



Renting Homes (Fees etc.) (Wales) Act 2019

2019 anaw 2

PART 2

PROHIBITION OF CERTAIN PAYMENTS ETC.

2 Prohibitions applying to landlords

- (1) It is an offence for a landlord to require a prohibited payment to be made to the landlord, or any other person—
 - (a) in consideration of the grant, renewal or continuance of a standard occupation contract, or
 - (b) pursuant to a term of a standard occupation contract which purports to require the payment to be made.
- (2) It is an offence for a landlord to require a person to enter into a contract for services with the landlord, or any other person—
 - (a) in consideration of the grant, renewal or continuance of a standard occupation contract, or
 - (b) pursuant to a term of a standard occupation contract which purports to require entry into the contract for services.
- (3) But subsection (2) does not apply if the contract for services concerned provides for services to be provided by a person upon whom the standard occupation contract confers, or would confer, the right to occupy a dwelling (whether or not the contract for services also provides for any other person to provide services).
- (4) It is an offence for a landlord to require the grant of a loan to the landlord, or any other person—
 - (a) in consideration of the grant, renewal or continuance of a standard occupation contract, or
 - (b) pursuant to a term of a standard occupation contract which purports to require the loan to be granted.

- (5) A person guilty of an offence under this section is liable on summary conviction to a fine.
- (6) The court by which a person (“the offender”) is convicted of an offence under subsection (1) may order the offender to pay the amount of the payment concerned or (in a case where part of the payment has been repaid) the outstanding amount of the payment to the person by whom it was paid.

3 Prohibitions applying to letting agents

- (1) It is an offence for a letting agent to require a prohibited payment to be made to the letting agent, or any other person—
 - (a) in consideration of arranging the grant, renewal or continuance of a standard occupation contract, or
 - (b) pursuant to a term of a standard occupation contract which purports to require the payment to be made.
- (2) 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—
 - (a) in consideration of arranging the grant, renewal or continuance of a standard occupation contract, or
 - (b) pursuant to a term of a standard occupation contract which purports to require entry into the contract for services.
- (3) But subsection (2) does not apply if the contract for services concerned is a contract between a landlord and a letting agent only, in respect of lettings work or property management work to be carried out by the agent on the landlord’s behalf.
- (4) It is an offence for a letting agent to require the grant of a loan to the letting agent, or any other person—
 - (a) in consideration of arranging the grant, renewal or continuance of a standard occupation contract, or
 - (b) pursuant to a term of a standard occupation contract which purports to require the loan to be made.
- (5) A person guilty of an offence under this section is liable on summary conviction to a fine.
- (6) The court by which a person (“the offender”) is convicted of an offence under subsection (1) may order the offender to pay the amount of the payment concerned or (in a case where part of the payment has been repaid) the outstanding amount of the payment to the person by whom it was paid.

4 Prohibited and permitted payments

- (1) Any payment of money is a prohibited payment unless—
 - (a) it is payable by a landlord to a letting agent in respect of lettings work or property management work carried out by the agent on behalf of the landlord, or
 - (b) it is a permitted payment by virtue of Schedule 1.
- (2) That Schedule makes provision about—
 - (a) rent;

- (b) security deposits;
- (c) holding deposits;
- (d) payments in default;
- (e) payments in respect of council tax;
- (f) payments in respect of utilities;
- (g) payments in respect of a television licence;
- (h) payments in respect of communication services.

5 Non-binding contract terms

- (1) A term of a standard occupation contract is not binding on a contract-holder to the extent that (but for this section) it would require a prohibited payment to be made, or a contract for services to be entered into, or a loan to be made, as described in section 2 or 3.
- (2) But the contract continues, so far as practicable, to have effect in every other respect.

6 Application of sections 2 to 5 to pre-existing requirements and contracts

Sections 2 to 5 do not apply in respect of—

- (a) a requirement imposed before the coming into force of this Part;
- (b) a requirement forming part of a standard occupation contract entered into before the coming into force of this Part.

7 Power to amend definition of “permitted payment”

- (1) Regulations may amend this Act for the purposes of adding, modifying or removing a reference in Schedule 1 to a category of payment.
- (2) But the power in subsection (1) does not extend to removing the payment of rent from the categories of payment that are permitted payments under this Act.

8 Meaning of “letting agent”, “lettings work” and “property management work”

For the purposes of this Part and Parts 3 to 5—

“letting agent” (“*asiant gosod eiddo*”) means a person who carries out lettings work or property management work (whether or not the person carries out other work);

“lettings work” (“*gwaith gosod*”) and “property management work” (“*gwaith rheoli eiddo*”) have the same meaning as in Part 1 of the [Housing \(Wales\) Act 2014 \(anaw 7\)](#) (see sections 10 and 12 of that Part).