



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

**Case reference** : LON/00BG/HTC/2025/0603

**Property** : Room 4, 9 Guerin Square, London E3  
2DP

**Applicant** : Alice Franco Do Amaral

**Respondent** : Pistoria Limited

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

**Tribunal members** : Judge Robert Latham

**Venue** : 10 Alfred Place, London WC1E 7LR

**Date of decision** : 7 July 2025

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**DECISION**

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The Tribunal finds that the sum of £300 paid by the Applicant in 2023 was a permitted payment, namely a loss reasonable incurred by the landlord as a result of the early termination of the Applicant's tenancy. The application is therefore refused.

## **The Application**

1. On 29 January 2025, the Applicant applied to the tribunal under the Tenant Fee Act 2019 (“the Act”) for an order that the Respondent repay a sum totalling £300 which she contends is a “prohibited payments” as defined by the Act.
2. On 2 May 2025, the Tribunal gave Directions, pursuant to which:
  - (i) The Respondent has filed a Bundle extending to 161 pages including a Statement of Case.
  - (ii) The Applicant has filed a Reply together with a number of additional documents.
3. On 1 December 2023, the Applicant complained to the Respondent of a fee of £300 that she had been required to pay, contending that these were set-up fees and check-out fees which were prohibited payments under the Act. The Respondent contends that they are permitted payment, namely a loss reasonable incurred by the landlord as a result of the early termination of her tenancy. This is the issue that the Tribunal is required to determine.

## **The Background**

4. The Applicant first moved into occupation of Room 4, 9 Guerin Square pursuant to an Assured Shorthold Tenancy ("AST") dated 27 October 2021. This was for a term of twelve months from 29 November 2021 to 28 November 2022 at a rent of £850 per month. In her Reply, the Applicant suggests that she was charged a set-up fee when her tenancy was granted. This is denied by the Respondent. The Applicant has not established that such a payment was made.
5. In October 2022, the Applicant' was granted a further AST for a twelve month term, namely 28 November 2022 to 27 November 2023. On 3 October 2023, the Respondent wrote to the Applicant inviting her to sign a further AST for the twelve month term 27 November 2023 to 26 November 2024 at a rent of £950 per month.
6. On 15 October 2023, the Applicant wrote to the Respondent stating that she would not be able to renew her tenancy. An urgent issue had occurred and she needed to surrender the keys on 6 November 2023. However, she had found a friend who wanted the room. She could move in at the beginning of November.
7. On 23 October 2023, the Respondent granted the friend an AST for the 10 month period 4 November 2023 to 3 September 2024 at a rent of £950 per month. The Applicant vacated on 3 November 2023 and paid the rent due up to this date.

8. The current application relates to two fees of £150 which the Respondent required to pay. On 3 November, 5dProperty invoiced the Respondent £150 for a check-out fee in respect of the Applicant's tenancy and a check-in fee of £150 for the new tenant.
9. The Respondent argues that under the tenancy agreement, the Applicant was required to give 2 month's notice to determine her AST. She did not do so. As a result of the Applicant's early termination of her tenancy, costs were incurred in arranging for the new tenant. These costs were only incurred because of the Applicant's early termination of her tenancy. Further, the sums charged by 5dProperty were not unreasonable compared with the charges levied by four other suppliers which range from £288 to £336. The fees relate to the costs incurred in arranging a check-out inventory for the departing tenant and a check-in inventory for the incoming tenant. Examples of these inventories are attached to the various ASTs which have been provided to the Tribunal.

### **The Law**

10. Section 3 of the Act places a prohibition on landlords from charging most payments associated with a tenancy other than rent and authorised deposits. The Act is built on the concepts of "prohibited payments" and "permitted payments".
11. It is common ground that "check-in" and "check-out" fees would normally be "prohibited payments". The government has provided guidance in "Tenant Fees Act 2019: Guidance for landlords and agents" (September 2020). The following references (at p.19-21) are relevant:

"(i) Q. Can I charge a tenant for setting up a new tenancy?

No. you cannot charge a tenant for any activity (except if it is listed in the permitted payments section above) or for your time in setting up a new tenancy. It is a landlord's responsibility to pay for services they contract, including any costs associated with setting up a tenancy. This includes fees for referencing and credit checks, guarantor fees and administration.

(ii) Q. Can I charge a tenant for an inventory?

No. A landlord or agent may choose to carry out an inventory check but cannot charge a tenant for this service. An inventory is a written record of the condition the property was in at the start of the tenancy, including details of anything that was already damaged or worn. This record should be agreed by you and the tenant. Conducting an inventory check at the start of a tenancy is in the interest of both tenants and landlords, but the burden of proof will fall on the landlord to demonstrate that any claims for damages against a tenant's deposit at the end of your tenancy are justified. It is preferable for an independent person to undertake check in and check out reports (e.g. a specialist inventory clerk).

Q. Can I charge a tenant to check-out at the end of a tenancy?

No. You cannot charge a tenant for any services connected with the termination or ending of a tenancy (unless this relates to early termination requested by the tenant)."

12. Schedule 1 of the Act specifies those payments which are permitted. Paragraph 7 provides for a payment on termination of a tenancy (emphasis added):

(1) A payment is a permitted payment if it is a payment to a landlord in consideration of the termination of a tenancy at the tenant's request—

(a) in the case of a fixed term tenancy, before the end of the term,  
or

(b) in the case of a periodic tenancy, without the tenant giving the period of notice required under the tenancy agreement or by virtue of any rule of law.

(2) But if the amount of the payment exceeds the loss suffered by the landlord as a result of the termination of the tenancy, the amount of the excess is a prohibited payment.

(3) A payment is a permitted payment if it is a payment to a letting agent in consideration of arranging the termination of a tenancy at the tenant's request—

(a) in the case of a fixed term tenancy, before the end of the term,  
or

(b) in the case of a periodic tenancy, without the tenant giving the period of notice required under the tenancy agreement or by virtue of any rule of law.

(4) But if the amount of the payment exceeds the reasonable costs of the letting agent in respect of the termination of the tenancy, the amount of the excess is a prohibited payment.

(5) In this paragraph "fixed term tenancy" means any tenancy other than a periodic tenancy."

13. The Government has offered the following guidance (at p.

"Q. Can I ask a tenant to pay a fee if they want to leave a tenancy before the end of their fixed-term or the end of their notice period?

A landlord or agent can require a tenant to make payments in connection with the early termination of the tenancy where the tenant has requested this, but there are restrictions on what can be charged. Generally, the costs charged for early termination must not exceed the loss incurred by the landlord (usually the loss in rent resulting from a tenant's decision to leave and/or the costs of re-advertising or referencing), or the reasonable costs to the agent (such as referencing and marketing costs).

Q. What can I charge if a replacement tenant has been found?

Where a suitable replacement tenant is found and the landlord has agreed to an early termination of the tenancy, you can only charge the tenant rent until the new tenancy has started. If you do not stand to lose any rent because of a tenant's decision to leave, you would not be permitted to consider lost rent in any fee you wish to charge for early termination. However, you could reasonably charge a fee to cover any referencing and advertising costs that you have incurred as a result of a tenant leaving early, but you should be able to provide evidence to demonstrate these costs."

### **The Tribunal's Determination**

14. The Tribunal accepts the evidence of the Respondent that it arranged 5dProperty on 3 November 2023 to prepare both check-out and check-in inventories. In respect of each inventory, 5dProperty charged the Respondent £125 + VAT, a total of £300.
15. The Applicant terminated her tenancy early. This permitted the Respondent to charge a fee in respect of a cost that he had reasonably incurred as a result of the early termination. The Tribunal is satisfied that the landlord incurred these charges and that these were reasonable.
16. Had the Applicant not terminated her tenancy early, these would have been "prohibited payments" which the landlord would not have been permitted to pass on to its tenant. However, this is a situation of an early termination where such costs incurred by the landlord may be passed on to its tenant. The Tribunal is therefore satisfied that these sums are payable.

**Judge Robert Latham**  
**7 July 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).