

ADJUDICATION CASE STUDY

Ending a tenancy early



We offer an independent and impartial resolution service for landlords, agents and tenants who are unable to agree on how to distribute the deposit when the tenancy ends.

We look at a recent case and break it down. Our Head of Dispute Resolution, Suzy Hershman, helps you to understand our approach which in this case looks at ending a tenancy early.

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Deposit amount: £1,350

Amount in dispute: £1,200

What happened?

The tenant said:

- ✓ When they asked to leave their fixed term tenancy a few months early on 20 June 2020, the agent confirmed the landlord agreed, so they didn't think they would be responsible for any additional rent after this date
- ✓ While the agent said £900 would be payable in fees, they told them that they were not happy with this as it was an excessive amount

The agent responded:

- ✓ The tenancy was for a fixed term and it says in the tenancy agreement that where a tenant chooses to leave early, they are responsible for paying rent until a new tenant moves in
- ✓ The tenant was made fully aware of the conditions for leaving early and still moved out
- ✓ The fees are for finding a new tenant, including advertising and referencing

What evidence was provided? Tenancy agreement, tenant's bank statements, emails between agent and tenant, emails between agent and landlord in relation to arranging the new tenancy

What was decided and why?

- ✔ The email sent by the agent to the tenants in response to their request to leave, confirmed that the landlord was happy for the tenancy to end early on 20 June 2020
- ✔ In the same email the agent said that the tenant would need to pay the landlord's costs of £900 which would go towards re-letting the property, including a referencing fee of £75 and £200 marketing costs
- ✔ It was clear from the tenants rent statements that rent was paid up to 20 June 2020, as agreed. As such there was no responsibility on the tenant to pay any more rent and the adjudicator could make no award
- ✔ In relation to re-letting fees, as the tenancy ended after the Tenant Fees Act transition period, the Tenant Fees Act rules applied
- ✔ The only breakdown provided was for referencing and re-marketing fees as a result of the early termination, which the adjudicator found reasonable and these were awarded. With no other supporting evidence, the claim for additional fees was unsuccessful

Decision: Tenant £925, Landlord £275

How can you avoid this happening in future?

- ✔ Had the landlord made it clear, in writing, that rent would be payable until a new tenant moved in, then a rent claim may have succeed
- ✔ Under the Tenant Fees Act 2019, early termination fees are a 'permitted' fee; however there are restrictions
- ✔ Early termination fees must be reasonable and only reflect the actual loss suffered by the landlord
- ✔ A tenant must be clearly told at the time of negotiating the early release how much they would be expected to pay and best practice would be to provide a clear breakdown on what the charges relate, to for transparency
- ✔ Providing evidence of costs which are charged to a tenant will be allowed as long as they are reasonable
- ✔ Bear in mind that if you have no evidence of costs, they will not be enforceable

For more information on the Tenant Fees Act, please read our [FAQs](#)

For more information on early termination fees, please see our [guide to early termination fees](#)

Note: All ADR services recongise that dispute cases vary, therefore the outcome will depend on the interpretation of the evidence presented.

Authorised by:



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