



aqua

PROPERTY  
MANAGEMENT

## General Holding Deposit Information

### What is a holding deposit?

The holding deposit is also sometimes called a holding fee. This is a refundable payment requested by the landlord or agent to reserve a property. This puts the property on hold for the prospective tenant and takes the listing off the market.

The rules for holding deposits are set in the Tenant Fees Act (2019) (TFA.) The holding deposit should only be placed once the general terms of the let are agreed. These terms are:

the move-in date the terms of the tenancy agreement the rent amount who the tenants will be the length of the fixed term the rental period (e.g., monthly, weekly)

If the landlord wishes to change any of these things after you have paid the deposit, then you can refuse. If this prevents the tenancy from going ahead, then you should receive the holding deposit back in full.

Once you have paid the holding deposit, the tenancy is assumed to be agreed subject to referencing. The landlord should not proceed with other tenants and must not accept any other holding deposits.

The landlord or agent will hold your holding deposit while they run any referencing checks they may require. They can't charge you for referencing.

### When can a landlord keep my holding deposit?

Once you've paid the holding deposit, three things can happen:

the tenancy will go ahead your prospective Landlord decides to pull out you, the tenant, pull out

It's important to get the terms of the holding deposit in writing so that everyone knows what will happen in each of the three scenarios and how your holding deposit will be treated.

Landlords are only allowed to keep the holding deposit for 15 days unless both parties agree to another deadline in writing.

If the landlord has failed to accept or reject the application by the deadline, then the money must be returned to the tenant in full.

### **If the tenancy goes ahead...**

You will get the holding deposit back. In most cases, it won't be returned directly, but will instead be rolled into your other costs such as the tenancy deposit or rent in advance.

### **If the tenancy doesn't go ahead...**

There are a couple of things that can happen. If the landlord decides not to proceed, the holding deposit should be refunded in full. Since the TFA they are no longer allowed to deduct any fees for costs from your holding deposit.

If the prospective tenant decides not to go ahead, then the landlord or agent can keep the holding deposit as forfeit, so you might not get it back.

There is a chance they will refund some or all of the holding deposit, so it's worth asking them to return it as they may be happy to

### **How much is a holding deposit?**

The TFA capped holding deposits placed after 1st June 2019 at one week's rent. Anything over that now constitutes a prohibited payment.

Aqua Property's holding deposit terms can be found [here](#), and the full guide to how holding deposits work can be found [here](#).