

## **Annex A – Glossary of Terms**

This glossary is intended to provide a basic explanation of relevant terms. For a more extensive definition please refer to the Tenant Fees Act 2019 or contact Citizens Advice if you are unsure.

As well as the terms below, you might find it useful to refer to the Government's [How to Rent](#) (for tenants) and [How to Let](#) (for landlords) guide.

**Assured Shorthold Tenancy** – this is the most common form of tenancy. Further information is available at [www.gov.uk/private-renting-tenancy-agreements/tenancy-types](http://www.gov.uk/private-renting-tenancy-agreements/tenancy-types).

**Applicable tenancy agreements** – the Act applies to [Assured Shorthold Tenancies \(“ASTs”\)](#) (excluding social housing or a long lease), student accommodation and licenses to occupy housing in England only. Certain licences to occupy are excluded - see ‘excluded licences’ below.

**Assignment of a tenancy** – this is the process of legally transferring a tenancy from one person to another. This is often referred to as ‘change of sharer’.

**Communication service** – a service enabling any of the following to be used: a telephone other than a mobile phone, the internet, cable television, satellite television.

**Commencement date** – the date on which the Tenant Fees Act 2019 comes into force, 1 June 2019, for all new applicable tenancies.

**Damages** – an amount of money that a landlord or agent can be entitled to seek from a tenant where they have suffered a financial loss due to the tenant not obeying the terms of the tenancy agreement. Often, a landlord or agent will seek to recover damages by seeking to make a deduction from the tenancy deposit at the end of the tenancy but may do this at any time with agreement or through taking court action.

**Deadline for agreement** – the specified date that the tenant and landlord or their agent must agree and sign a tenancy agreement. This is usually the 15<sup>th</sup> day beginning with the day on which the landlord or letting agent receives a holding deposit, but this can be varied if both parties agree. This deadline should be agreed prior to the payment of a holding deposit.

**Default fee** – a payment that can be charged to a tenant (where it is set out in the tenancy agreement) in the event of late rent payments that are more than 14 days overdue or where a key/security device giving access to the housing has been lost.

**Enforcement authorities** – a local weights and measures authority, a district council that is not a local weights and measures authority or the lead enforcement authority.

**Enter into an agreement** – where a tenant and a landlord formally agree to something, this can either be verbally or in writing.

**Excluded licence** – a ‘licence to occupy’ housing that has been arranged between a licensee and licensor with the assistance, support or advice of a registered charity or ‘community interest company’ in which the licensee provides companionship combined with care/non-financial assistance to the licensor. The licensor does not receive payments of rent but can receive council tax/utility/communication service payments. These licenses are often established under Homeshare schemes.

**False or misleading information** – where there is a difference between what is provided by a tenant and what is correct, and where this is something a landlord can reasonably consider as part of their decision to let a property to a tenant. This can include the tenant’s conduct in providing it.

**Financial penalty** – this is a fine that an enforcement authority could levy on a landlord or letting agent if they are found to have breached the Tenant Fees Act 2019.

**Fixed term agreement** – a tenancy agreement, i.e. ‘contract’ that is set for a period of time, such as 12 or 18 months.

**Holding deposit** – money paid by or on behalf of a tenant to a landlord or letting agent to formally agree they will proceed with a tenancy on the agreed terms, provided certain agreed conditions are met by the tenant (i.e. reference checks).

**Individual tenancy** – where a property is let to a tenant on a separate room-by-room basis. The tenant is only responsible for paying the rent and deposit as set out in their agreement.

**Joint tenancy** – a tenancy agreement where more than person is named and signs. This means that responsibility for making payments is shared by the people named on the tenancy agreement.

**Joint and severally liable** – is a legal phrase that means two or more people are equally responsible for the payments to be made.

**Landlord** – this is likely to be the person who owns a property for rent and who rent (if required) is paid to.

**Lead enforcement authority** – the lead enforcement authority is the Secretary of State or a trading standards authority chosen by the Secretary of State to oversee the operation of the Tenant Fees Act 2019.

**Letting agent work** – activity undertaken by a person on behalf of a landlord who is seeking to let their property or a tenant who is looking for housing.

**Licence to occupy housing** – this can be a verbal or written agreement and is usually used when a landlord wants to give permission to someone (usually a tenant or ‘licensee’) to live in their property. A licence can be fixed term or periodic (usually

rolling month-to-month). It is not the same as an assured shorthold tenancy and does not include social housing or holiday let housing.

**Novation of a tenancy** – is different from assignment, it involves the creation of a new contract and requiring consent of all parties.

**Permitted payment** – a payment that a tenant can lawfully be required to make, as per schedule 1 of the Tenant Fees Act, i.e. rent, tenancy deposit, holding deposit, payment in the event of a default, payment on variation, assignment or novation of a tenancy, for the termination of a tenancy, for council tax, utilities, television licence or for a communication service.

**Redress scheme** – a free, independent service that helps tenants and landlords to raise complaints against their letting agent where their complaint hasn't been dealt with satisfactorily. Every letting agent must be a member of a Government approved redress scheme – either The Property Redress Scheme or The Property Ombudsman.

**Relevant person** – a tenant, or a person acting on behalf of a tenant, or a person who has guaranteed the payment of rent by a tenant but does not include:

- a) A local housing authority within the meaning of the Housing Act 1985 (see section 1 of that Act),
- b) The Greater London Authority, or
- c) A person acting on behalf of an authority within paragraph (a) or the Greater London Authority.

**Statutory periodic agreement** – usually where a tenant and landlord (or their agent) make no changes to a contract at the end of a fixed term tenancy and as a result, the tenancy automatically renews but continues on a rolling month-by-month basis.

**Social housing** – these are houses or flats usually owned and maintained by, or on behalf of, a local council or housing association.

**Tenancy agreement** – an agreement between a tenant and a landlord that lets you live in a property, this can be written or verbal.

**Tenancy deposit** – this is money a tenant pays to a landlord or their letting agent as security for the performance of any obligations of the tenant, or the discharge of any liability (i.e. responsibilities) of a tenant arising under or in connection with a tenancy. A landlord is usually legally required to protect a tenant's deposit.

**Tenant** – this is usually a person living in a rented property. A tenant is usually required to pay rent to a landlord and for the purposes of the Tenant Fees Act, they could be required to do so as part of an assured shorthold tenancy agreement, student accommodation or a license to occupy housing.

**Trading Standards** – an organisation that provides support and resources to help combat activity that would be detrimental to consumers. Trading Standards officers

investigate and coordinate enforcement of the Tenant Fees Act 2019, alongside their other work to protect consumers.

**Transitional period** – the Act creates a transitional period of one year from 1 June 2019 to 31 May 2020 where the ban will not apply to tenancy agreements that were signed before 1 June 2019.

**Unfair term** – an unfair term for a tenant is one that creates a disproportionate imbalance between a landlord and a tenant that is ultimately detrimental to the tenant, for example, requiring a tenant to pay a disproportionately high sum in compensation for not fulfilling an obligation in the tenancy agreement.

**Utility** – electricity, gas or other fuel, water or sewerage.

**Variation of a tenancy** – this is the process of making a change to a tenancy agreement.

**Withdraw from a tenancy** – where either a tenant or a landlord formally decides not to continue with the process of agreeing a tenancy.