



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

Case Reference : **MAN/ooDA/HTC/2024/0600**

Property : **94 Argie Avenue, Leeds, LS4 2QR**

Applicant : **Charlene Yuen May Lee**

Respondent : **Rabina Akram**

Type of Application : **Tenant Fees Act 2019 – s 15**

Tribunal Members : **Judge Richard Dobson Mason LLB
Mrs Susan Latham MRICS**

Type & Venue of the Hearing : **Video hearing online**

Date of Decision : **19 September 2025**

DECISION

DECISION

- (1) The Respondent shall pay to the Applicant the sum of £89.39, being the amount of the holding deposit in excess of one weeks' rent, by no later than 7 days from the date of service of this Decision on the parties.**

REASONS

Background

1. The Application relates to 94 Argie Avenue, Leeds, LS4 2QR (“*the Property*”).
2. The Applicant is Chalene Yuen May Lee, who brings the application (“*the Application*”).
3. The Respondent is Rabina Akram, the landlord of the Property.

The application

4. On 10 October 2024, the Applicant made the Application under s 15 Tenant Fees Act 2019 (“*the Act*”) for the recovery of all or part of a holding deposit paid to the Respondent in respect of the Property on 8 October 2024.

Directions

5. Directions were made by a Legal Officer on 3 June 2025 (“*the Directions*”) requiring the Applicant’s Application Form and supporting documents to stand as her case, the Respondent to reply by way of a statement and evidence in support, with the Applicant having an opportunity to respond thereafter.

The hearing

6. The hearing of the Application took place by way of a video hearing on 19 September 2025.
7. By email on the morning of the hearing at 08.05 am, the Respondent informed the Tribunal that she was previously unaware of the Application and requested copy documents to be sent to her and the adjournment of the hearing (to an unspecified date) to allow her to review the papers and obtain legal advice if necessary.
8. The Respondent was invited to attend the hearing so that the nature of the Application could be explained to her, after which she could make her application for an adjournment orally if she still required one.

9. Both parties attended the hearing, without legal representation.
10. Ultimately, having had the Application explained to her, the Respondent agreed to proceed with the hearing, stating that she had made some notes in preparation anyway, and thus she withdrew her request for an adjournment.

The Applicant's case

11. The Applicant filed, with the Application, documents in support, and submitted to the Tribunal, in summary, the following: -
 - a. On 8 October 2024 she contacted the Respondent on SpareRoom to enquire about renting the Property.
 - b. She could not view it in person and so arranged for the Respondent to provide a series of photographs and videos of the Property to her.
 - c. She was told by the Respondent that, if she wanted to secure the Property, she would have to pay a deposit of £199 to her so that the Respondent did not go ahead with other planned viewings later that day. The asking rent was £475 per month
 - d. This was the first time she had rented a Property in the UK and so she was not sure of the proper process.
 - e. Nevertheless, she paid the deposit and, she understood, the Respondent cancelled the other viewings.
 - f. She arranged for a friend to view the Property on 9 October 2024, after which she decided not to proceed with renting it.
 - g. She therefore asked the Respondent to repay the £199 but she refused.
 - h. She was entitled to be repaid the full amount of the deposit because she did not sign the tenancy agreement for the Property and there was nothing discussed or in the tenancy agreement itself about the deposit being non-refundable anyway.
12. The Tribunal asked the Applicant what she thought the purpose of a 'holding deposit' was, given that she had asked to be refunded the whole payment despite accepting i) the Respondent had cancelled other viewings and had effectively taken the Property off the market, and ii) she had subsequently decided not to proceed with renting the Property. The Applicant stated that she understood the holding deposit was to secure the Property for her.
13. The Tribunal also asked why the Applicant contended that the holding deposit should be repaid in full, to which she explained that she did not believe that the

Respondent had incurred any loss due to her pulling out of renting the Property as there was significant interest in it from other prospective tenants, and she had not agreed or been notified that it was non-refundable.

The Respondent's case

14. The Respondent had not submitted a statement of case or evidence in support of her position, having told the Tribunal (via her email above) that she was not, prior to today, aware of the proceedings. However, in summary, she submitted the following: -
 - a. She was contacted by the Applicant about her renting the Property and was asked, on a number of occasions, to send photographs and videos of it, which she arranged via one of her tenants (as she does not live near the Property).
 - b. She had other viewings planned for the Property later in the day on 8 October 2024 but agreed to take it off the market upon payment of the holding deposit by the Respondent, which she received in the sum of £199.
 - c. After receiving the deposit, she sent the tenancy agreement to the Respondent to sign. The Applicant typed her name on it to show her agreement to the terms and sent it back to her. The Respondent therefore understood the tenancy agreement to be binding.
 - d. When the Applicant pulled out of renting the Property the next day, as a gesture of goodwill she did not hold the Applicant to the tenancy agreement, which was due to commence on 13 October 2024.
 - e. However, she refused to return the deposit to the Applicant because she was entitled to keep it, and had cancelled viewings and paid her tenant to do the Applicant's viewing, so she had incurred loss.
15. The Tribunal asked the Respondent whether she was aware of the limit on the amount that could be requested from a potential tenant in respect of a holding deposit. She said that she was aware, but she was not sure how much it was.
16. When asked by the Tribunal whether she would be willing to repay any amount in excess of that limit, if applicable, she agreed to doing so within 7 days of any such order.

Issues

17. The issue to be decided is whether the Respondent ought to repay to the Applicant the whole or any part of the holding deposit which she received in the sum of £199 on 8 October 2024.

The law

18. The Tenant Fees Act 2019 (“*the Act*”) provides, at para 3 Sch 1, that a holding deposit may be a permitted payment.
19. For this purpose, a holding deposit means money paid to a landlord or letting agent before the grant of a tenancy with the intention that it is dealt with in accordance with Sch 2 of the Act.
20. By para 3(3) Sch 1 of the Act, if the amount of the holding deposit exceeds one week's rent, then the amount of the excess is a prohibited payment.
21. Para 3 Sch 1 of the Act is set out in full below: -
 - 3 (1) *Subject to sub-paragraphs (3) to (6), a payment of a holding deposit is a permitted payment.*
(2) In this Act “holding deposit” means money which is paid by or on behalf of a tenant to a landlord or letting agent before the grant of a tenancy with the intention that it should be dealt with by the landlord or letting agent in accordance with Schedule 2 (treatment of holding deposit).
(3) If the amount of the holding deposit exceeds one week's rent, the amount of the excess is a prohibited payment.
(4) In sub-paragraph (3) “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.
(5) A payment of a holding deposit is not a permitted payment if—
 - (a) the landlord or letting agent to whom the deposit was paid has previously received a holding deposit (“the earlier deposit”) in relation to the same housing,*
 - (b) the landlord or letting agent has not repaid all or part of the earlier deposit, and*
 - (c) none of paragraphs 6 to 12 of Schedule 2 have applied so as to permit the landlord or letting agent not to repay the earlier deposit or the part that has not been repaid.**(6) The reference in sub-paragraph (5)(a) to a landlord or letting agent receiving a holding deposit does not include the landlord or letting agent doing so before the coming into force of Schedule 2.*

22. Sch 2 of the Act sets out detailed provisions for when i) a holding deposit must be repaid and ii) it can be retained. Para 3 Sch 2 of the Act states as follows: -

3 *Subject as follows, the person who received the holding deposit must repay it if—*

(a) the landlord and the tenant enter into a tenancy agreement relating to the housing,

(b) the landlord decides before the deadline for agreement not to enter into a tenancy agreement relating to the housing, or

(c) the landlord and the tenant fail to enter into a tenancy agreement relating to the housing before the deadline for agreement.

23. However, para 10 Sch 2 of the Act states that the landlord is not required to pay the holding deposit if the tenant decides not to enter into the tenancy agreement, where it states: -

10 *Subject to paragraph 13, paragraph 3(c) does not apply if the tenant notifies the landlord or letting agent before the deadline for agreement that the tenant has decided not to enter into a tenancy agreement.*

24. The exception referred to at para 13 Sch 2 of the Act, which does not apply in this case, states: -

13 *Paragraph 10, 11 or 12 does not apply (so that paragraph 3(c) does apply) if, before the deadline for agreement—*

(a) the landlord or a letting agent instructed by the landlord in relation to the proposed tenancy breaches section 1 or 2 by imposing a requirement under that section on the tenant or a person who is a relevant person in relation to the tenant, or

(b) the landlord or a letting agent instructed by the landlord in relation to the proposed tenancy behaves towards the tenant, or a person who is a relevant person in relation to the tenant, in such a way that it would be unreasonable to expect the tenant to enter into a tenancy agreement with the landlord.

25. S 15 of the Act makes provision for the recovery of all or part of the holding deposit, as applicable, where it states: -

15 (2) Subsection (3) also applies where—

(a) a landlord or letting agent breaches Schedule 2 in relation to a holding deposit paid by a relevant person, and

- (b) all or part of the holding deposit has not been repaid to the relevant person.
- (3) The relevant person may make an application to the First-tier Tribunal for the recovery from the landlord or 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.
26. Relevant person is defined by s 1(9) of the Act as ‘a tenant’ or, subject to s 10 of the Act, ‘a person acting on behalf of, or who has guaranteed the payment of rent by, a tenant’.

Determination

27. The parties agreed that the Applicant paid a holding deposit to the Respondent in the sum of £199 on 8 October 2024, and that the Applicant then decided not to enter into the tenancy agreement the next day.
28. The Tribunal therefore determines that the holding deposit, so far as it did not exceed one week’s rent, is a permitted payment.
29. However, the asking rent was £475 per month and the amount of any excess (in this case the difference between £199 (the amount paid) and £109.61 (one week’s rent)) is a prohibited payment and is required to be repaid to the Applicant.
30. Accordingly, the Respondent is required to repay to the Applicant the sum of £89.39 within 7 days from the date of service of this Decision.

Judge Richard M. Dobson-Mason
19 September 2025