

Your Holding Deposit Explained

What is a Holding Deposit?

A holding deposit is a payment made by a prospective tenant to reserve a rental property before the signing of a tenancy agreement. It shows your serious intention to proceed with the tenancy.

Amount of the Holding Deposit

In accordance with the Tenant Fees Act 2019 (England), the maximum holding deposit we can request is equivalent to one week's rent. This amount is calculated as:

Monthly rent x 12 ÷ 52 = One week's rent

Purpose of the Holding Deposit

Once paid, the property will be taken off the market while we carry out referencing and prepare the tenancy agreement. During this period, no other applications will be considered for the property.

It is important that you know your legal rights and accordingly you should feel free to seek independent legal advice before agreeing to this or indeed any other document which we might put before you.

How Long Will the Property Be Held?

We will usually hold the property for up to 15 calendar days, unless another date is agreed in writing. This is known as the "deadline for agreement."

What Happens to the Holding Deposit?

If the tenancy proceeds, the holding deposit will be deducted from the first month's rent.

When Might the Holding Deposit Be Retained?

We may retain the holding deposit if:

- You provide false or misleading information during referencing
- You fail a Right to Rent check
- You withdraw from the proposed agreement
- You fail to take reasonable steps to enter into the tenancy by the deadline

We will provide written reasons if the holding deposit is retained.

When Will the Holding Deposit Be Refunded?

If the tenancy does not proceed for reasons outside of your control (e.g. the landlord withdraws), the full holding deposit will be refunded to you within 7 calendar days.

Important Notes:

- Payment of a holding deposit does not guarantee the tenancy will be granted.
- All references and checks must be satisfactory to proceed.
- You must be able to provide valid identification and proof of right to rent in the UK.

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By paying the holding deposit, you are confirming that you have read and understand the contents of this 'Your Holding Deposit Explained' document.

If you have any questions about the holding deposit or tenancy process, please do not hesitate to contact us.

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