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Date: Tuesday 28th August 2018

Kit Malthouse MP
Minister of State for Housing
Department for Housing, Communities and Local Government
2 Marsham Street
London
SW1P 4DF

Dear Minister,

Re: Tenant Fees Bill

London is home to 2.4 million private renters, many of whom are forced to not only pay extremely high rents, but also exorbitant deposits and fees each time they move home. The loss of a private tenancy also remains the single biggest cause of homelessness. Private renters, who we represent as Cabinet Members for Housing from across councils in London, cannot wait any longer for action on rip-off fees and for stronger rights.

The Tenant Fees Bill is an important opportunity to give security to private renters, by capping deposits and banning letting fees. However, we are concerned that the Bill as it is currently drafted creates loopholes that letting agents can exploit, and does not go far enough to protect private renters.

As you know, the draft Bill caps deposits at six weeks' rent, ignoring calls by charities, renters' groups and others for a lower cap to be introduced. We urge you to instead set this cap at three weeks' rent, and holding deposits at one day's rent, to reduce up-front costs for renters. This would reduce the risk of tenants struggling to manage their finances, but still give landlords and letting agents security.

We are also concerned that the draft Bill means private renters still face excessive letting fees. The Bill formalises letting agents' ability to charge renters for basic services, which should be covered by the management fee already paid by landlords. Fees could therefore be spread across an entire tenancy, rather than charged up-front, and renters could in fact end up paying even more than before. This would be a betrayal of private renters and contradict the Government's claims that fees would be banned.

London councils, along with the Mayor of London, have already been taking action against unscrupulous landlords and letting agents, including by imposing fines. We urge you to enable councils to further deter bad behaviour by increasing the penalties they can charge for illegal fees to £30,000, and by enabling tenants to directly claim back prohibited payments along with compensation worth up to three times the fee paid.

A number of London councils are seeing a rise in rogue letting agents switching to alternative business models, so they can avoid their obligations to tenants. In particular, these letting agents may identify as so-called membership clubs to avoid protecting deposits or request that tenants pay a 'fee' in place of rent. As

the Bill is currently drafted, more letting agents may pose as membership clubs to maintain they are not charging illegal letting fees. We therefore urge you to amend the Bill to deter this unacceptable practice, by making it easier to identify and prosecute letting agents that seek to avoid their responsibilities to tenants in this way.

If the Tenant Fees Bill is agreed in its current form, it could in fact open private renters up to new forms of exploitation. We urge you to take this opportunity to make these much-needed changes to the draft Bill when it returns to Parliament in September.

We look forward to your response.

Yours sincerely,

Cllr Diarmaid Ward, Executive Member for Housing and Development, London Borough of Islington

Cllr Stephanie Cryan, Cabinet Member for Housing Management and Modernisation, London Borough of Southwark

Cllr Martin Whelton, Cabinet Member for Regeneration, Housing and Transport, London Borough of Merton

Cllr Sirajul Islam, Deputy Leader and Cabinet Member for Housing, London Borough of Tower Hamlets

Cllr Paul Bell, Cabinet Member for Housing, London Borough of Lewisham

Cllr Dino Lemonides, Cabinet Member for Housing, London Borough of Enfield

Cllr Cameron Geddes, Cabinet Member for Regeneration and Social Housing, London Borough of Barking and Dagenham

Cllr Phillip O'Dell, Housing Portfolio Holder, London Borough of Harrow

Cllr Emina Ibrahim, Deputy Leader and Cabinet Member for Housing and Estate Renewal, London Borough of Haringey

Cllr Meric Apak, Cabinet Member for Better Homes, London Borough of Camden

Cllr Rachel Blake, Deputy Mayor and Cabinet Member for Regeneration and Air Quality, London Borough of Tower Hamlets

Cllr Peter Mason, Cabinet Member for Housing, Planning and Transformation, London Borough of Ealing

Cllr Louise Mitchell, Cabinet Lead Member for Housing, London Borough of Waltham Forest

Cllr Paul Gadsby, Cabinet Member for Housing, London Borough of Lambeth

Cllr Farah Hussain, Cabinet Member for Housing and Homelessness, London Borough of Redbridge

Philip Glanville, Mayor, London Borough of Hackney

Cllr Chris Kirby, Cabinet Member for Housing, Royal Borough of Greenwich

Cllr Alison Butler, Cabinet Member for Homes and Gateway Services, London Borough of Croydon

Cllr Lily Bath, Deputy Leader and Cabinet Member for Housing and Social Inclusion, London Borough of Hounslow

Cllr Eleanor Southwood, Lead Member for Housing and Welfare Reform, London Borough of Brent

James Murray, Deputy Mayor for Housing and Residential Development, Greater London Authority