

## **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.

### **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)

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. ARLA and NALS are both members of The Property Ombudsman Scheme.

### **What a letting agency cannot charge for**

A letting agency cannot charge you:

- to register with the agency
- for a list of properties available for renting
- a deposit which will be returned to you if it does not find you a suitable property.

It is a criminal offence for an agency to make these charges. If you have paid any of these charges, you should contact

**Leicestershire County Council**, Community Services Department,  
Trading Standards Services  
County Hall  
Glenfield  
Leicester  
Leicestershire  
LE3 8RN

t: 08454 040506 (Consumer Direct for consumer advice)

f: 0116 3057353

e: [tradingstandards@leics.gov.uk](mailto:tradingstandards@leics.gov.uk)

w: [Leicestershire County Council Trading Standards website](http://Leicestershire County Council Trading Standards website)

### **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.

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 Trading Standards for further advice.

### **What is 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 may 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 an administration fee and/or a holding deposit and the landlord chooses not to go ahead with the tenancy, the Office of Fair Trading Guidance states that you should receive a refund of all pre-payments. If the agency will not return your payments, 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 one of the three Government approved schemes and provide you with details of the scheme within 14 days of receiving the deposit..

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.