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**FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)**

Case Reference : **LON/00AZ/HTC/2024/0605**

Property : **Room 2, 80 Sydenham Road,
London SE26 5JX**

Applicants : **Mr Mohamed Aslam Hussain
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Representative : **In person**

Respondent : **Golden Homes Property Group
Limited**

Representative : **Unrepresented**

Type of Application : **For recovery of all or part of a
prohibited payment or holding
deposit under the Tenant Fees Act
2019**

Tribunal Member : **Judge J P Donegan**

**Date of Paper
Determination** : **08 April 2025**

Date of Decision : **09 April 2025**

DECISION

Decision of the Tribunal

The application for recovery of all or part of a prohibited payment or holding deposit is dismissed and the Tribunal makes no order under section 15 of Tenant Fees Act 2019 (‘the Act’).

The background and procedural history

1. The application concerns the applicant’s former tenancy of Room 2, 80 Sydenham Road, London SE26 5JX (‘the Property’), which he occupied pursuant to a “*Longhold Tenancy Agreement*” (‘the Agreement’).
2. The Agreement named the applicant as the prospective tenant. It does not name the landlord but is on headed notepaper from the respondent, Golden Homes Property Group Limited. It is undated but states the agreed move in date was 1st April 2024 with a term of 12 months. The agreed rent was £750 per calendar month and the “*Damage Deposit*” was £750.
3. At panel 3 of the Tribunal application form, the applicant explained he paid £5,250 at the start of the tenancy, being six months’ rent in advance (£4,500) and the deposit of £750. On 15 July 2024, the respondent sent him an email purporting to give notice to terminate the tenancy on 14 August 2024 (long before the expiry of the 12-month term). The applicant requested an extension but did not hear back. He vacated the Property before 14 August and then returned his keys on this date. He seeks to recover £1,982 from the respondent, representing:
 - Rent for the period 15 August to 30 September 2024 - £1,232
 - Deposit - £750.
4. The Tribunal application is dated 11 September 2024. Directions were issued on 22 January 2025. These included provision for a paper determination, without an oral hearing, during the week commencing 07 April 2025. Neither party objected to this nor requested a hearing. The paper determination took place on 08 April.
5. The respondent has not engaged with these proceeding or filed a statement in reply to the application, as provided for in the directions.

Findings

6. The applicant was a tenant of the Property between 01 April and 14 August 2024. The tenancy started on 01 April, as evidenced by the Agreement and ended on 14 August, when the applicant returned the keys.

7. The applicant paid six months' rent in advance (£4,500) at the start of his tenancy. This meant he paid the rent for the period 01 April to 30 September 2024. The tenancy ended on 14 August, so his advance payment covered a period of 6 ½ weeks (15 August to 30 September) after the tenancy ended.
8. The applicant also paid a deposit of £750 at the start of his tenancy. This was a tenancy deposit within paragraph 2(2) of the First Schedule to the Act, rather than a holding deposit within paragraph 3(2), as it was intended to be held as security for the performance of the applicant's obligations under the tenancy or the discharge of any liability, on his part, as a tenant.
9. The respondent was the applicant's landlord during this tenancy. The Agreement does not state the landlord's name but is on the respondent's headed notepaper and the notice purporting to give notice to terminate the tenancy was given by the respondent.

Discussion

10. Section 15(3) of the Act provides:

“The relevant person may make an application to the First-tier Tribunal for the recovery from the landlord or the letting agent of –

 - (a) if none of the prohibited payment or holding deposit has been repaid to the relevant person, the amount of the prohibited payment or holding deposit;*
 - (b) if part of the prohibited payment or holding deposit has been repaid to the relevant person, the remaining part of the prohibited payment or holding deposit.*
11. Section 3(1) provides:

“For the purposes of this Act a payment is a prohibited payment unless it is a permitted payment by virtue of Schedule 1.”

Payment of rent under a tenancy is a permitted payment within paragraph 1(1) of Schedule 1 to the Act. This means the advance rent paid by the applicant was not a prohibited payment and the Tribunal has no jurisdiction to order repayment, or partial repayment, under the Act.
12. Paragraph 2(1) of Schedule states that *“A payment of a tenancy deposit is a permitted payment.”* It is also necessary to consider paragraph 2(3), which provides:

“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."

The applicant's annual rent was less than £50,000 and his tenancy deposit equated to one month's rent, which is less than the applicable five-week threshold. This means none of the deposit was a prohibited payment within paragraph 2(3). Again, the Tribunal has no jurisdiction order repayment, or partial repayment, under the Act.

13. The Tribunal has considerable sympathy for the applicant but must dismiss the application as the sums claimed are not prohibited payments within the Act. The applicant may have other remedies, arising from the rent overpayment, the respondent's failure to return the deposit and/or the early termination of his tenancy. The applicant may wish to seek independent legal advice in this matter.

Name: Tribunal Judge Donegan **Date:** 09 April 2025

Rights of appeal

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the Tribunal is required to notify the parties about any right of appeal they may have.

If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber), then a written application for permission must be made to the First-tier Tribunal at the regional office which has been dealing with the case.

The application for permission to appeal must arrive at the regional office within 28 days after the Tribunal sends written reasons for the decision to the person making the application.

If the application is not made within the 28-day time limit, such application must include a request for an extension of time and the reason for not complying with the 28-day time limit; the Tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed, despite not being within the time limit.

The application for permission to appeal must identify the decision of the Tribunal to which it relates (i.e. give the date, the property and the case number), state the grounds of appeal and state the result the party making the application is seeking.

If the Tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).