



Chartered Institute of
Environmental
Health

Sefydliad Siartredig
Iechyd yr
Amgylchedd

Response to Consultation

Fees charged to tenants in the private rented sector

27 September 2017

Sefydliad Siartredig Iechyd yr Amgylchedd

Fel **corff proffesiynol**, rydym yn gosod safonau ac yn achredu cyrsiau a chymwysterau ar gyfer addysg ein haelodau proffesiynol ac ymarferwyr iechyd yr amgylchedd eraill.

Fel **canolfan wybodaeth**, rydym yn darparu gwybodaeth, tystiolaeth a chynghor ar bolisiau i lywodraethau lleol a chenedlaethol, ymarferwyr iechyd yr amgylchedd ac iechyd y cyhoedd, diwydiant a rhanddeiliaid eraill. Rydym yn cyhoeddi llyfrau a chylchgronau, yn cynnal digwyddiadau addysgol ac yn comisiynu ymchwil.

Fel **corff dyfarnu**, rydym yn darparu cymwysterau, digwyddiadau a deunyddiau cefnogol i hyfforddwyr ac ymgeiswyr am bynciau sy'n berthnasol i iechyd, lles a diogelwch er mwyn datblygu arfer gorau a sgiliau yn y gweithle ar gyfer gwirfoddolwyr, gweithwyr, rheolwyr busnesau a pherchnogion busnesau.

Fel **mudiad ymgyrchu**, rydym yn gweithio i wthio iechyd yr amgylchedd yn uwch ar yr agenda cyhoeddus a hyrwyddo gwelliannau mewn polisi iechyd yr amgylchedd ac iechyd y cyhoedd.

Rydym yn **elusen gofrestrdedig** gyda 8,000 o aelodau ledled Cymru, Lloegr a Gogledd Iwerddon.

The Chartered Institute of Environmental Health

As a **professional body**, we set standards and accredit courses and qualifications for the education of our professional members and other environmental health practitioners.

As a **knowledge centre**, we provide information, evidence and policy advice to local and national government, environmental and public health practitioners, industry and other stakeholders. We publish books and magazines, run educational events and commission research.

As an **awarding body**, we provide qualifications, events, and trainer and candidate support materials on topics relevant to health, wellbeing and safety to develop workplace skills and best practice in volunteers, employees, business managers and business owners.

As a **campaigning organisation**, we work to push environmental health further up the public agenda and to promote improvements in environmental and public health policy.

We are a **registered charity** with 8,000 members across England, Wales and Northern Ireland.

CIEH is the professional voice for environmental health representing members working in the public, private and non-profit sectors. We ensure the highest standards of professional competence in our members, in the belief that through environmental health action people's health can be improved.

Environmental health has an important and unique contribution to make to improving public health and reducing health inequalities. CIEH campaigns to ensure that government policy addresses the needs of communities and business in achieving and maintaining improvements to health and health protection.

We are pleased to contribute to the Welsh Government consultation on proposals to change the way fees are charged by letting agents, landlords and third parties to tenants in the private rented sector and would be happy to provide further written or oral input if that is helpful.

Contact Details:

Kate Thompson
Director CIEH Wales
Lakeside Court,
Llantarnam Park Way
Llantarnam Industrial Park
Cwmbran
NP44 3GA

Email: k.thompson@cieh.org

Tel: 01633 865533 Mobile 07919212664

General Questions

1. Please choose which of these best represent you:

Letting Agent

Tenant

Landlord

Local Authority

Representative Body (please state)

Other (please state):

2. Do you agree that Welsh Government should legislate to prevent agents and landlords from charging fees, other than rent in advance and a refundable deposit, to tenants when entering into a new, or renewing an existing tenancy?

Yes stricter controls on fees to tenants are required. Refundable holding fees are supported under some circumstances.

3. If no, please explain why:

4. Which fees, aside from rent in advance and refundable deposits, do you think an agent, landlord or third party should be permitted to charge? Why?

A refundable holding fee in some circumstances. See 5 below.

5. Some agents may charge a refundable holding deposit to take the property off the market whilst reference checks are undertaken. Do you think this is a fair charge? Please explain your answer:

We acknowledge that holding deposits can make moving home financially more difficult and would like to see barriers to moving home reduced to enable more tenants to move out of poor quality housing.

However, in some circumstances e.g. purpose built student accommodation, we are aware that suppliers allow booking to be made for a future tenancy on-line. In order to stop frivolous bookings that block rooms for others, a charge is made for making the booking that is deducted from rent if the booking results in a tenancy. If the booking is withdrawn then there are terms and conditions about timescales but if the booking is withdrawn close to a tenancy starting then the booking deposit is lost. This booking procedure works well in the student PBSA market and is probably to the advantage of students in securing rooms without having to enter into fixed term tenancies before funding or academic results are known.

If holding deposits are to be permitted, controls need to be tightened up. We are aware of the potential for tenants to be exploited e.g. agents holding more than one tenant's deposit for the same property. Furthermore, some agents do not refund holding deposits when tenants fail checks. Neither of these practices should be allowed. Further, we would like to see holding deposits capped and registered under a mandatory client money protection compensation scheme to avoid abuse.

6. Some agents may charge for in-tenancy property management actions that directly relate to an action or service carried out at the request of the tenant, or as a result of the tenant's actions (such as out-of-hours contact, or replacing lost keys). Do you feel that such charges are fair? Please explain your answer:

Yes. We believe in-tenancy charges for services carried out at the request of a tenant or as a result of a tenants actions are fair providing the charges are advertised prior to tenancies commencing and they are specified in tenancy agreements.

7. Agents may occasionally provide bespoke, non-standard services to tenants, for example, when arranging a property for someone currently living abroad who is relocating to Wales. Do you think there are parts of the market where a different approach to handling letting agents' fees may be allowable?

No. We would not want to see different approaches being permitted which will create potential loopholes.

If special bespoke services were required, these could be charged to the tenant as part of the exclusions described in Q6: 'In-tenancy property management service charges that directly relate to an action or service carried out at the request of the tenant or as a result of the tenant's actions'.

8. What do you think the main impacts of a ban on charging fees to tenants might be? Please include any unintended consequences that you believe may arise:

We believe that the primary outcome of this legislation will be the removal of barriers to moving home for tenants, who currently pay high fees to rent a property. This legislation should also help to increase competition between letting agents, who will need to offer competitive deals for managing properties to landlords, who are their customers.

In the case of landlords using letting agents, not all landlords are aware that fees are being charged to tenants to renew contracts, for example. Introducing this legislation is likely to increase transparency and increase competition for services between property agents, as landlords will be looking for the best value.

We recognise that in areas where supply of housing for rent is very low and is exceeded by demand, higher rents could be imposed as the result of this ban, as tenants would have little power to choose between a landlord managing a property directly and a landlord who is using an agent. However, we believe that in most areas, the local market rent levels will decide the level of rent paid by tenants, not the costs to the landlord. Therefore, on balance, we believe that this legislation will have a positive impact on tenants

Please answer the section(s) relevant to you:

Tenants

9. Have you ever been charged fees before entering into a tenancy agreement? If yes, please detail your most recent pre-tenancy charges, and if possible a breakdown of the charges, here:

N/A

10. Have you ever been charged fees during a tenancy, or for renewal of a tenancy agreement? If yes, please detail the most recent amounts charged to you during the tenancy or renewal of the tenancy, and if possible, a breakdown of the amounts, here:

N/A

11. Have you ever been charged fees after a tenancy has ended? If yes, please enter the most recent amounts charged to you after a tenancy has ended, and what the charges were for here:

N/A

12. Were any fees made clear to you before any agreement had taken place? If so, how?

N/A

13. Have tenancy fees ever affected:
- your ability to move to a new rented property?
 - your decision to use an agent?
 - your overall finances?

N/A

Letting agents

14. What fees do you charge to tenants? Please detail, with a breakdown of services provided for the charges below:

N/A

15. What fees do you charge to landlords? Please detail, with a breakdown of services provided for the charges below:

N/A

16. Do you make use of third parties as part of your activities who charge fees to tenants or landlords. If so, please detail, with a breakdown of services provided for the charges below:

N/A

17. How do you make information about fees chargeable at any point in the tenancy, or after the tenancy, available to any tenants or landlords?

M/A

18. What would be the impact of a ban on these fees?

N/A

Landlords

19. What fees, if any, do you charge to tenants? Please detail, with a breakdown of services provided for the charges below:

N/A

20. How do you make information about fees chargeable at any point in the tenancy, or after the tenancy, available to any potential tenants or tenants?

N/A

21. What would be the impact of a ban on these charges?

N/A

22. What fees does your agent (if you use one) charge you for letting or management services, in addition to commission charged?

N/A

23. Do you know how much your agent (if you use one) charges to your tenants in letting fees?

N/A

24. How does your agent make information about fees chargeable before, during or after the tenancy, available to any potential tenants or tenants?

N/A

25. If you use an agent who charges you fees, were these fees made clear to you before any agreement had taken place, and if so, how?

N/A

26. Would increased letting agent fees affect your decision to use an agent in the future? Please include reasons:

N/A

27. Do you or your agent make use of third parties as part of your activities who charge fees to tenants or landlords? If so, please detail, with a breakdown of services provided for the charges below:

N/A

Further questions

28. We would like to know your views on the effects that banning fees charged to tenants would have on the Welsh language, specifically on:
- i. opportunities for people to use Welsh and
 - ii. on treating the Welsh language no less favorably than English.

29. What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?

30. Please also explain how you believe the banning of fees charged to tenants could be formulated or changed so as to have
- i. positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and
 - ii. no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favorably than the English language.

31. We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:

Please enter here:

Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here: