

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)

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.

For contact details of the above organisations, see under Further help.

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.

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 your local council's Trading Standards Officer or Tenancy Relations Officer who can take action against the agency.

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 your local council's trading standards officer for further advice.

- **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 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. The schemes are the Deposit Protection Scheme, the Tenancy Deposit Scheme and 'mydeposits'.

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.

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 The Property 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

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- whether the landlord has the lender's permission to rent out the property. If not, you could be evicted with minimal notice if your landlord gets into arrears with their mortgage and the property is repossessed
- the procedure for getting repairs done.

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.

National Approved Letting Scheme

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

The Property Ombudsman

Further information about The Property Ombudsman can be found on its website at www.tpos.co.uk. Letting agents who are members of The Property Ombudsman scheme have to follow a Code of Practice, which is also available from the website at www.tpos.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
- Getting repairs done while renting
- Renting from a private landlord
- Common problems with renting

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This fact sheet was last updated on 9 September 2011 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.