

RENTING HOMES (FEES ETC.) (WALES) ACT 2019

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 2 – Prohibitions of Certain Payments

Section 3 – Prohibition applying to letting agents

10. This section makes it an offence for a letting agent (as defined in section 8) to impose certain types of requirement in consideration of arranging the grant of an occupation contract, or arranging the renewal or continuance of an existing contract, or pursuant to a term of a standard occupation contract.
11. The section provides that it is an offence for a letting agent to require a person (whether the contract-holder or a third party) to make a prohibited payment to the letting agent or any other person in these circumstances. (Again a prohibited payment for this purpose is, essentially, any payment that is not within section 4.)
12. The section provides that it is an offence for a letting agent to require a person (whether the contract-holder or a third party) to make a loan to the letting agent or any other person in these circumstances.
13. It also provides that it is an offence for a letting agent to require a person to enter into a contract for services with the letting agent or any other person in these circumstances.
14. Subsection (3) provides an exception to this general rule in relation to a certain type of contract for services. This exception allows letting agents and landlords to enter into a contract for services if the only parties to the contract are the letting agent and landlord, and the contract relates to lettings work and property management work to be carried out by the agent for the landlord. The intention is to ensure that a letting agent and landlord may contract together for the agent to carry out lettings work etc on the landlord's behalf.
15. A person who commits an offence under this section is liable on summary conviction to a fine, which is not subject to a maximum level on the standard scale. If the offence relates to requiring a prohibited payment to be made, a court, on conviction, may also order the offender to pay the amount of the prohibited payment (or any outstanding amount if part of the payment has been repaid) to the person who made the payment.