FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case reference	:	**LON/00AY/HTC/2026/0013.**
Property	:	**92 Kingscourt Road, London, SW16 1JB.**
Applicant	:	**Henry Clarke Jack Newport Chris Halls Will Clarke.**
Respondent	:	**Jackson Streatham Estate Agents (London Resi).**
Type of application	:	**For recovery of all or part of a prohibited payment or holding deposit: Tenant Fees Act 2019 (the Act)**
Tribunal	:	**Judge Dutton.**
Date of decision and venue	:	**Paper determination made on 29 July 2026.**

DECISION

Tribunal Decision

A. **The Respondent Jackson Streatham Estate Agents (London Resi) must pay the sum of £3,400 to the nominated Applicant within 14 days of the Respondent being informed by the Applicants of the bank details of the person who will receive the award on behalf of the Applicants.**

B. **In accordance with section 15(11) of the Act this order is enforceable by order of the County Court as if the amount payable under this Order were payable by an order of the Court.**

Background

(1) This is an application for an order for the recovery of a termination fee paid in respect of a tenancy of **92 Kingscourt Road, Streatham, London SW16. 1JB (the Property).** pursuant to section 15 of the Tenant Fees Act 2019 (The Act).

(2) The application form and supporting documents appear to confirm that on **17 November 2025** the Respondent received payment of **£4,600.00** from or on behalf of the Applicant, in relation to early termination fees paid in relation to the tenancy.

(3) Directions were issued on 29 May 2026 to determine whether the Tribunal should make an order under section 15 of the Act for the Respondent to pay all or any part of the amount to the Applicant. The Respondent does not appear to have complied with direction 2 in that no statement in reply to the application has been made.

The Parties cases (Applicants)

1. The Applicants set out their case in the application to the tribunal. Simply put it is alleged that the charge for early termination of £4,600 constitutes a prohibited payment and the Applicants seek a repayment of the fee or such fee as exceeds the landlord's loss.

2. The Applicants occupied the Property under a fixed term AST of 24 months commencing on 30 August 2024 and terminating on 29 August 2026 at the rental of £3,900 per month.

3 By an email dated 24 October 2025 the agents for the Landlords, Jacksons Estate Agents, confirmed that new tenants had 'passed referencing' and that the Landlord was happy to end the tenancy with the Applicants on 7 December 2025. The agents also provided a confirmation of the request to terminate the tenancy and included in that document an estimate of the costs being £4,518.33 representing 11% plus VAT of the rent from the date of surrender to the termination date together with an inventory check of £156 and the costs of preparing a new tenancy agreement of £480.

4 A deed of surrender was entered into between the Applicants and the landlords, Mrs Katherine Toleafoa and Mr Zaman Toleafoa, dated 7 November 2025 providing for surrender of the tenancy on 7 December 2025. The deed confirmed that the Applicants would be liable for the rent until the date of surrender but not thereafter. In consideration of the surrenders the Applicants, agreed to pay the sum of £4,607.03 in full and final settlement of the Applicants liability under the tenancy agreement.

5 There then followed exchanges of emails in which the Applicants challenged the sums claimed. In response on 27 October 2025 the Agents said this. Under the tenancy agreement heading 'Warning' the liability for early termination was clearly set out. They then broke down the charges as follows:

• Landlords letting fees for the outstanding months	£4,507.67
• Check in costs of new tenancy	£58.44
• Landlord administration fee	<u>£40.55</u>
Total landlords" losses	£4,606.66

The agents then asked whether the Applicants still wished to proceed with the surrender to which the Applicants confirmed they did but that they disputed the reasonableness of the sums charged.

6 The response from the Applicants recites the relevant parts of the Act and argues that there was no loss to the Landlord as the Property had been immediately relet. Any loss would be limited to reasonable and demonstratable expenses such as letting agents' fees for reletting/marketing, advertising costs and administration costs and this was estimated at between £1,000 and £1,200, with £1,200 being offered to settle.

7 The response from the agents was as follows;

We approached your Landlord who agreed with your request to surrender the tenancy early. This was on the condition that you covered their reasonable losses in line with your Tenancy Agreement obligations and paid the rent until the day that a new tenant moved in and began paying rent or they took back possession of the property. It should be noted, the landlord did not have any obligation to allow you to leave your tenancy early as you had a fixed term contract, and it was on the proviso they incurred no losses, as discussed with Henry prior to marketing the property.

Please read the "Confirmation of your request to surrender your tenancy early" form attached that you have all signed, as this clearly states the reasonable losses your landlord will incur due to your request to end the tenancy early.

Our agreement with our client allows them to spread the costs we are owed over the duration of the tenancy. As you have chosen to surrender the agreement before the end of the fixed term, we have not received the full fee for letting the property. The charges applied reflect fair and reasonable costs associated with ending the tenancy early. I am hopeful that my explanation above provides the clarity that you were seeking. We have acted in accordance with The Tenant Fee Act 2019, Roxanne has clarified the breakdown of the Landlords reasonable losses for you already. As mentioned, these costs are only due to your request to terminate the agreement prior to the fixed expiration and would not have been incurred by the Landlord if you did not terminate your tenancy early.
If you have any further questions, please call me on 020 8487 3180 as we need to resolve this before the end of this week, or we will lose the new tenants we have found for the property.

8 The Applicants case is that the sum sought is a prohibited payment as the Landlord suffered no loss, the Property was relet without a void period and that the costs claimed by the respondent agent represent their own management fees payable under a contract with the Landlord, which does not constitute a loss caused by the early termination. Further that the payment represents

double recovery being commission under the original agreement and further commission under the new agreement following surrender.

The Law

Prohibitions applying to letting agents

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

(2)A letting agent must not require a relevant person to make a prohibited payment to a third party in connection with a tenancy of housing in England.

(3)A letting agent must not require a relevant person to enter into a contract with the agent or a third party in connection with a tenancy of housing in England if the contract is—

(a)a contract for the provision of a service, or

(b)a contract of insurance.

(4)A letting agent must not require a relevant person to make a loan to any person in connection with a tenancy of housing in England.

(5)For the purposes of this section, a letting agent requires a relevant person to make a payment, enter into a contract or make a loan in connection with a tenancy of housing in England if and only if the letting agent—

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

(b)requires the person to do any of those things pursuant to a provision of an agreement with the person relating to such a tenancy which requires or purports to require the person to do any of those things in the event of an act or default of a relevant person,

(c)requires the person to do any of those things pursuant to a provision of an agreement with the person relating to such a tenancy which requires or purports to require the person to do any of those things if the tenancy is varied, assigned, novated or terminated,

(d)requires the person to do any of those things—

(i)as a result of an act or default of a relevant person relating to such a tenancy or housing let under it, and (ii)otherwise than pursuant to, or for the breach of, an agreement entered into before the act or default, or

(e)requires the person to do any of those things in consideration of providing a reference in relation to that person in connection with the person's occupation of housing in England.

(6)For the purposes of this section, a letting agent does not require a relevant person to make a payment, enter into a contract or make a loan if the letting agent gives the person the option of doing any of those things as an alternative to complying with another requirement imposed by the letting agent or the landlord.

(7)Subsection (6) does not apply if—

(a)the other requirement is prohibited by this section or section 1 (ignoring subsection (6) or section 1(7)), or

(b)it would be unreasonable to expect a relevant person to comply with the other requirement.

(8)This section does not apply to a requirement imposed by a letting agent on a relevant person if—

(a)the requirement is imposed by the letting agent in consideration of providing a service to a tenant,

(b)as part of that service the agent finds housing for the tenant to rent and the tenant rents that housing, and

(c)the agent does not act on behalf of the landlord of that housing, whether in relation to that housing or any other housing.

Payment on termination of a tenancy Schedule 1

7(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.

Decision

9 In this case I need to consider the provisions of Schedule 1 paragraph 7 as set out above. It would seem that the requirement to make a payment in respect of the early termination falls within paragraph 7 (3). However, if those costs exceed the reasonable costs of the letting agent, they become a prohibited payment in so far as the excess is concerned. The Act overrides the terms of any agreement between the parties.

10 I find merit in the Applicants argument that the recovery of the Landlords letting fee, said to be £4,507.67 is excessive, in effect double recovery. The agents have not produced a copy of the letting agreement with the Landlord and indeed have not participated in these proceedings. I find it improbable that the Landlord would be willing to pay his agent for the lost commission in the period after surrender to the intended contractual surrender date, when the Property was relet, it would seem after a month, and the agent would therefore recover the letting fee for the new agreement.

11 I therefore find that part of the landlord letting fee as it has been called is a prohibited payment where it exceeds the reasonable costs of the letting agent. It is not a loss to the Landlord and has not been shown to be one. There is no evidence that the agent has sought to recover the alleged loss of the letting fee from the Landlord.

12 The question I need to consider is how much is the loss? The evidence before me indicates that the surrender was effective from 7 December 2025 but that the letting did not start until January 2026, a loss of a month’s rental perhaps.

13 The administration charges for checkout and administration would seem reasonable at £58.44 and £40.55. In addition, a void between the ending of the Applicants agreement and the start of the new one, in so far as this information has been given to me would be it seems be one month. At a

monthly rental of £3,900 to which a fee of 11% is payable this would give a figure of £429 + VAT of £85.80.

14 The Applicants offered £1,200 in an open email dated 27 October 2025. This seems eminently reasonable. It reflects the figures I have set out above and also represents reasonable costs for the administration charges for dealing with the new tenants, the letting agreement and review of references.

15 Accordingly pursuant to section 15 of the Act I having found there has been a breach of Schedule 1 paragraph 7(4) I find that a sum of £1,200 can be retained by the Respondent but that the sum of £3,400 must be reimbursed to the Applicants in 14 days. The Applicants must, upon receipt of this decision provide the Respondent with the bank details of the person(s) to whom the payment can be made. The 14-day period will run from the date this information is given to the Respondents.

Signed: Judge Dutton Dated: 29 July 2026

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).