

SCHEDULES

SCHEDULE 1

PERMITTED PAYMENTS

Tenancy deposit

- 2 (1) A payment of a tenancy deposit is a permitted payment.
- (2) In this Act “tenancy deposit” means money intended to be held (by a landlord or otherwise) as security for—
- (a) the performance of any obligations of a tenant, or
 - (b) the discharge of any liability of a tenant,
- arising under or in connection with a tenancy.
- (3) But if the amount of the tenancy deposit exceeds—
- (a) the amount of five weeks’ rent, where the annual rent in respect of the tenancy immediately after its grant, renewal or continuance is less than £50,000, or
 - (b) the amount of six weeks’ rent, where the annual rent in respect of the tenancy immediately after its grant, renewal or continuance is £50,000 or more,
- the amount of the excess is a prohibited payment.
- (4) In this paragraph—
- (a) “five weeks’ rent” means five times one week’s rent,
 - (b) “six weeks’ rent” means six times one week’s rent, and
 - (c) “one week’s rent” means the amount of the annual rent payable in respect of the tenancy immediately after its grant, renewal or continuance divided by 52.