ProPixa

THE FREE HANDBOOK FOR UK LETTING AGENTS

The UK Letting Agent Handbook 2026

Client money, the Renters' Rights Act, AML, the fee rules and the certificates you chase — everything you must get right, in plain English.

19 chapters · one place · always free

Written & kept up to date by ProPixa · propixa.co.uk · Updated August 2026

Welcome

Running a letting agency in 2026 means carrying two sets of rules at once: the ones that govern *you* as a regulated business, and the ones that govern every property you manage on someone else's behalf. Client money protection, redress, fee display, anti-money-laundering, the Tenant Fees Act — those are yours. Gas, electrics, deposits, licensing, the new possession regime — those are your landlords', and you are the one who gets it wrong on their behalf.

Then May 2026 arrived. Section 21 is gone, every assured shorthold tenancy has converted to a periodic assured tenancy, rent increases run on one statutory form, and a great many of the new civil penalties are written to catch **"a person acting on behalf of the landlord"**. That is you, by name, in the legislation.

We wrote this handbook to put all of it in one place. Nineteen chapters, every figure checked against the current 2026 position, and clearly flagged where the law has been announced but not yet made. Keep it, search it, share it with your team. And when you would rather not track ninety tenancies' worth of deadlines by hand, that is exactly what we built ProPixa for.

Important: This handbook is general information for letting agents in England, not legal, tax or financial advice. Rules change, devolved nations differ, and individual circumstances vary — always check the current position on GOV.UK or with a qualified professional before you act. ProPixa is a trading name of Bajubair Labs Ltd, registered in England and Wales, company number 17364857.

How to read the dates in this handbook. A lot of 2026 law is in force, and a lot is announced but not yet law. We mark each one. **In force** means it applies today. **Made, not yet in force** means the regulations exist with a start date. **Announced** means government policy with no statutory instrument behind it yet — do not build a process on it, but do plan for it.

What's inside

Part One · Setting up legally

Part Two · Money you handle

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Part Four · Compliance you manage for landlords

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PART ONE

Setting up legally

Before you take a penny of client money

GETTING STARTED

How to start a letting agency in the UK: the legal checklist

There is no licence to be a letting agent in England — but there are five things you must do before you trade, and two of them carry five-figure penalties on day one. Here is the order to do them in.

England has no single letting agent licence, which surprises people. What it has instead is a stack of separate obligations, each with its own regulator and its own fine. Miss the stack and you are not "unlicensed" — you are simply committing four or five distinct offences at once. Wales and Scotland *do* licence agents, and Northern Ireland regulates almost nothing. This chapter covers England; the devolved differences are at the end.

1 Decide whether you will hold client money

This single decision drives everything else. If rent, deposits or float money passes through your account — even briefly — you hold client money, and Client Money Protection becomes mandatory. Some agents structure around it (rent paid direct to the landlord, deposits protected in the landlord's name) precisely to avoid the regime. Most cannot, because landlords want you to handle the money. Decide deliberately, not by accident.

2 Join a Client Money Protection scheme

If you hold client money, membership of one of the six government-approved CMP schemes is a legal requirement, and you need a segregated client account with an FCA-authorised UK bank or building society to be accepted. **Not belonging carries a civil penalty of up to £30,000.** Chapter 2 has the detail.

3 Join a redress scheme

Every agent doing lettings or property management work in England and Wales must belong to a government-approved redress scheme — The Property Ombudsman or Property Redress. There is no threshold and no grace period: the duty bites from the first instruction. **Not belonging: up to £5,000.**

4 Register with HMRC for anti-money-laundering supervision

If you do estate agency work at all, you must register regardless of value. If you are lettings-only, registration bites where the monthly rent is £10,000 or more. **You must apply before you trade** — trading unregistered is a criminal offence carrying up to two years' imprisonment, and "failure to apply for registration at the required time" is the single most common breach on HMRC's published list. Chapter 4 has the detail.

5 Publish your fees, properly

Under the Consumer Rights Act 2015 you must display a full list of your fees — **inclusive of VAT** — at your premises, on your website, and on the portals you advertise through, together with a statement of your CMP membership and the name of your redress scheme. **Up to £5,000.** It is the cheapest of all these obligations to comply with and the one Trading Standards checks first.

6 Get insured and get your paperwork right

Professional indemnity insurance is not a statutory requirement in England but is a condition of most CMP schemes and every professional body. You will also need a written agency agreement with each landlord setting out, in terms: who protects the deposit and in whose name, who serves prescribed information, who does the right to rent check, and who is responsible for the written statement of terms. Every one of those allocations has legal consequences — see chapters 7, 9 and 15.

7 Consider professional body membership

Propertymark (ARLA), safeagent, RICS and UKALA are voluntary in England, but they run CMP schemes, set client accounting standards, and give you something to point at when a landlord asks why you cost more than the agent down the road. Not required. Frequently worth it.

ProPixa tip — where ProPixa fits in

None of the above is the hard part. The hard part starts on day two, when you have thirty tenancies and ninety expiry dates. ProPixa holds every property, tenancy, certificate, deposit and repair in one place, warns you months before a certificate expires, and gives every tenant a free app to report faults into — so nothing lands in an inbox and quietly dies there. £5 per property a month, £50 minimum, and tenants never pay.

The devolved picture, briefly

Nation	What is required
England	No agent licence. CMP, redress, HMRC AML registration, CRA fee display — all mandatory as above.
Wales	Agents must be **licensed by Rent Smart Wales** under the Housing (Wales) Act 2014, with mandatory training. CMP and professional indemnity insurance are licence conditions.
Scotland	Mandatory entry on the **Scottish Letting Agent Register**. Carrying out letting agency work while unregistered has been a criminal offence since October 2018. The Letting Agent Code of Practice (Scotland) Regulations 2016 impose CMP and client accounting standards.
Northern Ireland	No letting agent regulation at all — no statutory CMP, no redress requirement.

Common questions

Do I need a qualification to be a letting agent in England?

No. There is no mandatory qualification or licence in England. Wales requires training as a condition of the Rent Smart Wales licence. Propertymark requires qualifications of its members. The absence of a legal requirement is not an argument for going untrained — every penalty in this handbook is easier to incur than to appeal.

Can I run an agency from home?

Yes, and many do. Note two things: the CRA fee display duty applies "at each of your premises where you deal with customers face to face", so if you never meet clients at home you rely on your website and portal listings — which must still be right. And HMRC's AML premises fee is charged *per premises*, so a single-location business pays once.

What's the single biggest mistake new agencies make?

Trading before HMRC AML registration is approved. Agents assume registration is a formality that can run alongside the first few instructions. It is not — the offence is trading before you have applied, and HMRC publishes the names of businesses it penalises for five years.

CLIENT MONEY

Client Money Protection: the scheme you cannot trade without

If you hold a penny of your clients' money you must belong to an approved CMP scheme, hold that money in a segregated account, and display the certificate. The penalty for not belonging is £30,000 — the largest single fine in this handbook that applies to the agency itself.

> **The quick answer:** Client Money Protection has been mandatory in England since **1 April 2019**. Six schemes are government-approved. Client money must sit in a segregated account with an FCA-authorised UK bank or building society. You must display your certificate at your premises *and* on your website, produce a copy free on request, and tell clients in writing within **14 days** if your membership changes. Not belonging: **up to £30,000**. Display and certificate breaches: **up to £5,000 each**.

What counts as client money

Anything that belongs to someone else and passes through your hands. In practice that means rent collected on a landlord's behalf, tenancy deposits held under an insured scheme, float or works money held for repairs, and money held for service charges or ground rent. It is not your money at any point, which is exactly why the regime exists: it protects landlords and tenants if the agency fails, or if someone inside it takes the money.

The legal basis, and who it catches

The **Client Money Protection Schemes for Property Agents (Requirement to Belong to a Scheme etc.) Regulations 2019**, made under the Housing and Planning Act 2016, in force 1 April 2019. It applies in **England**, to any agent doing letting agency work or property management work who holds client money. Two narrow exclusions: agents dealing only with tenancies of more than 21 years, and agents who can demonstrate that they hold no client money at all.

The six approved schemes

Client Money Protect

Money Shield

Propertymark

RICS

safeagent (formerly NALS)

UKALA Client Money Protection

Government maintains the list on GOV.UK. Only these six are approved — a scheme calling itself "client money protection" that is not on this list does not discharge your duty.

The client account

Scheme membership is not just a certificate; it comes with client accounting standards. Money must be held in an account with a bank or building society **authorised by the Financial Conduct Authority**, and — in the wording safeagent uses — held so that it "is not available for the ordinary trading purposes of the business nor used as security for any loan or for meeting any personal or business liabilities."

In practical terms: the account is named as a client account, it is reconciled regularly, and money never moves from it into the business account except as earned fees properly invoiced. Schemes audit this. It is the thing they audit hardest.

What you must display

- The certificate, **in a visible location in each of your premises in England**.
- The certificate **on your website**.
- A copy **free of charge** to anyone who may reasonably require it.
- Written notice to your clients **within 14 days** of any change in your membership.

The two penalties are different, and people confuse them. Failing to *belong* to a scheme is a civil penalty of **up to £30,000**. Failing to *display* the certificate, produce it on request, or notify a change is **up to £5,000 per breach**. Both are imposed by the local weights and measures authority, not a court: notice of intent, 28 days for representations, final notice, 28 days to pay, appeal to the First-tier Tribunal.

ProPixa tip — how ProPixa helps here

ProPixa does not hold your client money and is not a substitute for a client account — that stays with your bank and your scheme. What it does is keep the record straight: every rent payment logged against the right tenancy and property, so the figure you reconcile against your client account each month is one you can produce in seconds rather than rebuild from three spreadsheets and an inbox.

Common questions

We only take deposits, never rent. Do we still need CMP?

If the deposit passes through your account — which it does under an insured scheme, and often does briefly even under a custodial one — you are holding client money. Yes.

Is a tenant's deposit protected by CMP if it's in a custodial scheme?

Once it is lodged with a custodial deposit scheme, the scheme holds it, not you. The exposure is the window between receipt and lodgement, and any insured-scheme deposits you hold throughout. Both are client money.

Does CMP cover us if a staff member steals the money?

That is precisely what it is for — schemes compensate landlords and tenants where an agent misappropriates or fails to account for client money. It does not protect the agency from the consequences of that theft, and it does not replace fidelity or professional indemnity cover.

Does it apply in Wales, Scotland and Northern Ireland?

Wales and Scotland require CMP through their licensing and registration regimes rather than through the 2019 Regulations. Northern Ireland has no requirement. If you operate across borders, you comply with each regime separately.

CONSUMER DUTIES

Redress schemes and the duty to publicise your fees

Two obligations that cost nothing to comply with and £5,000 each to ignore — and the fee display is the one Trading Standards checks first, because they can check it from their desk.

> **The quick answer:** Every letting and property management agent in England and Wales must belong to **The Property Ombudsman** or **Property Redress** — the only two government-approved schemes. Separately, the Consumer Rights Act 2015 requires you to display a full list of your fees **inclusive of VAT**, plus a statement of your CMP membership and the name of your redress scheme, **at your premises, on your website and on the portals you advertise through**. Each duty carries a penalty of **up to £5,000**.

Redress: the requirement

Membership flows from the Enterprise and Regulatory Reform Act 2013 and the Redress Schemes for Lettings Agency Work and Property Management Work (Requirement to Belong to a Scheme etc) (England) Order 2014. There is no size threshold and no phase-in. The only meaningful exemption is for pure "matching" services that carry out no property management — a genuinely narrow carve-out that most agents cannot rely on.

The schemes are not decorative. The Property Ombudsman publicly expels members for non-payment of awards, and expulsion puts you immediately back in breach of the 2014 Order.

> **A naming note.** The Property Redress Scheme rebranded to **"Property Redress"** in November 2024. GOV.UK still lists it under its statutory name. It is the same approved scheme — a brand change, not a change of status.

Fee display: what must actually appear

Sections 83 to 88 of the Consumer Rights Act 2015, as amended by the Tenant Fees Act 2019. The list must include, for each fee:

- **A description** sufficient for a customer to understand what work, service or cost it covers.
- **The amount**, or how it is calculated.

- **Inclusive of VAT** — this is a statutory requirement, not a convention. "12% plus VAT" on a published fee list is a breach; "14.4%" is compliant.
- Whether a tenant fee is **per tenant or per property**.
- A statement of whether you are a member of a **client money protection scheme**, and which.
- The **name of your redress scheme**.

Where it must appear: at your premises in a prominent position where you deal with lettings customers face to face — primary authority guidance specifies a poster of **at least A4**, positioned so a prospective tenant does not have to ask to see it; on your website if you have one; and on the third-party portals you advertise through.

One caution on quantum. The case law is unsettled on whether a local authority can impose several £5,000 penalties for several deficiencies in a single fees display, and practitioners report real inconsistency between tribunals. Treat £5,000 as the floor of your exposure on a bad display, not the ceiling. You will also see a "£30,000 for repeated breaches" figure quoted for fee display in some council guidance — we can find no statutory basis for it, and believe it conflates the CMP penalty. Do not plan around either number; plan around getting the display right.

The newer risk: total price rules

The consumer provisions of the **Digital Markets, Competition and Consumers Act 2024 came into force on 6 April 2025**, replacing the old unfair trading regime. Two things matter to agents. First, the **total price rule**: every mandatory charge must be included in the headline price in any invitation to purchase. Second, the CMA can now enforce directly, without going to court, with fines up to **£300,000 or 10% of worldwide turnover, whichever is higher**.

The CMA's early enforcement has been in retail and driving instruction rather than property — a £4.2m penalty for a £3 mandatory fee not shown upfront, £720,000 for opt-in extras at checkout, and three further drip-pricing investigations opened in July 2026. No property agent has been named yet. That is not a reason to assume the sector is out of scope: an advertised rent that omits an unavoidable charge is exactly the shape of conduct the regime was built for, and the exposure sits alongside, not instead of, the £5,000 CRA penalty.

ProPixa tip — publish the number

There is a commercial argument hiding inside this legal duty. Most of the UK agency software market — and a good deal of the agency market itself — hides its prices behind an enquiry form. Agents who publish clearly get found by people comparing options, including by the AI assistants landlords increasingly ask first. ProPixa publishes: £5 per property per month, £50 monthly minimum, tenants free. We would rather be compared than enquired about.

Common questions

We're online-only with no office. Where do we display?

On your website and on every portal you advertise through. The premises duty applies only where you deal with customers face to face, so if you genuinely never do, your website carries the whole obligation — which makes getting it right there more important, not less.

Do landlord fees have to be displayed, or only tenant fees?

Both. The duty covers the fees you charge to *relevant persons* — landlords and tenants alike. Since the Tenant Fees Act there is very little you can charge a tenant, which means in practice your published list is mostly your landlord fee schedule.

Can we belong to both redress schemes?

You only need one, and there is no advantage to two. What you must not do is let membership lapse — a gap of a single day is a breach, and the schemes report leavers.

ANTI-MONEY LAUNDERING

Anti-money laundering: what HMRC expects from agents

Estate agency work is in scope whatever the value. Lettings comes into scope at high rents — and in June 2026 that threshold stopped being denominated in euros. If you have not re-screened your book against the new figure, do it this week.

> **The quick answer:** If you do any **estate agency work** you must register with HMRC for AML supervision regardless of transaction value, and do due diligence on **both buyer and seller**. If you are **lettings-only**, you are in scope where the monthly rent is **£10,000 or more** — a sterling figure since **30 June 2026**, replacing the old €10,000 test. You must apply to register **before you trade**. Trading unregistered is a criminal offence carrying **up to two years' imprisonment**.

The change most agents have missed

From 10 January 2020 until 29 June 2026, a letting agency business was in scope where the monthly rent was **€10,000 or more**, and you converted the euro figure into sterling to test it. The Money Laundering and Terrorist Financing (Amendment) Regulations 2026 redenominated that threshold in sterling with effect from **30 June 2026**. The test is now **£10,000 or more per month**, for a lease of a month or more, where the rent is at that level during at least part of the term. Residential and commercial both count.

> **GOV.UK has not caught up, and this will catch people out.** HMRC's internal manuals (updated 30 June and 16 July 2026) state the £10,000 sterling test. The customer-facing GOV.UK pages "Money laundering regulations: who needs to register" and "Money laundering supervision for letting agency businesses" were last updated in 2023 and **still say "10,000 euros or more a month"**. The manuals are the current position. If you have a tenancy sitting between the two figures, treat it as in scope and take advice.

Estate agency work: no threshold at all

Estate agency business is in scope regardless of value — the test follows section 1 of the Estate Agents Act 1979: acting on instructions from someone wishing to dispose of or acquire an interest in land. High street, online-only and auctioneers are all caught. Since January 2020 you must do customer due diligence on **both sides**: on the seller as soon as possible after first contact and at the latest when the business relationship is established, and on the buyer **before an offer is accepted**.

The trap for a lettings agency: if you also offer sales or land disposal services to your landlords, you are an estate agency business, and the lettings rent threshold becomes irrelevant to whether you must register.

Registration and the fees, which changed

You must apply to register with HMRC **before** you trade. Fees changed on **1 December 2025**:

Item	From 1 Dec 2025	Previously
Application fee (one-off, non-refundable)	**£300**	£0
Premises registration fee	**£400 per premises**	£300
Annual declaration	**£400 per premises**	£300
Approval check, per beneficial owner, officer or manager	**£40 each**	£40

Note the test that applies to you is **approval** of beneficial owners, officers and managers at £40 a head — not the £500 "fit and proper" test, which applies to money service businesses and trust or company service providers, not to property agents.

What the obligations actually are

A written risk assessment. Identify and assess your money laundering, terrorist financing and proliferation financing risk, and write it down. HMRC asks for this first.

Policies, controls and procedures that mitigate the risks your assessment identified.

A nominated officer to receive internal reports and file Suspicious Activity Reports.

Customer due diligence on both sides of every in-scope transaction — landlord and tenant, or buyer and seller — including beneficial owners behind corporate clients.

Enhanced due diligence for politically exposed persons, their family members and close associates, and for high-risk situations.

Records kept for five years, then deleted. The deletion half is a data protection duty and is routinely forgotten.

Staff training on the obligations and on recognising suspicion.

Suspicious Activity Reports to the NCA, as soon as possible where suspicion arises.

What changed in June 2026, beyond the threshold

- **Enhanced due diligence narrowed.** Mandatory EDD now attaches only to FATF *"Call for Action"* jurisdictions, not the grey list. Grey-list countries remain a risk factor in your assessment, but no longer trigger automatic escalation.
- **The EDD trigger was reworded** from "complex" transactions to **"unusually complex or unusually large"**, judged in context. Fewer automatic escalations; more documentation needed to show why you decided a transaction was normal.
- **A sanctions administration charge of up to £2,000** now applies to all civil sanctions, introduced 1 December 2025, capped at the penalty value where that is under £2,000.

Who supervises you, going forward. HM Treasury's October 2025 response on AML supervision reform chose a Single Professional Services Supervisor model, moving legal, accountancy and trust-or-company service providers to the FCA. **Estate agents and letting agents were not included.** HMRC continues to supervise property agents, and any change would need primary legislation. Nothing to do here — but worth knowing, because the reform was widely reported as if it applied to everyone.

The penalties, and the publicity

Criminal: up to **two years** for failing to register, up to three months for acting in a prohibited role, and up to **14 years** under the Proceeds of Crime Act 2002 for money laundering itself. Civil: financial penalties with no published tariff, suspension or cancellation of registration, censuring statements, and prohibition from management.

The part agents underrate is publication. HMRC publishes the names of non-compliant businesses, and entries stay online for **five years** with the address, the nature of the breach and the appeal status. On the most recent published list, estate agency businesses are the **largest single sector**, and the dominant breach code is failure to apply for registration at the required time. Recent individual penalties on those lists run from a few thousand pounds to **£27,000**.

ProPixa tip — the record-keeping half

Most of AML is judgement, and no software replaces that. The half software does own is evidence: who your customer is, what you verified, when, and where the document lives. ProPixa keeps landlord, tenant and property records with their documents attached in one place, so when HMRC asks what you held on a tenancy from three years ago, the answer takes a minute rather than an afternoon.

Common questions

We're a small lettings-only agency with nothing near £10,000 a month. Do we need to register?

Not on the lettings threshold alone. But check two things: whether you do any estate agency work at all, which brings you in regardless of value, and whether any single tenancy on your book reaches £10,000 a month for part of its term — a short high-value corporate let will do it.

Can our referencing provider do the due diligence for us?

They can do the identity verification. They cannot take on your legal obligation — the duty and the liability stay with the regulated business. Treat their output as evidence you have gathered, not as compliance you have outsourced.

Do we do CDD on the tenant as well as the landlord?

Yes, where the tenancy is in scope. HMRC's guidance expects due diligence on the landlord before the property is advertised, and on the tenant before the tenancy is finalised.

PART TWO

Money you handle

Fees, deposits and the rules on rent

FEES

The Tenant Fees Act: what you can and can't charge

The Act works by permission, not prohibition. If a payment is not on the list in Schedule 1, you cannot charge it — however reasonable it sounds and however clearly the tenant agreed to it.

The quick answer: Seven categories of payment are permitted: rent, the tenancy deposit, a holding deposit, payments on default, damages for breach, a charge for a change the tenant asks for, and a charge for early termination the tenant asks for — plus utilities, council tax, TV licence and communication services where the agreement requires them. **Everything else is prohibited.** A first breach is a civil penalty of **up to £5,000**; a further breach within five years is a **criminal offence**, or up to **£30,000** as an alternative to prosecution.

Check your bookmarks. The old "Tenant Fees Act 2019: Guidance for landlords and agents" PDF was **withdrawn on 8 May 2026**. The live authority is now the statutory guidance for enforcement authorities, as amended by the Renters' Rights Act 2025, last updated 1 May 2026. If your office still works from the withdrawn PDF, it is missing the rent in advance rules entirely.

The permitted payments, in full

Permitted payment	Limit
Rent	Now restricted before the tenancy starts — see chapter 8
Tenancy deposit	5 weeks' rent, or 6 weeks where annual rent is £50,000 or more
Holding deposit	One week's rent
Payment on default	Late rent interest, or a lost key — see below
Damages for breach of the agreement	Actual damages
Variation, assignment or novation *at the tenant's request*	The greater of £50 or your reasonable costs, evidenced
Early termination *at the tenant's request*	The landlord's actual loss, or the agent's reasonable costs

Permitted payment	Limit
Council tax, utilities, TV licence, communication services	As required by the tenancy agreement

What you cannot charge, however it is dressed up

Viewing fees. Tenancy set-up or admin fees. Referencing. Credit checks. Inventory fees. Check-in or check-out fees. Professional cleaning as a condition of the tenancy. Guarantor fees. Third-party service charges such as gardening or insurance. Providing a reference for a former tenant. Requiring the tenant to take out a loan or a service contract. And, as a catch-all: any payment for arranging, granting, continuing, varying or ending a tenancy.

The renaming trick does not work. A "tenancy administration contribution" is a prohibited payment, and so is charging the landlord a fee that the landlord is contractually entitled to recover from the tenant.

Default fees: the two that survive, and their conditions

1 Late rent

Chargeable only once rent is **14 days or more** outstanding. The daily interest must not exceed an annual rate of **3% above the Bank of England base rate**, and interest runs from the day the rent fell due once that 14-day threshold is passed. Check the current base rate before you quote a percentage — it moves.

2 Lost key or security device

Limited to your reasonable costs actually incurred, and those costs **must be evidenced in writing** to the tenant who is liable. A standing "£75 lost key charge" in your terms is not evidence of cost; a locksmith's invoice is.

Both must be expressly provided for in the tenancy agreement, and landlord and agent cannot both charge for the same default.

Changes and early exits

Where the tenant asks to vary, assign or novate the tenancy, you may charge the **greater of £50 or your reasonable costs** — and anything above £50 has to be justified and evidenced. This does not cover renewals.

Early termination at the tenant's request is capped at the landlord's actual financial loss or the agent's reasonable costs. Under the all-periodic regime the guidance frames this as: tenant notice is capped at two months, and the landlord can charge up to the rent they would have received had correct notice been given. No loss means no charge.

The consequence has changed, and it is easy to get wrong. Before May 2026, holding a prohibited payment blocked service of a section 21 notice. Section 21 no longer exists, so that bar is spent — and there is **no equivalent restriction on section 8 possession** for holding a prohibited payment. What remains is still serious: repayment to the tenant, the £5,000 and £30,000 penalties, criminal liability on repeat, banning order exposure, and the tenant's own right to recover through the First-tier Tribunal. The thing that *does* now block possession is an unprotected deposit — see chapter 7.

Penalties

- **First breach:** a civil financial penalty of up to **£5,000**.
- **Further breach within five years** of a penalty or conviction: a criminal offence, carrying an unlimited fine on prosecution, or a financial penalty of up to **£30,000** as an alternative.
- **Banning orders:** a conviction is a banning order offence, and a banning order is also available where two financial penalties have been imposed on a person within a 12-month period.

Do not confuse these with the new Renters' Rights Act tiers. The RRA's own penalties of **£7,000** for initial or minor non-compliance and **£40,000** for serious, persistent or repeat non-compliance apply to RRA breaches — bidding, discrimination, the written statement of terms. Tenant Fees Act breaches keep the £5,000 / £30,000 structure.

Common questions

Can we charge the landlord for referencing instead?

Yes. The Act bans the charge to the tenant, not the cost itself. Charging your landlord for referencing is ordinary agency business and belongs on your published fee list.

A tenant offers to pay for a professional clean at check-out. Can we accept?

Not as a condition or a requirement. You may make a deduction from the deposit for actual cleaning costs where the property is returned worse than at check-in, fair wear and tear aside — but requiring professional cleaning as a term is a prohibited payment.

What about a renewal fee to the tenant?

Prohibited. And since every assured tenancy is now periodic, renewals as a product have largely disappeared. Renewal fees to landlords remain lawful and are increasingly hard to justify commercially for the same reason.

FEES

Holding deposits: the one-week rule and the 15-day clock

A holding deposit is the one pre-tenancy payment you can still take from a tenant. It has four separate deadlines attached, and missing the smallest of them costs you the right to keep the money.

> **The quick answer:** Maximum **one week's rent**, one property at a time. The default deadline for agreement is **15 days** from receipt unless varied in writing. It must be refunded within **7 days** where the tenancy goes ahead, the landlord withdraws, or the deadline passes. You may only retain it in four defined circumstances, and if you do you must give **written reasons within 7 days** of the decision — miss that and you forfeit the right to retain.

The amount, and the limit of one

One week's rent, calculated on the annual rent divided by 52. You may hold only one holding deposit per property at a time — you cannot take deposits from three applicants and pick the best. That practice is both a Tenant Fees Act breach and, since May 2026, likely to run into the rental bidding ban as well.

The 15-day deadline

Unless you agree otherwise *in writing*, the tenancy agreement must be entered into within 15 days of you receiving the holding deposit. If the deadline passes without an agreement, the deposit must be returned. If you need longer — a slow guarantor, a landlord abroad — agree the extension in writing before the fifteenth day, not after.

When you may keep it

Four circumstances, and only four:

The tenant provided false or misleading information that materially affects their suitability. Materiality matters — a wrong middle name is not this.

The tenant fails a right to rent check.

The tenant withdraws.

The tenant fails to take reasonable steps to enter the agreement while you and the landlord did take reasonable steps.

There are statutory exceptions inside these — most importantly where the tenant could not reasonably have known of a right to rent problem, and where the landlord or agent imposed a requirement that itself breached the Act. Read Schedule 2 before you retain on either of the first two grounds.

The seven-day written reasons rule is the one agents lose on. Where you keep a holding deposit you must give the tenant reasons in writing within **7 days of the decision**. Fail to do that and the retention is unlawful regardless of how good your grounds were — you must repay, and you are exposed to the £5,000 penalty on top.

Where the money goes when the tenancy proceeds

With the tenant's consent, it may be applied to the first rent payment or towards the tenancy deposit. Without consent, it must be refunded within 7 days. Get the consent in writing at the point you take the deposit, not afterwards.

ProPixa tip — the clock is the product

Every rule in this chapter is a date: 15 days, 7 days, 7 days again. None of them is hard to meet and all of them are easy to forget on a busy Friday. ProPixa's whole design premise is that the deadline, not the task, is what costs agents money — it holds the dates and tells you before they run out, on every tenancy at once.

Common questions

Can we take a holding deposit before the landlord has confirmed they'll accept the tenant?

You can, but you are taking on the 15-day clock and the refund obligation from that moment. If the landlord then declines, the tenant gets the money back in full within 7 days — you cannot retain for the landlord's change of mind.

Two applicants, one property. What do we do?

Take one holding deposit. If that applicant falls away, refund and take the next. It is slower and it is the law.

The tenant lied about their income. Can we keep it?

Probably — that is false or misleading information materially affecting suitability. Document what they said, what the reference showed, why it mattered, and get your written reasons out inside seven days.

DEPOSITS

Tenancy deposits: protection, prescribed information and who is liable

Deposit protection was always the rule agents got sued over. Since May 2026 it is also the rule that stops your landlord getting their property back — an unprotected deposit now blocks possession on almost every ground, including rent arrears.

> **The quick answer:** Protect within **30 days** of receipt and serve the prescribed information in the same window. Caps are **5 weeks' rent**, or 6 weeks where annual rent is £50,000 or more. Getting it wrong costs the deposit back plus **one to three times** its value — and a letting agent can be the defendant in its own right. New since 1 May 2026: an unprotected deposit **blocks a possession order** on every ground except anti-social behaviour.

The mechanics

Three authorised schemes operate in England and Wales — the **Deposit Protection Service**, **mydeposits** and the **Tenancy Deposit Scheme** — and all three now offer both models. **Custodial** means the scheme holds the cash and it is free to use. **Insured** means you or the landlord hold the money and pay a fee to insure it; that money is client money and sits under your CMP obligations.

The prescribed information includes the completed form, the deposit certificate or receipt, the scheme's terms and its leaflet, the amount, the property address, the tenancy details, and signed confirmation of accuracy. It goes to the tenant and to anyone who paid on the tenant's behalf — the guarantor or parent people forget.

Late protection is treated as no protection. There is no "we got there in the end" defence.

Who gets sued — and it can be you

Section 212(9) of the Housing Act 2004 defines "landlord" to include a person acting on the landlord's behalf, and *Draycott v Hannells Letting Ltd* [2010] EWHC 217 (QB) confirmed that a letting agent can be the respondent to a section 214 claim in its own right. In practice tenants sue landlord and agent together and let the court sort it out.

ProPixa tip — write it down in the agency agreement

The single most useful sentence in a letting agency agreement is the one that says who protects the deposit, in whose name, and who serves the prescribed information. The second most useful is the one that says how service is evidenced. Keep dated proof of *how* the prescribed information was delivered — ProPixa timestamps documents against the tenancy so the answer is on file rather than in someone's sent items.

The change that matters most: deposits now gate possession

Government's guide to the Renters' Rights Act is explicit: "we will prevent landlords gaining possession if they have not properly protected a tenant's deposit or registered their property on the private rented sector database." The **only exceptions are Grounds 7A and 14** — the anti-social behaviour grounds.

Read that consequence carefully. It means an unprotected deposit blocks even **Ground 8**, the mandatory rent arrears ground. A landlord with a tenant three months in arrears, whose agent protected the deposit on day 34, cannot get a possession order until the deposit is returned or the deposit proceedings conclude. That is a professional negligence claim with a number attached to it.

The practical shape of the gateway: the court may make an order where the deposit is scheme-held and the scheme's requirements have been complied with, *or* the deposit has been returned in full or with agreed deductions, *or* deposit proceedings have concluded. Registration on the PRS database will be a second, parallel gateway once the database is live.

What did not change

- The caps are unchanged — 5 weeks, or 6 weeks at £50,000 or more annual rent. Above £100,000 annual rent the tenancy is not assured and falls outside the regime entirely.
- Tenancies that converted to periodic assured on 1 May 2026 do not need re-protecting; conversion is not a new tenancy for this purpose.
- The penalty for non-protection remains repayment plus one to three times the deposit under section 214.

Common questions

We protect in the agency's name. Is that a problem?

It is permitted, and it is also why you get sued directly. Make sure the landlord knows, that it is in the agency agreement, and that the scheme record moves promptly if the landlord leaves you — an ex-client's unprotected deposit is still your exposure.

A landlord leaves us mid-tenancy. Who protects then?

Transfer the protection or return the deposit and let the landlord re-protect it, and get written confirmation either way. The gap between the two is where 3x claims are born.

Do we have to re-serve prescribed information now everything is periodic?

Not for conversion itself. Re-serve where the deposit, the parties or the property details change — and if you have any doubt about whether the original was validly served, serving again costs nothing and closes the point.

THE NEW LAW

Rent in advance: the limit that changed in May 2026

Taking six months up front used to be how agents got a thin applicant over the line. Since 1 May 2026 you cannot require it, you cannot ask for it before signing, and if the tenant offers it early you must refuse.

> **The quick answer:** **Before the agreement is signed** you cannot ask for, encourage or accept any rent — if a tenant offers, you must not take it. **Between signing and the tenancy starting** you may require up to **one month's rent**, or 28 days' rent where the rental period is shorter than a month. **During the tenancy**, any term requiring rent in advance has no effect. In force **1 May 2026** for tenancies entered into on or after that date. Penalty: **up to £5,000**, rising to **£30,000** for a repeat within five years — and it bites on "anyone acting directly or indirectly on the landlord's behalf".

Where this comes from

Sections 8 and 9 of the Renters' Rights Act 2025. Section 9 amends Schedule 1 of the Tenant Fees Act to create a prohibited pre-tenancy payment of rent; section 8 inserts a new section 4B into the Housing Act 1988 voiding in-tenancy advance-rent terms. Both commenced on 1 May 2026 and apply to tenancies entered into on or after that date — **pre-existing tenancies are outside it**, which is worth knowing when a landlord asks why the tenancy next door still runs on a year up front.

The three windows

1 Before signing — nothing

No rent at all. Not a token amount, not "to show good faith", not held in your client account pending signature. If the tenant offers it, refusing is the compliant answer. Holding deposits and tenancy deposits are separate permitted payments and are unaffected.

2 Between signing and commencement — up to one month

One month's rent, or 28 days' rent where rental periods are shorter than a month. This is the window in which the first payment is normally taken, and it is the maximum you may *require*.

3 During the tenancy — no requirement, but voluntary is fine

A term requiring advance rent is unenforceable. A tenant who wants to pay three months early may still do so voluntarily — you simply cannot make it a condition, put it in the agreement, or present it as the price of acceptance.

"Voluntary" has to be genuinely voluntary. An enforcement authority looking at a tenant who paid six months up front the same week they were told their referencing was marginal will not treat that as a free choice. If a tenant volunteers advance rent, record the offer in their own words and make clear in writing that it was not required and does not affect the tenancy.

The related rule people forget

Paragraph 1A of Schedule 1 of the Tenant Fees Act still bans **front-loading**: in the first year, the rent for one period may not exceed the rent for a later period, with limited exceptions. So the old workaround — a high first month and a lower rent thereafter — was already unlawful before this reform and remains so.

What to do about thin applicants instead

- **A guarantor.** Still lawful, still the main tool, and guarantor fees remain prohibited to the tenant.
- **Rent guarantee insurance**, charged to the landlord.
- **Better referencing** and an honest conversation with the landlord about the risk they are accepting.
- **A larger deposit** — but only within the 5 or 6 week cap, which has not moved.

Different rules apply to social and supported housing, and to placements made under a council's homelessness duty. If you handle either, check the specific guidance rather than applying this chapter.

Common questions

An overseas tenant with no UK credit history wants to pay a year up front. Can we take it?

You cannot require it, and you cannot take anything before signing. After signing you may require up to one month. If they genuinely volunteer more once the tenancy is under way, that is their choice — but do not build the letting on it, and document that it was offered rather than requested.

What about a tenancy we set up in March 2026?

Outside the new rules — they apply to tenancies entered into on or after 1 May 2026. Existing arrangements continue. Do not renew or restructure such a tenancy on the old terms, though: a new tenancy is a new tenancy.

Who gets fined — us or the landlord?

Either or both. The guidance says councils can penalise "landlords, and anyone acting directly or indirectly on their behalf". If your process took the money, expect the notice of intent to have your name on it.

PART THREE

The new law

What the Renters' Rights Act changed for agents

THE NEW LAW

The Renters' Rights Act 2025: an agent's summary

The biggest change to the private rented sector in thirty-five years came into force on 1 May 2026. Most summaries are written for landlords. This one is written for the person who actually carries out the duties.

> **The quick answer:** Royal Assent **27 October 2025**; the main provisions commenced **1 May 2026** under SI 2026/421. Section 21 is abolished, fixed terms are gone, and existing assured shorthold tenancies converted to **periodic assured tenancies**. Rent rises run on one statutory route. Bidding above the advertised rent is banned. Discrimination against benefit claimants and families with children is banned. New civil penalties of **£7,000** and **£40,000** apply — and the definition of who can be fined expressly includes **a person acting on behalf of the landlord**.

The commencement picture

Date	What happened
27 October 2025	Royal Assent. The Act is c.26.
27 December 2025	Commencement No. 1 (SI 2025/1354) — local authority investigatory powers.
1 May 2026	Commencement No. 2 (SI 2026/421) — the tenancy reforms. Section 21 abolished; conversion to periodic assured tenancies; rent increase rules; bidding ban; discrimination ban; rent in advance limits; new penalty regime.
31 May 2026	Deadline for giving the Information Sheet to tenants of existing tenancies.
31 July 2026	Last date for section 21 claim forms based on notices served before 1 May.
From late 2026	PRS Database — regional rollout begins. Not live yet.
~2028	PRS Landlord Ombudsman expected. Landlords only.
Date TBC	Awaab's Law extension to the private rented sector — subject to consultation, no date set. Decent Homes Standard for the PRS: 2035.

Conversion is not quite universal

Most summaries say every AST converted on 1 May. Nearly true, and the exceptions matter when a landlord rings you about a live case:

- SI 2026/421's transitional provisions **save tenancies where a valid section 21 or section 8 notice was served before 1 May 2026** and proceedings have not concluded — those remain ASTs until they do.
- Tenancies that could never be assured are unaffected: lodgers, company lets, and property that is not the tenant's only or principal home.
- Annual rent above £100,000 sits outside the assured regime entirely.

Two documents you now have to get right

1 The Written Statement of Terms — new tenancies

Section 12 of the Act inserts section 16D into the Housing Act 1988. A written statement of terms must be given **before the tenancy is entered into**, for tenancies from 1 May 2026. The duty is placed on *the landlord* — but section 16D(8) extends it to a person the landlord has contracted to ensure compliance, and section 16H confirms a landlord can discharge *or breach* the duty through someone acting on their behalf.

What that means in practice: whether the duty lands on you depends on what your agency agreement says. If it says you handle tenancy documentation, it lands on you. Read your own terms and know the answer before an enforcement officer asks.

2 The Information Sheet — existing tenancies

Prescribed by SI 2026/324, with a deadline of **31 May 2026** for tenancies that converted. If any of your managed tenancies did not receive it, that is a live breach today, not a historic one — serve it now and record the date.

A link is not service. Leading practitioner guidance is consistent that emailing tenants a link to the Information Sheet does not satisfy the statutory service requirement — the document itself must be provided, as an attachment or on paper. We have not been able to read the regulation text directly to confirm the wording, so treat this as strong practitioner consensus rather than settled law, and take the safe route: attach the PDF.

The penalties, and why they are aimed at you

Section 15 of the Act inserts sections 16I and 16K into the Housing Act 1988: a civil penalty of up to **£7,000**, and up to **£40,000** as an alternative to prosecution. The cleanest way to hold the distinction is **£7,000 for breaches, £40,000 for offences** — government's guidance draws the line there, and it is more useful than the "minor versus serious" framing you will see quoted. Both are ceilings: recommended starting points sit lower, and councils work up or down from them.

Section 16M defines a "relevant person" as including "a person acting on behalf of the landlord otherwise than as a legal representative, or... purporting to act on behalf of the landlord". Letting agents are directly exposed. This is the structural change agents should take most seriously: for the first time, a large slice of tenancy law penalties name you rather than reaching you through your client.

One thing that does *not* reach agents: Rent Repayment Orders. RROs doubled to up to **two years' rent** for offences committed on or after 1 May 2026, and now extend to superior landlords and to company directors where an offence involved their consent, connivance or neglect. But GOV.UK is explicit that a letting or managing agent **cannot** be the respondent to an RRO. The landlord repays even where your negligence caused the breach — which is a professional indemnity conversation, not a comfort.

ProPixa tip — the operational reading of all this

Strip out the law and the Act does one thing to an agency: it converts a set of one-off events into a set of running obligations with dates attached. Statements served, sheets served, notices dated, rent increases spaced twelve months apart, deposits provably protected. That is a records problem, and records are what ProPixa is. Every property, tenancy, document and date in one place, with the expiry warnings arriving before the deadline rather than after it.

Common questions

Do we need to issue new tenancy agreements for converted tenancies?

No. Conversion happened automatically. What you needed to do was serve the Information Sheet by 31 May 2026. Your existing agreements continue, minus any term the Act now voids — rent review clauses, fixed terms, advance-rent requirements.

Are fixed terms really gone?

For assured tenancies, yes. You cannot grant a twelve-month fixed term. Tenants can leave on two months' notice from the outset, which is the change landlords find hardest and the one worth explaining before, not after, a tenancy starts.

Does the Act apply in Wales and Scotland?

No. It applies to England. Wales runs the Renting Homes (Wales) Act 2016 and Scotland has had a no-fault-free private residential tenancy since 2017. If you manage across borders, the regimes are genuinely different, not variants.

POSSESSION

Possession after Section 21: the grounds that matter

Every possession claim now runs on a ground, evidence and a notice period. For agents that means the paperwork you did at the start of a tenancy has become the thing that decides whether your landlord can end it.

> **The quick answer:** Section 21 was abolished on **1 May 2026** — 30 April was the last day a valid notice could be served, and section 21 claim forms were time-barred from **31 July 2026**. Possession now runs only through **section 8** grounds on **Form 3A**. Ground 8 rent arrears now needs **three months' arrears** (13 weeks where rent is weekly or fortnightly) at both service and hearing, with **four weeks' notice**. And an unprotected deposit or unregistered property will block the claim on every ground except anti-social behaviour.

What actually changed

The "no-fault" route is gone. In its place is a grounds-based system where the landlord must state a reason, prove it, and give the notice period the ground carries. Some grounds are **mandatory** — proved, the court must order possession. Others are **discretionary** — the court weighs reasonableness. The practical effect on an agency is that possession has moved from an administrative task to an evidential one.

The grounds agents meet most

Ground	Type	What it needs
Ground 8 Serious rent arrears	Mandatory	At least **3 months' rent** (or 13 weeks where rent is weekly/fortnightly) outstanding **both** when notice is served **and** at the hearing. **4 weeks' notice.** Up from 2 months and 2 weeks.
Grounds 10 & 11 Arrears and persistent late payment	Discretionary	Lower threshold, but the court decides. Payment history evidence is everything.
Ground 1 Landlord or family moving in	Mandatory	Cannot be used in the first year of the tenancy. Genuine intention required.

Ground	Type	What it needs
Ground 1A Landlord selling	Mandatory	Cannot be used in the first year. Misuse carries the new penalties and re-letting restrictions.
Ground 7A Serious anti-social behaviour	Mandatory	Conviction or specified findings. One of only two grounds not blocked by deposit or database failures.
Ground 14 Nuisance and anti-social behaviour	Discretionary	The other unblocked ground. Evidence-heavy: logs, complaints, dates.

The three-month arrears threshold changes cashflow conversations with landlords. A tenant who pays enough to keep arrears just under three months can now sit indefinitely outside Ground 8, and the landlord's only mandatory route is closed. Discretionary Grounds 10 and 11 are still available but slower and less certain. Agents should be flagging arrears to landlords earlier than they used to, not later — the point at which intervention is cheap has moved.

The compliance gateway — the part agents control

Government's guidance is unambiguous: a landlord cannot gain possession where the deposit has not been properly protected or the property is not registered on the PRS database, with **Grounds 7A and 14 the only exceptions**. The court may make an order where the deposit is scheme-held and compliant, or has been returned in full or with agreed deductions, or where deposit proceedings have concluded.

So a possession claim is now, in part, an audit of the agency's own file: deposit protected in time, prescribed information served and provable, written statement of terms given, gas and electrical safety duties met. This is not a theoretical risk. It is the most likely way an agency ends up on the wrong end of a negligence claim under the new Act.

ProPixa tip — the pre-possession file check

Before a landlord instructs on possession, run the file: deposit protection date, prescribed information service date, written statement, gas record, EICR, licence status. If any is missing or late, say so *before* the notice goes out. ProPixa holds all six against the tenancy, so the check is a screen rather than an afternoon in the filing cabinet — and it is far cheaper to find the gap yourself than to have the defendant's solicitor find it.

Notice periods and process, in outline

- Notice is served on **Form 3A**, stating the ground or grounds relied on.
- The notice period is set by the ground — four weeks for Ground 8, longer for most no-fault grounds.
- If the tenant does not leave, the landlord applies to the county court. The agent's role is evidence, not advocacy.
- Only a court-appointed bailiff or High Court enforcement officer can carry out an eviction. Anything else is illegal eviction — a criminal offence, and one that agents have been prosecuted for.

Common questions

We served a section 21 in April 2026. Where does that leave us?

Saved by the transitional provisions if it was valid — but claim forms based on section 21 were time-barred from 31 July 2026. If a claim was not issued by then, the notice is dead and possession must start again on a section 8 ground.

The landlord wants the tenant out because they don't get on. What ground is that?

None. That is the point of the reform. If there is no ground, there is no possession, and telling a landlord otherwise is how agents end up advising an illegal eviction.

Can we still agree a surrender?

Yes. A genuine, freely agreed surrender is unaffected, and it remains the cleanest ending for everyone. Document it properly — a surrender that a tenant later says was pressured is an illegal eviction claim in waiting.

RENT

Rent increases: Section 13, Form 4A and the tribunal

There is now exactly one lawful way to raise the rent on an assured tenancy, it can be used once a year, and the tribunal can only ever go down from the figure you propose.

> **The quick answer:** Rent increases run through a **section 13 notice on Form 4A**, with a minimum of **two months' notice** and no more than **one increase in any 12-month period**. Rent review clauses in tenancy agreements are **void**. The tenant can refer the notice to the First-tier Tribunal, and the tribunal **cannot set a rent higher than the one proposed**.

Why rent review clauses stopped working

Before May 2026 a well-drafted agreement could set out a rent review mechanism and the parties were bound by it. The Act voids those terms for assured tenancies. Whatever your agreement says about annual RPI uplifts or fixed-percentage rises, the only route is a section 13 notice. Agents still working from pre-2026 template agreements are issuing rent increases that do not bind anyone.

Getting the notice right

1 Use Form 4A

The prescribed form is "Landlord's notice proposing a new rent for assured tenancies in the private rented sector", published on GOV.UK. A letter is not a section 13 notice, however clearly written.

2 Give at least two months

The new rent cannot start earlier than two months after the notice is served. Count carefully and serve early — a notice that is a day short is a notice that does nothing.

3 Once in twelve months

One increase per twelve-month period, per tenancy. Track the date of the last increase, not the tenancy anniversary — they drift apart quickly.

4 Propose a market rent you can evidence

If the tenant refers the notice to the tribunal, you will be asked to justify the figure. Comparables gathered at the time are worth far more than comparables assembled after the referral.

The tribunal, and the asymmetry in it

A tenant who thinks the proposed rent is above market can apply to the First-tier Tribunal before the new rent takes effect. The tribunal determines the market rent — and it **can only set a figure the same as or lower than** the rent proposed in the notice. There is no downside risk for the tenant in applying, and no upside for the landlord.

That asymmetry should change how you advise landlords. An optimistic rent increase now carries a real cost: a tribunal referral, a delay, and a determination that can only reduce the figure. The commercially sensible position is a defensible market rent with comparables on file, not an opening bid. Landlords who treat the section 13 notice as a negotiation will lose that negotiation by design.

ProPixa tip — the twelve-month clock

The "once in 12 months" rule is the one that quietly trips a busy agency, because the clock runs per tenancy and nobody remembers ninety separate dates. ProPixa holds the rent history against each tenancy, so you can see at a glance which properties are eligible for a review and which are not yet — and price the round properly instead of guessing.

A note on your own fee

Charging landlords a fee for serving a section 13 notice is lawful and common — published schedules run from roughly £30 to £300 including VAT. Two cautions. It must appear on your published fee list inclusive of VAT, like everything else. And a landlord who is paying you £250 to serve a notice that the tribunal then reduces will remember the invoice. Price it as part of the management service if you can.

Common questions

Can the tenant and landlord just agree a new rent without a notice?

A genuine agreed variation is possible, but the safe route — and the one that survives a later dispute — is the statutory notice. If you do agree a variation, record it in writing, signed, with no suggestion that possession or renewal depended on it.

What happens if the tenant just doesn't pay the new rent?

If the notice was valid and no tribunal referral was made, the new rent is the rent, and shortfall accrues as arrears. If the notice was defective, none of it is due, and any arrears calculation built on it is wrong — which is why the two-month count matters.

Does this apply to tenancies that converted in May 2026?

Yes. Every assured tenancy is on this regime now, whenever it started.

THE NEW LAW

Bidding, pets and discrimination: three new ways to be fined

These three provisions have something in common that the possession reforms do not: they bite at the point of marketing and letting, which is entirely the agent's job. All three name agents expressly, and all three carry civil penalties of up to £7,000.

The quick answer: You must **state the rent in the advertisement** and **cannot accept more than it**. You cannot refuse to let, refuse a viewing, or apply any practice that makes it harder to rent, because a prospective tenant **receives benefits or has children**. And a landlord must respond to a written **pet request within 28 days** — with a limited extension where more information is needed — and cannot unreasonably refuse. Each carries a civil penalty of **up to £7,000**, rising for repeat breaches within five years.

£7,000 is the ceiling, not the going rate. Government's civil penalties guidance sets recommended starting points well below the maximum: **£6,000** for the discrimination breaches, **£4,000** for inviting or accepting bids above the advertised rent, and **£3,000** for failing to state the proposed rent in an advertisement. Councils work up or down from there. Do not reassure a landlord that £7,000 is unlikely — do note that a first, minor breach is unlikely to attract the maximum.

1. The rental bidding ban

Landlords and agents must publish an asking rent, and are prohibited from asking for, encouraging, or accepting any bid above that figure. In force 1 May 2026.

There are in fact **two** separate breaches here, and agents consistently only know about one. Section 56(3) catches inviting or accepting a bid above the advertised rent — starting point £4,000. **Section 56(2) catches failing to state the proposed rent in the advertisement at all** — starting point £3,000. That second one bites on *every single listing you publish*, which makes it the more likely of the two to catch an agency out at scale. "Rent on application" and "POA" are finished.

The practices this ends are ordinary agency habits, which is why it is worth being blunt about them:

- **Open days where applicants are told the best offer wins.** Gone.
- **Telling applicant B that applicant A has offered above asking.** That is encouraging a bid.
- **Accepting an unsolicited offer above the advertised rent.** Still an offence — the ban is on accepting, not only on asking.

- **Under-advertising to generate competition.** The advertised figure is now the ceiling, so this simply costs your landlord money.

What remains lawful: advertising at a properly researched market rent, choosing between applicants on affordability and references, and — if you genuinely mis-priced — withdrawing the listing and re-advertising at a higher figure before accepting anyone.

2. Discrimination against benefit claimants and families

Part 1, Chapter 3 of the Act prohibits refusing to let, refusing viewings, or applying practices that make such applicants less likely to rent, and voids discriminatory tenancy terms. Crucially, it expressly covers "a person acting or purporting to act directly or indirectly on behalf of the prospective landlord" — the agent.

> **"The landlord told us to" is not a defence.** It is the agent who takes the instruction, writes the listing, screens the enquiry and declines the viewing. If a landlord instructs you not to consider benefit claimants or families, the compliant response is to explain that the instruction is unlawful and that you cannot act on it. Carrying it out exposes you to a £7,000 penalty in your own name — and a "No DSS" phrase left in an old portal template is the easiest evidence a Trading Standards officer will collect all year.

Narrow exceptions exist where conduct is a proportionate means of achieving a legitimate aim, or is required by certain pre-existing insurance contracts. They are narrow. Take advice before relying on either, and never rely on an insurer's preference you have not seen in writing.

3. Pets

Section 11 gives tenants the right to request a pet and requires the landlord to respond by **the 28th day after the date of the request**. Consent must not be unreasonably refused, and the tenant can go to court if it is.

There is an extension almost everyone misses, and it is easy to miscalculate. Where the landlord has asked the tenant for further information, or needs a superior landlord's consent, the deadline becomes **7 days from receiving that information or that decision** — not "day 35". If the tenant takes three weeks to answer a question, the clock lands well beyond day 35; if they answer on day 2, it does not extend the 28 days at all. Diary it from the date the information arrives, not from the request. And it is certainly not the 42 days that circulated in early drafts of the reform.

> **What is likely to be reasonable refusal:** a head lease that forbids pets, a property genuinely unsuitable for the animal in question, an existing allergy issue in a shared building.

What is likely not: a blanket no-pets policy, "the landlord doesn't like dogs", or refusing without giving a reason at all.

What you cannot do: charge a pet deposit on top of the 5 or 6 week cap, or require pet insurance as a condition — the Tenant Fees Act has not moved to accommodate this.

ProPixa tip — the 28-day clock, on the record

The pet rule is a deadline attached to an inbound request, which is exactly the kind of thing that gets read on a phone and forgotten. Log the request against the tenancy the day it arrives, record the date you asked the landlord, and record the date of the answer. ProPixa keeps that thread on the tenancy record, so if the tenant later says they never got a response, the file answers rather than your memory.

Common questions

Can we still ask applicants for their income and run affordability checks?

Yes. Affordability assessment is lawful and expected. What is unlawful is a rule or practice that treats benefit income as not counting, or that screens out households with children before affordability is even considered.

A landlord insists on no pets. What do we tell them?

That a blanket refusal is not available any more, that each request must be considered on its facts within 28 days, and that an unreasonable refusal can be challenged in court. Then put the advice in writing — if they refuse unreasonably anyway, you want the record to show you advised otherwise.

Someone offered £100 a month over the asking rent. Can we just take it?

No. Accepting is the offence, whether or not you asked. If the property was genuinely mis-priced, withdraw and re-advertise before accepting anyone.

THE NEW LAW

The PRS Database and the Landlord Ombudsman: where agents sit

Two of the Act's headline institutions do not exist yet, and one of them will never cover you. Knowing which is which stops you giving landlords the wrong answer for the next two years.

> **The quick answer:** The **PRS Database is not live** — regional rollout is expected from late 2026 with compulsory registration by around the end of 2027. The **PRS Landlord Ombudsman covers landlords only**, is expected around **2028**, and does not replace your own redress obligation. Agents remain in The Property Ombudsman or Property Redress, exactly as before.

The database: what it will require, and who does what

Every landlord of an assured or regulated tenancy in England will have to register themselves and each of their properties. Two identifiers are created:

A Landlord Registration Number — obtained by the landlord personally, through GOV.UK One Login.

A Property Registration Number — one per property, with safety certificate, EPC and licensing data attached to the entry.

An agent will be able to register properties on a landlord's behalf, but **only after the landlord has obtained their own number**. That first step cannot be outsourced, and it will be the bottleneck: expect a portfolio landlord with thirty properties to need an afternoon of your time to get past One Login.

Once live, **marketing a property without active registration numbers will be prohibited** — which makes this an agency operations issue, not a landlord admin issue. And registration is a second gateway to possession alongside deposit protection.

> **Do not tell landlords they can register today.** The database is still in advanced beta as at August 2026. Regional rollout is expected from late 2026 and compulsory registration by around end-2027, but no date is fixed. Anything you publish implying registration is open now will be wrong, and will be quoted back at you.

The Ombudsman: landlords only, and not yet

The new PRS Landlord Ombudsman will require all private landlords in England with assured or regulated tenancies to join. Agents are **not** in scope. A tenant with a complaint about an agent goes to the agent's existing redress scheme, exactly as they do today.

It is expected around **2028**, after the database. Whether agent redress will eventually be folded into it is an open question that government has not answered.

The practical consequence for agents is a triage question. Once both schemes exist, a tenant complaint will have to be routed correctly: about the property or the landlord's conduct, it goes to the landlord ombudsman; about your service, it goes to your redress scheme. Getting that wrong wastes the tenant's time and puts you in front of the wrong adjudicator. Worth building into your complaints procedure before 2028, not during it.

What to do in the meantime

- **Collect what the database will want, now.** Landlord identity and contact details, property addresses and unique identifiers, EPCs, gas and electrical certificates, licence details. When registration opens you want to be exporting a list, not chasing ninety landlords for documents.
- **Warn portfolio landlords about One Login early.** The identity step will be slower than they expect.
- **Keep your own redress membership current.** Nothing about the new ombudsman changes it.
- **Do not sell "database compliance" as a service yet.** There is nothing to comply with, and the agents advertising it will look silly when the rules land.

ProPixa tip — the export you will want

The database will ask for exactly the data set an agency ought to hold anyway: landlord, property, certificates, licence, EPC. ProPixa holds all of it structured per property rather than scattered across folders, which is the difference between a morning's work and a fortnight's when registration opens.

Common questions

Will we be able to register on our landlords' behalf?

For properties, yes — after the landlord has their own Landlord Registration Number. For the landlord's own registration, no.

Does the landlord ombudsman replace our redress scheme?

No. Yours is a separate statutory obligation under the 2014 Order and continues unchanged.

What happens if a landlord refuses to register once it's mandatory?

They will not be able to market the property lawfully, and possession will be blocked. Practically, that becomes your problem before it becomes theirs — you cannot let a property you cannot advertise.

PART FOUR

Compliance you manage

The duties you carry on your landlords' behalf

SAFETY & COMPLIANCE

Gas, EICR and EPC: the certificates you chase

These are legally the landlord's duties. Operationally they are entirely yours — and two of the numbers most agents carry in their head are now out of date.

> **The quick answer:** Gas — annual check by a Gas Safe engineer, copy to existing tenants within **28 days**, to new tenants **before they move in**, records kept **two years**. Electrical — EICR every **5 years**, to existing tenants within 28 days, to new tenants **before they occupy**, remedial work within 28 days. **The EICR maximum penalty is now £40,000, not £30,000.** EPC — minimum band **E** today; band **C by 1 October 2030** is confirmed government policy but **the regulations have not been made**.

Gas safety — unchanged, and still the one that carries criminal liability

Duty	Requirement
Check frequency	Every gas appliance, flue and pipe, at least every **12 months**, by a **Gas Safe registered** engineer
Copy to existing tenants	Within **28 days** of the check
Copy to new tenants	**Before they move in**
Record retention	**Two years**
No gas at the property	No certificate required

You may bring the check forward by up to two months without losing those months — the new expiry still runs from the old deadline, so the annual date never drifts later. Failing to arrange the check is an offence under the Health and Safety at Work etc. Act 1974 carrying an unlimited fine, and it can void the landlord's insurance.

Electrical — two figures to correct

The Electrical Safety Standards Regulations 2020 require an EICR at least every five years. Two things agents commonly get wrong:

1 The deadlines are not all the same

Existing tenants: 28 days from the inspection. **New tenants: before they occupy the premises** — not "within 7 days". The **7-day** deadline is for supplying the report **to the local council on request**, and there is a separate **28-day** deadline for supplying a *prospective* tenant on request. These three get conflated constantly.

2 The penalty went up

The maximum civil penalty for a breach of the electrical safety regulations is now **£40,000**, raised from £30,000 with effect from **1 November 2025**. If your landlord-facing material still says £30,000, it understates the risk by a quarter.

Remedial work identified as C1, C2 or FI must be completed within **28 days**, or sooner if the report specifies. And note the regime was extended to the social rented sector on 1 November 2025 — if you manage any social stock, tenancies granted before 1 December 2025 needed inspections and equipment checks by **1 November 2026**.

EPC — the dates most agents are quoting are wrong

The current minimum standard is **band E**, unchanged since April 2020. What has changed is the plan for band C.

The "C by 2028 for new tenancies, 2030 for all" split has been dropped. The government response to *Improving the energy performance of privately rented homes*, published **21 January 2026**, confirmed a **single compliance date of 1 October 2030** for all privately rented homes, new and existing tenancies alike. There is a **£10,000 cost cap** per property, exemptions valid ten years, and a new exemption limiting spend to 10% of value for homes worth under £100,000.

But the regulations have not been made. Government intends to take new primary powers and then lay a statutory instrument, aiming for it to come into force in 2027. So this is confirmed policy with a confirmed date and no law behind it yet. Advise landlords to plan for 1 October 2030 — and do not tell them it is currently a legal requirement, because it is not.

On the EPC itself: a reform replacing the single SAP rating with **four headline metrics** — energy cost, fabric performance, heating system and smart readiness — has been partially confirmed, with 10-year validity retained. Launch has been **pushed back to the second half of 2027**. Net position for today: nothing has changed on the ground, existing EPCs remain valid, and the current methodology still applies.

Alarms — unchanged since October 2022

- At least one **smoke alarm on every storey** with a room used wholly or partly as living accommodation.
- A **carbon monoxide alarm in any room** used as living accommodation that contains a fixed combustion appliance — gas cookers excepted.
- Alarms must be **in working order on the day the tenancy begins**. That is a check-in task, and it belongs on your inventory clerk's list with a photograph attached.
- Repair or replace once informed of a fault. Penalty up to **£5,000** on breach of a remedial notice — and potentially far more where the property is licensed, because it will also breach a licence condition.

ProPixa tip — this is the whole reason ProPixa exists

None of these duties is difficult. Every one of them is a date, on a property, that somebody has to remember. Across ninety properties that is several hundred dates a year, and the ones that hurt are the ones nobody was looking at. ProPixa stores each certificate against the property, reads the expiry, and warns you months ahead while there is still time to book someone — and lets you book a vetted engineer from the same screen. Tenants see the valid certificate in their own free app, which quietly takes care of the copy-to-tenant rules.

Common questions

The tenant won't let the engineer in. What protects us?

Evidence of repeated reasonable attempts. Put every request in writing, keep the record, and escalate in writing to the landlord. Courts recognise a landlord who genuinely tried — but only if it is documented.

Whose liability is it, ours or the landlord's?

The statutory duty is the landlord's. Your liability is contractual and professional: if your agreement says you manage compliance and you did not, the landlord's penalty becomes your negligence claim. Say clearly in the agency agreement which certificates you monitor and which you do not.

An EPC expired mid-tenancy. Is that a breach?

An EPC is required for marketing and at the grant of a tenancy, and MEES band E must be met throughout the tenancy. An expired EPC mid-tenancy is not itself the breach; letting or continuing to let below band E without a valid exemption is.

SAFETY & COMPLIANCE

Right to rent checks: the agent's guide for 2026

The penalties doubled in 2024 and did not come down. A new Code of Practice takes effect on 1 October 2026 — and if you use an identity verification provider, you have five weeks to check they are on the right register.

The quick answer: England only. Check every adult occupier's right to rent **before** the tenancy starts, by manual document check, Home Office online check, or certified digital identity provider. Physical BRPs are **no longer acceptable**. Civil penalties are **£5,000 per lodger and £10,000 per occupier** for a first breach, doubling for repeats within three years. Liability transfers to the agent only under a **written agreement** — and it cannot then be passed further down the chain.

A new Code of Practice comes into force on 1 October 2026. The sixth version (13 February 2024) governs until then; the seventh was published on 30 June 2026 and applies to checks required, and breaches occurring, on or after 1 October 2026. The penalty amounts carry across unchanged. The change that needs action is below.

The three ways to check

1 Manual document check

Original List A or List B documents, checked in the holder's presence — in person or by video call — with a copy retained. Available to anyone holding acceptable physical documents, which in practice now means mainly British and Irish citizens.

2 Home Office online check

Share code plus date of birth. For anyone with an eVisa or digital immigration status this is the **only** route — GOV.UK is explicit that eVisa holders can only evidence right to rent through the online service.

3 Certified digital identity provider

Identity Document Validation Technology through a certified provider, available **only for British and Irish citizens holding a valid passport** (including Irish passport cards). No other nationality can use this route, and it is never mandatory.

Action for anyone using an IDSP. From 1 October 2026 these providers are relabelled **"RtR DVSP" (Digital Verification Service Provider)** and must be **registered on the OFDIA register** for right to rent. Check your provider's registration before 1 October 2026 — a check run through an unregistered provider will not give you a statutory excuse.

Physical BRPs are dead

Biometric residence permits ceased being issued on 31 October 2024 and virtually all expired on 31 December 2024. A manual check of an original, expired physical BRP is **not acceptable** proof of right to rent. Former BRP holders must use the online service. If your check pack still lists BRPs under List A, take it out.

Timing and follow-up checks

- The initial check for a time-limited occupier must be done **no earlier than 28 days** before the tenancy starts, and always before it starts.
- Follow-up checks are needed only where permission is **time-limited**. The statutory excuse runs for the "eligibility period" — the **longer** of 12 months from the check, or the expiry of the person's permission.
- If a follow-up check shows no continuing right to rent, report to the Home Office to keep the excuse.
- No follow-up is needed for indefinite leave or a permanent right to rent.

The penalties

	First breach in 3 years	Repeat breach
Lodger	£5,000	£10,000
Occupier	**£10,000**	**£20,000**

These have applied since 13 February 2024 and carry across unchanged into the new Code. A **Fast Payment Option** gives a 30% reduction on first breaches paid within 21 days — £10,000 becomes

£7,000. Separately, knowingly letting to a disqualified adult is a criminal offence carrying up to five years' imprisonment.

Who is liable when the agent does the check

Liability transfers to the agent **only under a written agreement**, and that agreement must state that the agent is responsible for the initial check and **whether the agent is also responsible for follow-up checks**. Two consequences worth being clear about:

With no written agreement, liability stays with the landlord — even if you did the check and did it badly.

Liability cannot be transferred beyond the agent. You cannot push it down to a referencing supplier or a sub-contractor. If you take it, you own it.

The follow-up clause is the one that gets missed. Agencies routinely take on the initial check and stay silent on follow-ups, which means nobody does them.

ProPixa tip — the follow-up date

The initial check gets done because it blocks the move-in. The follow-up check gets missed because nothing blocks anything — it is just a date, twelve months away, on one tenant out of ninety. Record the eligibility period end date on the tenancy the day you do the first check, and let the system raise it. That single habit is worth more than any amount of process documentation.

Common questions

Does right to rent apply in Wales, Scotland or Northern Ireland?

No. It is England only. The devolved rollout was never commenced.

Do we check every adult, or only the named tenants?

Every adult who will occupy the property as their only or main home, whether or not they are named on the agreement. That is the part that generates most penalties.

Can we refuse someone whose status is complicated?

Be very careful. The companion anti-discrimination Code exists precisely because right to rent generates discriminatory screening. Check properly, use the online service where it applies, and decide on the outcome of the check — not on the applicant's name, accent or apparent nationality.

REPAIRS

Repairs, damp and Awaab's Law: what's coming to the PRS

Awaab's Law is not yet law for private landlords, and there is no date for when it will be. That is exactly why now is the time to build the process — because when it arrives, the clock starts at the moment a tenant tells you.

> **The quick answer:** Section 60 of the Renters' Rights Act extends Awaab's Law to the private rented sector, but it is **not in force** and government's own roadmap lists implementation as **"TBC — subject to consultation"**. In social housing the duties have applied since **27 October 2025**: emergency hazards made safe within **24 hours**, significant damp and mould investigated within **10 working days**, written summary to the tenant within **3 working days**, and safety work **completed** within **5 working days**. Phase 2 adds seven more hazard categories from **30 November 2026**.

The social housing timescales — your template

Duty	Timescale
Emergency hazard — investigate *and* complete work to make safe	**24 hours** of becoming aware
Significant damp and mould hazard — investigate	**10 working days**
Written summary of findings to the tenant	**3 working days** of concluding the investigation
Complete relevant safety work	Within **5 working days** of concluding the investigation
Supplementary preventative work	**Begin** within 5 working days, **complete within 12 weeks**
Where the work cannot be completed in time	Suitable **alternative accommodation at the landlord's expense**

Note that the five-working-day duty is to **complete** the relevant safety work, not to start it. It is the *supplementary* preventative work that must begin within five working days and finish within twelve weeks. Agents reading across from social housing guidance get this the wrong way round more often than any other point in the regime.

Phase 2, already made

Regulations published on 13 July 2026 bring **Phase 2 into force on 30 November 2026** for social landlords, adding **excess cold, excess heat, falls, structural collapse, fire and explosions, electrical safety and domestic hygiene** — including sanitation and pests — alongside damp and mould, on the same timescales. Phase 3 will cover all remaining HHSRS hazards except overcrowding, with no date announced.

Read Phase 2 as a preview. Whatever the PRS version turns out to be, that hazard list is what government thinks the timescales should apply to.

The trigger is "becoming aware", and that is an agency problem before it is a landlord problem. Every clock in this regime runs from the moment the landlord — or someone acting for them — is told. A repair reported by WhatsApp to a negotiator's phone on a Friday afternoon starts the clock just as surely as a formal letter. If you cannot evidence *when* you were told, you cannot evidence that you responded in time.

What to do now, while there is no duty

1 Timestamp every report

One route in, logged automatically, with the date and time of first awareness recorded. This is the single most valuable preparation, and it is worth doing for the negligence exposure alone even if Awaab's Law never reaches the PRS.

2 Build a 24-hour response capability

A contractor panel that can attend an emergency within 24 hours, and an out-of-hours reporting route for tenants. If you do not have this, find out now what it costs — not on the day the regulations commence.

3 Send written summaries as a habit

The "written summary of findings to the tenant" duty is the most commonly missed in social housing. It is also the easiest to adopt early, and it materially reduces disputes — a tenant who has been told what was found and what happens next complains far less.

❹ Agree the money question with landlords in writing

Who authorises a 24-hour emergency call-out, up to what value, and who pays for alternative accommodation? Settle it in the agency agreement now. In an emergency you will not have time to get an answer, and acting without authority is its own problem.

❺ Inspect proactively for damp and mould

Periodic inspections with photographs. Damp and mould cases are almost always visible before they are reported, and a landlord shown a photograph in March spends less than a landlord served a notice in November.

ProPixa tip — the timestamp, and the triage

ProPixa was built around this shape of problem. A tenant photographs the fault in their free app; the report is timestamped against the tenancy the moment it is sent, so "when were we told" is never a question. Before it reaches you, the AI suggests two or three safe things to check — which quietly removes a share of the call-outs that turn out to be a switch — and if it is real, it arrives already tagged with the trade needed, a likely cause and a cost band, with a message drafted ready to send to a tradesperson. That is the difference between reading forty repair emails a week and reading forty triaged jobs.

The duties that already apply

None of the above displaces existing repairing obligations. Section 11 of the Landlord and Tenant Act 1985 still requires the landlord to keep the structure, exterior and installations for water, gas, electricity, sanitation, space heating and water heating in repair. The Homes (Fitness for Human Habitation) Act 2018 still gives tenants a direct route to court where a property is unfit. HHSRS enforcement by the local authority still exists. Awaab's Law adds timescales; it does not create the duty to repair.

Common questions

Does Awaab's Law apply to our managed properties today?

No — not unless you manage social housing stock. For the private rented sector the provisions exist in the Act but have not been commenced, and no date has been set.

A tenant says the mould is condensation from their lifestyle. Where does that leave us?

Investigate anyway, and put the findings in writing. "Lifestyle" as a first response is what the Awaab Ishak inquest criticised most sharply, and a landlord defence built on it without an inspection will not survive.

Who is liable if a landlord refuses to fund an urgent repair?

The landlord owes the repairing duty. Your exposure is what you did about it: advise in writing, record the refusal, and escalate. An agent who quietly let it drop is in a much worse position than one with a paper trail.

LICENSING

HMO and selective licensing: what to check before you market

Licensing is local, it changes without much warning, and letting an unlicensed property is one of the few things that can cost your landlord up to two years' rent. Checking takes ten minutes.

> **The quick answer:** Three regimes. **Mandatory HMO licensing** applies nationally to houses in multiple occupation with five or more occupants forming two or more households. **Additional licensing** extends HMO licensing to smaller HMOs in a designated area. **Selective licensing** can require a licence for *any* private rental in a designated area. All three are set by the individual council, so the only reliable check is the council's own website, by postcode, before you market.

The three regimes

Regime	What it catches
Mandatory HMO	England-wide. Five or more occupants forming two or more households, sharing a facility such as a kitchen or bathroom. No storey threshold since 2018.
Additional HMO	Council-designated. Typically catches three- and four-person HMOs in a defined area or ward.
Selective	Council-designated. Can require a licence for *every* privately rented home in the area, including a single-family let.

The consequences of getting this wrong land on the landlord — and on you. Operating an unlicensed property is a criminal offence, carrying an unlimited fine on prosecution or a civil penalty of **up to £40,000**. Rent Repayment Orders of **up to two years' rent** are available for offences committed on or after 1 May 2026. And a Rent Repayment Order **cannot be made against an agent** — so the landlord repays up to two years of rent and then looks at whoever was supposed to be checking. That is a professional negligence claim of real size.

Checking before you market

1 Check the council's designations by postcode

Every council publishes its additional and selective designations, usually with a street or ward list. Designations run for a maximum of five years and are renewed, varied or dropped — so a check you did two years ago is not a check.

2 Count occupants and households, not bedrooms

The mandatory HMO test is people and households. A four-bedroom house let to five sharers is an HMO; the same house let to a family of six is not.

3 See the licence, not the assurance

Ask for the licence document and read its conditions — occupancy limits, amenity standards, fire safety requirements, and often a requirement to notify the council of a change of manager. A landlord saying "yes it's licensed" is not evidence.

4 Watch the expiry, and the household count

Licences run for a fixed period, usually five years. And a property can drift into a licensing regime without anyone doing anything — a couple splits, a lodger arrives, a four-person house becomes five. Re-test on every change of occupancy.

Licence conditions are your operational problem

Most agents check whether a licence exists and stop there. The conditions are where the enforcement happens: maximum occupancy, room sizes, fire doors and alarms, waste arrangements, and the requirement to supply certificates on request. Breaching a condition is a separate offence from operating unlicensed, and it is much easier for a council to prove.

Note too that where a property is licensed, a smoke alarm failure is not just a £5,000 remedial notice matter — it is likely also a licence breach, with a far larger penalty attached.

ProPixa tip — put the licence in the property record

Licence number, issuing council, expiry date, permitted occupancy, and a copy of the conditions — stored on the property, not in a folder named after the landlord. ProPixa treats the licence like any other expiring document: it holds it, reads the date and warns you before renewal is due. The renewal window is when councils inspect, and being ready is cheaper than being caught out.

Common questions

Whose job is it to hold the licence — landlord or agent?

The licence is held by the landlord or the manager, and the licence names a person responsible. If your agency is named as manager, the licence conditions are your legal obligations, not just your client's. Know which you have agreed to before you accept the instruction.

The landlord has applied but the licence hasn't been granted. Can we let?

A duly made application generally provides protection while it is determined — but the protection depends on the application being valid and complete. Get written confirmation from the council that the application has been received and is duly made, and keep it on the file.

Does selective licensing really cover ordinary family lets?

Yes, in a designated area. That is what makes it dangerous — agents check HMO status by instinct and never think to check a two-bed terrace. Check by postcode, every time.

PART FIVE

Running the agency

Fees, margins and the systems underneath

COMMERCIAL

Agency fees: what UK letting agents actually charge in 2026

There is no official statistical series for letting agent fees, which is why every article on the subject is vague. The one reliable source is the fee schedules agents are legally required to publish — so that is what this chapter uses.

The quick answer: Mainstream full management runs **12–15% + VAT (14.4–18% including VAT)**. London and the national brands sit at **15–17% + VAT (18–20.4% including)**, with prime central London at the top of that. Tenant-find is typically **around one month's rent**. Rent collection sits between, around **5–10%** of monthly rent. Because VAT on residential lettings is irrecoverable for the landlord, **the inclusive figure is the real cost**.

Where these numbers come from. ONS and MHCLG do not collect agency fee data, and HomeLet's index measures rents rather than fees. The figures below come from agents' own statutorily published fee schedules — the strongest evidence available — plus dated market reviews. Every one is a published figure, not an estimate.

Published schedules, mid-2026

Agent	Tenant-find	Rent collection	Full management
Foxtons London	11% + VAT (13.2% inc) year one	—	Management **6% + VAT** on top of the letting fee — **17% + VAT (20.4% inc) in year one**, falling to **15% + VAT (18% inc)** sole agency from year two
Leaders South of England	1 month's rent + VAT	13% + VAT (15.6% inc)	**15% + VAT (18% inc)**
Belvoir Manchester Central	1 month's rent + VAT	—	**12% + VAT (14.4% inc)** plus £399 + VAT letting fee

The pattern across the wider market is consistent: full management from **14.4% to 20.4% including VAT**, with the large national brands at 18–20.4% and independents at 12–14.4%. London sits roughly four to six percentage points above regional independents.

The charges beside the percentage

The headline percentage is rarely the whole schedule. Published extras across those same agents include:

Set-up / letting fee. From £399 + VAT to 1.8 weeks' rent with a minimum around £690.

Tenancy agreement. Up to around £450.

Inventory. Roughly £75 + VAT to £210, depending on property size and region.

Deposit registration. £25 + VAT to around £114.

Check-out. Around £100–£150.

Section 13 rent increase notice. £30 to £300 including VAT.

Monthly compliance fee. £11.40 to £48 including VAT.

Repair mark-up. Commonly 10–14.4% on contractor invoices.

AML / ID check. Around £30.

The VAT point, and it is a legal one

Section 83 of the Consumer Rights Act 2015 requires your published fee list to state each fee **inclusive of any applicable tax**. In practice agency agreements and verbal quotes are routinely pitched ex-VAT — "12% plus VAT" — and that is fine in a conversation but non-compliant on a published list.

It also misleads landlords, because VAT on residential lettings is irrecoverable for them. 12% + VAT is 14.4% of their rent; 15% + VAT is 18%; 17% + VAT is 20.4%. The inclusive number is the money that leaves their account, and an agent who leads with the exclusive one is setting up a difficult conversation at the first statement.

What this means if you are pricing your own service

- **Know where you sit.** If you are a regional independent at 12% + VAT competing against a national brand at 17% + VAT, that is a 6 percentage point gap and it is your whole marketing message.
- **Extras are where margin has migrated.** Monthly compliance fees and repair mark-ups have grown precisely because the headline percentage is the thing landlords compare. That is a legitimate structure — as long as it is fully published, because a landlord who discovers it later remembers.

- **Renewal fees are under pressure.** With every assured tenancy now periodic, a renewal fee is harder to justify because there is often nothing to renew.
- **Your software cost per property matters more than it used to.** At £5 per property per month against a management fee of, say, £180 on a £1,200 rent, software is under 3% of the fee. Worth knowing when you price, and worth knowing when you are told a cheaper system will save you money.

> **ProPixa tip — publishing is a strategy, not just a duty**
>
> Most of this market hides its prices, which is why writing this chapter required reading individual agents' fee schedules one at a time. That opacity is an opportunity. Agents who publish clearly and honestly get compared — and increasingly get *found*, because AI assistants can only quote a price they can read. ProPixa publishes its own for the same reason: £5 per property a month, £50 monthly minimum, £4 beyond 50 properties, £3 beyond 150, tenants always free.

Common questions

Is there a "standard" management fee?

No, and anyone quoting one is generalising. The honest answer to a landlord is a range, with your own figure and what it includes stated plainly against it.

Should we charge a set-up fee or build it into the percentage?

Commercially either works. Legally, whatever you choose must appear on the published list inclusive of VAT. Practically, landlords compare percentages, so a set-up fee is easier to defend than a higher headline — but only if you disclose it up front rather than at invoice.

Can we mark up contractor invoices?

Yes, if it is disclosed on your published fee list and in your agency agreement. Undisclosed mark-ups are a redress complaint waiting to happen, and the schemes take a dim view of them.

BUYER'S GUIDE

Letting agent software: how to choose the right one

Most of this market will not tell you what it costs. Here is what the software should actually do, what the published prices are, and an honest account of where ProPixa wins and where it does not.

> **In short:** Good agency software tracks rent, stores documents, warns you before certificates expire, handles repairs, and gives tenants somewhere to report faults. Judge any option on **whether it actually reminds you, whether your team will really use it, whether the tenant is included, how it handles client accounting, and the true price per property**. And note that a great many suppliers will not tell you the last one without a sales call.

The honest problem with this market

Reapit, Alto, Jupix, Goodlord, PropCo, Veco, AgentOS and Street all put pricing behind a sales conversation. That is their right, and it makes the market genuinely hard to shop — you cannot compare three products in an evening, you have to book three demos and wait a fortnight.

Published prices, August 2026

Platform	Published price	Per unit
Arthur Online — Standard	From £82.50/month, includes 55 units	£1.50
Arthur Online — Professional	From £96.00/month, includes 60 units	£1.60
Arthur Online — Enterprise	From £126.00/month, includes 70 units	£1.80
LettingGuru	£299/month + £1.50 per property AI receptionist: +£79/month	£1.50 + fixed fee
ProPixa	£5 per property/month, £50 monthly minimum £4 beyond 50 properties, £3 beyond 150	£5
Reapit, Alto, Jupix, Goodlord, PropCo, Veco, AgentOS, Street	*Not published — quote on request*	

What that means for a 50-property agency

Platform	Monthly
Arthur Online Standard *(50 units sits inside the 55 included)*	**£82.50**
ProPixa	**£250.00**
LettingGuru *(£299 + 50 × £1.50)*	**£374.00**
LettingGuru with AI receptionist	**£453.00**

Arthur Online is cheaper than ProPixa per unit, and we are not going to pretend otherwise. If your only requirement is core property management at the lowest possible monthly figure, Arthur is a mature product with years of client accounting behind it and it costs less than we do. That is a real answer and you should take it seriously.

So why is ProPixa more?

Because the per-unit price is not the whole bill. The question worth asking is what you would otherwise buy separately.

Included in the base price	Arthur Standard	ProPixa
Maintenance module	Yes	Yes
Finance module	Yes	Rent tracking and MTD records
Compliance tracking	Yes	Yes — with automatic expiry reminders
Unlimited storage	Yes	Yes
Tenant app	Not listed on the Standard tier	Yes — and tenants never pay
AI repair triage	Not listed	Yes, in the base price
Vetted trades marketplace with escrowed payment	Not listed	Yes
Property advertising	Not listed	Yes

Arthur's Standard tier is described on its own pricing page as including unlimited storage, maintenance, finance and compliance. Where we have written "not listed", we mean exactly that — it is not named on the published tier, and you should confirm with them rather than take our word for it.

The five questions worth asking any supplier

- **Does it actually remind you?** Storage is not enough. You want alerts before deadlines, not a filing cabinet. This is the single biggest difference between software that saves money and software that stores documents.
- **Will the team really use it?** If it feels like accounting software, your negotiators will keep working out of their inboxes and the data will rot.
- **Is the tenant included, and at what cost?** Software that puts you and your tenants on the same page removes an enormous amount of phone traffic. Watch for per-tenant pricing.
- **How does it handle client accounting?** If you hold client money, your CMP scheme will audit your reconciliation. Ask exactly what the system produces and whether your scheme accepts it.
- **What is the real price per property?** Ask about per-user fees, per-tenant add-ons, tier jumps as you grow, onboarding charges, and whether you can export your own data if you leave. The last one tells you a lot about a supplier.

The AI point, specifically

AI in this market is usually an add-on. LettingGuru sells an AI receptionist at **£79 a month** on top of its base fee. ProPixa includes AI in the base price, and it does one concrete job rather than being a badge: a tenant photographs a fault and describes it; before the report is sent, the AI offers two or three safe things to check — which quietly kills a share of the "no hot water, oh the boiler switch was off" call-outs. If it is real, you receive it already tagged with the trade, the urgency, a likely cause and a cost band, with a message drafted ready to send to a tradesperson.

Which should you actually choose?

- **Arthur Online** if you want established, low-cost core property management with strong client accounting, and you already have your own systems for tenant communication and repairs.
- **ProPixa** if you want the tenant side, repairs, trades and compliance in the same place as everything else, and you would rather not run four subscriptions.
- **LettingGuru** if a fixed monthly platform fee suits you better than per-unit pricing and you want phone answering bundled in.
- **Ask Reapit, Alto, Jupix or Goodlord for a quote** if you are a larger agency with substantial client money handling and portal integration requirements. They are built for that, and we are not going to

pretend a £5-per-property product replaces a full agency platform on day one.

If you run one of the platforms listed here and we have your pricing or features wrong, email ***help@propixa.co.uk*** *and we will correct it. We would rather be accurate than flattering.*

THE EASY PART

Now let ProPixa do the remembering

You have just read nineteen chapters' worth of deadlines. Thirty days to protect a deposit. Fifteen days on a holding deposit and seven for the written reasons. Twenty-eight days for a gas record, twenty-eight for an EICR, twenty-eight for a pet request. Two months' notice on a rent increase, once in twelve. A follow-up right to rent check twelve months out. A licence expiring in four years' time.

The hard part was never understanding them. It is remembering them — on every property, every tenancy, every year, while the phone rings. That is the one thing software does better than any human.

ProPixa keeps your whole agency in one place: every property, tenancy, certificate, deposit and document, with expiry warnings that arrive **before** the deadline while there is still time to book someone. Rent tracked and reconciled. Repairs reported by tenants in their own free app, timestamped on arrival and triaged by AI before they reach you. Vetted, insured engineers bookable from the same screen you spotted the job on.

£5	£4	£3
per property / month	beyond 50 properties	beyond 150 properties

£50 monthly minimum · first two months free · no card charged today · tenants always free · pay yearly and save 10%

Start free today

Set up your first properties in minutes and let ProPixa watch the deadlines, so a missed date never costs you or your landlords again.

propixa.co.uk