



FIRST - TIER TRIBUNAL  
PROPERTY CHAMBER  
(RESIDENTIAL PROPERTY)

Case Reference : MAN/16UD/HTC/2024/0003

Property : 13 Brook Street, Carlisle, CA1 2JA

Applicant : Siu Wai Lam

Respondents : Jabeed Meah and Ranu Meah

Type of Application : Recovery of all or part of a prohibited payment or holding deposit: Tenant Fees Act 2019

Tribunal Members : Judge T N Jackson  
Ms J Jacobs MRICS

Date of paper determination : 18 July 2025

Date of Decision : 17 August 2025

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DECISION

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## Decision

The Tribunal determines that the sum of £1326 was not a permitted payment under the Tenant Fees Act 2019 and orders that it be repaid to the Applicant within 14 days of the date of this decision. Non-payment is enforceable by order of the County Court as if the order were payable under an order of that court.

No order as to costs is made.

## Reasons for decision

### Introduction

1. By application dated 11 March 2024, the Applicant applied under section 15 of the Tenant Fees Act 2019 ('the 2019 Act') for the recovery from the Respondents of £1658.36 as a prohibited payment.
2. The Tribunal gave Directions on 9 April 2025 regarding case management and provided for the matter to be determined on the papers unless either party made a request for a hearing. No request was made, and we did not consider a hearing was necessary to determine the issue fairly and justly, particularly in view of the amount at issue.
3. The Applicant's application and accompanying documents stood as the Applicant's case. The Respondents provided a response.
4. Further Directions dated 18 July 2025 were issued regarding the requirement for the Respondents to evidence costs said to be incurred by them which reflected loss. The Respondents responded but the Applicant did not.

### Background

5. The Applicant entered into an assured shorthold tenancy agreement with the Respondents on the 13 July 2022 for a tenancy of the Property to commence on the 20 September 2022 for a term of 12 months to expire on 19 September 2023. The tenancy agreement was signed on the 13 July 2022 by the Respondents' letting agent and the Applicant. The rent payable was £600 per month, payable on the 20<sup>th</sup> of the month. A £600 deposit was paid to Your Move letting agents and which was protected under a Tenancy Deposit Scheme.
6. On 10 November 2022, the Applicant contacted the Respondents by WhatsApp message to request to leave the tenancy early due to the illness of a relative outside of the UK. Discussion regarding early termination took place via WhatsApp messages between the Applicant and Jabed Meah, one of the Respondents between 10 November 2022 and 16 March 2023.
7. On 14 November 2022, after consulting with the letting agency, Jabed Meah provided the Applicant with two options 2 namely:
  - (a) pay the remaining nine month's rent or;
  - (b) a termination fee of £3000 in consideration of agreement to early termination.

8. The Applicant offered to pay three month's rent, but this was refused and option 2, the sum of £3000 (equal to five month's rent) was requested. The Respondents explained this figure as "four and half month's rent, and £300 for new tenancy".
9. The Applicant felt that she had no choice but to agree to option 2. The £3000 fee was paid on 17 December 2023, and a letter of termination agreement was signed by all parties. The Applicant vacated the Property on 17 December 2022 following an inspection by the Respondents. The Respondents advised the letting agent to return the Applicant's deposit.
10. On 8 March 2023, the Applicant learned that the Property had been relet by the Respondents with the new tenants moving in on 24 February 2023.
11. On 14 March 2023, the Applicant messaged Jabe Meah referring to the 2019 Act, asking for a breakdown of losses incurred and a refund of the difference.
12. On 16 March 2023, Jabe Meah replied by stating that he would not be corresponding any further.
13. On 1 April 2023, the Applicant sent a reminder email to Jabe Meah stating that she had sought legal advice, set out her understanding of the 2019 Act, and again asked for a breakdown of any loss incurred and a refund of the excess payment. The Applicant received no response from the Respondents.

#### Submissions

##### Applicant

14. The Applicant submits that the sum of £1658.36 is a prohibited payment as it reflects the sum in excess of the direct loss of £1341.64 incurred by the Respondents as a result of the early termination of the tenancy prior to the Property being relet on 24 February 2024.
15. The Applicant has calculated the figure on the basis that the Property was void from 18 December 2022 to 23 February 2023, namely 68 days. The annual rent of £7200 divided by 365 produces a daily rent of £19.73.  $68 \times £19.73$  equates to £1341.64 as the value of the rent for the void period and the Applicant accepts that the Respondents are entitled to this amount. That sum deducted from the early termination paid of £3000 equates to £1658.36 which the Applicant submits is a prohibited payment.
16. The Applicant refers to page 71 of the Government's Tenant Fees Act Guidance for tenants in a section on Early Termination Fees. In answer to the question 'Can a landlord or agent charge me if I want to leave the tenancy before the end of my fixed term or the end of my notice period?', the guidance states that 'If a landlord or agent agrees to you leaving early, they can ask you to pay rent as required under your tenancy agreement until a suitable replacement is found. This is because you are liable for rent until your fixed term contract has ended or in the case of a statutory periodic tenancy, until the required notice period under your tenancy agreement has expired (if no replacement is found during this time). However, a landlord cannot charge more than the rent they would have received before the end of the tenancy.'

##### Respondents

17. The Respondents agree the background. However, they submit that their loss is the balance of the 12- month tenancy, namely £5400 (9 months x £600). Due to the Applicant's circumstances, they had made a sympathetic decision and charged only £3000 and as that is lower than the outstanding balance, there are no grounds to claim a prohibited payment.

18. They also submit that they had additional costs of placing another tenant in the Property, including tenant search and set up fee of £360, tenant deposit fee of £84, 'right to rent' checks at £60 per person and the unquantified cost of their time of 2 weeks spent repainting rooms and bathrooms and repair work to kitchen floor tiles and kitchen units/sink and tap. They assert that these costs were as a direct result of the Applicant terminating early and works needed to be carried out to attract new tenants.

19. Following Directions dated 18 July 2025, in which we sought further clarification and evidence of the loss incurred, the Respondents referred to a partial refund made to the tenant due to overpayment. He said that set up costs were absorbed over the full tenancy of 12 months and yet due to early termination, they had had to pay 2 sets of set up costs inside of a rolling 12 months. He had personally carried out the renovation works over a period of 2 weeks which were more extensive than normal to attract new tenants but was unable to say how much they had cost, as it was his time and effort.

### The Law

20. The purpose of the Tenant Fees Act 2019, is to ban letting fees and other fees that make renting more expensive, and to make the costs of renting clearer to tenants and prospective tenants.

21. The 2019 Act makes it unlawful for a landlord to require a tenant to make a payment, enter into a contract or make a loan for various listed purposes, such as in connection with the grant, renewal or termination of a tenancy. It makes provisions in tenancy agreements to pay such fees not binding. It applies to such payments or provisions in tenancies whenever they were made, although there are some differences between the treatment of payments and tenancy conditions made before the 2019 Act came into effect.

22. Schedule 1 of the 2019 Act sets out permitted payments, namely rent; tenancy deposit; holding deposit; payment in the event of a default; payment of damages for breach of a tenancy agreement; payment on variation, assignment or novation of a tenancy; payment on termination of a tenancy; payment in respect of council tax; payment in respect of utilities; payment in respect of a television licence and payment in respect of communication services.

23. Section 1 of the 2019 Act provides that-

(1) *'A landlord must not require a relevant person to make a prohibited payment to the landlord in connection with a tenancy of housing in England.'*

(2) – (5) ...

(6) *'For the purposes of this section, a landlord requires a relevant person to make a payment...in connection with a tenancy of housing in England if and only if the landlord-*

*(a) requires the person to do any of those things in consideration of the grant, renewal, continuance, variation, assignment, novation or termination of such a tenancy.'*

24. Section 15(3) provides that -

*'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) ...*

25. Paragraph 7 of Schedule 1 of the 2019 Act provides that:

*(1) 'A payment is a permitted payment if it is 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 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'.*

## Decision

26. There is no dispute that the assured shorthold tenancy falls under the requirements of the 2019 Act and we so find. We find that new tenants occupied the Property from 24 February 2023.

27. The Respondent has provided a document from the letting agent that states that £43.10 was due to the Applicant as overpaid rent following her leaving the Property on 17 December 2023. We take this to refer to the fact that as rent payments were due on 20<sup>th</sup> of each month, her rent payment for December 2022 included 18 and 19 December 2022 even though she vacated the Property on 17 December 2022. If we take this into account, the loss of rent to reflect the period from 18 December 2022 to 23 February 2023 amounts to £1341.64 (68 days x £19.73).

28. We accept that other losses can arise from early termination. The Respondent claims the set-up costs and deposit fees incurred as a result of establishing a new tenancy for incoming tenants. However, we do not accept that 100% of such costs was necessarily incurred as the result of the early termination. Tenancy set up costs are incurred at the beginning of any tenancy, irrespective of how the tenancy has arisen. The Respondent advised us that he seeks to recover such expenses over the 12-month period of the tenancy. To prevent the landlord from receiving a 'windfall' in relation to expenses he would have had to incur in any event, but due to early termination, was having to incur 9 months

earlier than expected, we have taken a pragmatic approach and pro-rated the costs to reflect that fact, therefore allowing 9/12 of the costs of establishing the new tenancy.

29. The Respondent demonstrated by invoice from his letting agent that the costs incurred of establishing a new tenancy were £360 for the set-up fee and £84 for the deposit fee, totalling £444. The invoice did not refer to 'right to rent' checks referred to by the Respondent in paragraph 18 above nor was any invoice provided to demonstrate such expenditure. We have therefore not taken account of this alleged expense. We find £333 (9 months/12) of the costs of set up and deposit fees to be reasonable and represent loss to the Respondent from the early termination.

30. We do not accept the Respondents claim of loss regarding the time spent 'repairing and renewing' the Property. The loss has not been quantified in financial terms. Even if it had, such work is part of a landlord's obligations prior to letting any tenancy, irrespective of the reason why the Property is vacant and, in our view, cannot be considered to be a loss. We note that the Applicant had only occupied the Property for 3 months. Following an inspection on 17 December 2022, the Respondents signed the early termination document on the same date which included a statement that the Property was to be in the same condition as received by the tenant with the exception of wear and tear. Finally, the Respondents had not made any deductions from the deposit and had advised the letting agent to return the deposit to the Applicant.

31. We find that the loss incurred by the Respondents from the early termination totalled £1674, (loss of rent -£1341 and costs of establishing a new tenancy -£333). We therefore find that the payment of £3000 was in excess of the loss and the balance was therefore a prohibited payment. We order that the excess of £1326 be repaid to the Applicant within 14 days of the date of this decision. Nonpayment is enforceable by order of the County Court as if the order were payable under an order of that court.

#### Costs

32. Neither party made an application for costs, and we make no such order.

#### Appeal

33. If either party is dissatisfied with this decision, they may apply to this Tribunal for permission to appeal to the Upper Tribunal (Lands Chamber). Any such application must be received within 28 days after these written reasons have been sent to the parties and must state the grounds on which they intend to rely in the appeal.

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Judge T N Jackson