing fact sheets**.

Being clear about charges

Adverts for rental properties on websites and in other media must include information about non-optional charges, such as administration fees, charges for inventories and reference checks.

If a charge can't be worked out in advance, because, for example, it changes according to individual circumstances, the advert must give you enough information to work out how charges will be calculated. Otherwise, the charges must be included with the asking rent. For example, 'rent £1,000 per calendar month and £100 administration fee per tenant'.

If you think an advert hasn't met these guidelines, you can report this to the Advertising Standards Authority through its website at www.asa.org.uk.

Checklist of points you should ask the letting agency before registering with them

You should find out the following information from an agency before registering with them to avoid future problems:

- details of the services it provides
- full details of the charges it makes
- whether it is a member of a trade body such as ARLA, NAEA, RICS or NALS as it must have a complaints procedure and protect your money if the agency goes out of business
- whether the agency has a complaints procedure and whether it is a member of an ombudsman scheme

- details of the tenancy deposit protection scheme it uses.

Checklist of points you should ask the letting agency before signing up to a tenancy

You should find out the following information from the agency before signing a tenancy agreement:

- the terms of the tenancy agreement
- the amount of rent you have to pay and whether the rent includes any service charges
- the amount of the security deposit/rent in advance
- details of the tenancy deposit protection scheme it uses
- the procedure for getting repairs done.

Unfair trading regulations

Letting agencies have to follow the Consumer Protection from Unfair Trading Regulations 2008.

Generally, this means that an agency must let you know what they know about a property and what they should reasonably be expected to know. They should also tell you what they become aware of when marketing a property, and which could affect your decision to rent a property.

For more information about these regulations, see **Unfair trading** in **Protection for the consumer**.

Complaining about a letting agency in England

From 1 October 2014, letting agencies must belong to a government approved redress scheme for dealing with complaints about letting private rented accommodation.

If you have a complaint which hasn't been resolved using the letting agency's own complaints procedure, you can complain to the scheme that the agency belongs to.

A local authority can fine an agency up to £5,000 if they don't join a scheme. There are three approved schemes:

- The Property Ombudsman - further information can be found on its website at www.tpos.co.uk
- Ombudsman Services: Property - further information can be found on its website at www.ombudsman-services.org
- Property Redress Scheme - further information can be found on its website at www.theprs.co.uk.

Further help

Voluntary self-regulating trade bodies

Further information about the Association of Residential Letting Agents (ARLA) can be found on their website at www.arla.co.uk. You can also carry out a search to find letting agents who are members of ARLA in the area where you live.

Further information about the National Association of Estate Agents (NAEA) can be found on their website at www.naea.co.uk.

Further information about the Royal Institution of Chartered Surveyors (RICS) can be found on their website at www.rics.org.

Further information about the UK Association of Letting Agents (UKALA) can be found on their website at www.ukala.org.uk.

National Approved Letting Scheme

Further information about the National Approved Letting Scheme (NALS) can be found on their website at www.nalscheme.co.uk.

Citizens Advice Bureau

Citizens Advice Bureaux give free, confidential, impartial and independent advice to help you solve problems. To find your nearest CAB, including those that give advice by e-mail, click on [nearest CAB](#), or look under C in your phone book.

Other information on Adviceguide which might help

- Finding accommodation
- Repairs in rented housing
- Renting from a private landlord
- Protection for the consumer
- Common problems with renting
- Student housing

This fact sheet is produced by [Citizens Advice](#), an operating name of The National Association of Citizens Advice Bureaux. It is intended to provide general information only and should not be taken as a full statement of the law. The information applies to England and Wales only.

This fact sheet was last updated on 1 October 2014 and is reviewed regularly. If it is some time since you obtained this fact sheet, please contact your local Citizens Advice Bureau to check if it is still correct. Or visit our website - www.adviceguide.org.uk - where you can download an up-to-date copy.