



Ministry of Housing,
Communities &
Local Government

Rishi Sunak MP
Minister for Local Government

**Ministry of Housing, Communities and Local
Government**

Fry Building
2 Marsham Street
London
SW1P 4DF

Tel: 0303 444 3451

Email: rishi.sunak@communities.gsi.gov.uk

www.gov.uk/mhclg

12 June 2018

Dear Peter Bone MP and Virendra Sharma MP,

Following the first session of the Public Bill Committee on the Tenant Fees Bill, which was held on Thursday 7 June, I undertook to write to the Committee to clarify a number of matters, which are set out below.

Holding Deposits

I promised to confirm the timescales with regards to holding deposits. The Bill provides that landlords and tenants will usually have 15 days to enter into a tenancy agreement once a holding deposit has been paid. This is the deadline for agreement and during this period, landlords, agents and tenants should take all reasonable steps to enter into a tenancy agreement. Landlords and agents may agree a different deadline for agreement with the tenant in writing.

Landlords and agents must refund the holding deposit in full within 7 days of:

- The landlord and tenant entering into a tenancy agreement before the deadline for agreement;
- The landlord choosing to withdraw from the proposed agreement; or
- The deadline for agreement passing without a tenancy having been agreed.

Tenancy Deposits

I also promised to share the data with the Committee from Scotland, which strongly suggests that capping deposits will not lead to such a cap becoming the default. In Scotland, the data shows that actual deposit rates are running at around £580 to £730, when the maximum allowed under the cap is, on average, £1286. This compares to a 2 bedroom average rent of £643 per month in Scotland in the year to September 2017, as published in the Private Sector Rent Statistics

Scotland publication at <http://www.gov.scot/Publications/2017/11/7528>. This information was shared with my officials by officials in the Scottish Government.

A copy of this letter goes to the Bill Clerk, Michael Everett.

A handwritten signature in blue ink, appearing to read 'Rishi S', is centered on the page.

RISHI SUNAK MP