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ASA sets deadline for letting agents to be up-front about fees

10 September 2013

We've given letting agents and private landlords until 1 November to ensure they prominently include information about non-optional fees in their ads for rental properties. This will help prospective tenants to make more informed choices and avoid being misled.

Non-optional fees, such as administration fees, charges for inventories and reference checks, can add a significant amount to the cost of moving into a property. It's unfair if these costs are not clearly stated up-front. Residential lettings agents that aren't already doing so must now make changes to ensure non-optional fees are clear on their websites, and in other media.

In practice this means that non-optional fees that can be calculated in advance will be included with the quoted asking rent. So, when an agent charges a non-optional fee that does not change according to individual circumstances, e.g. a fixed admin fee of £150 per tenant, ads should state "£1500pcm + £150 admin fee per tenant" or similar.

If, however, the non-optional fees and charges cannot be calculated in advance, and are excluded from quoted prices, the advertiser must make this clear in the ad, and provide enough information to allow consumers to establish easily how further charges will be calculated.

Where the advertiser is limited for space, for example in a tweet or in a sponsored search, they will provide information on additional fees through a prominent statement on either the website, a link or via a pop-up. Property portals will make clear when additional fees may apply by inserting a hyperlinked "fees apply" statement, which will link to general information about the range of fees that could apply.

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This new requirement follows a ruling we made in March, which highlighted the need for more transparent pricing across the sector. In establishing this new position, we've worked closely with bodies such as the Association of Residential Lettings Agents (ARLA) and The Property Ombudsman (TPO) and written to letting agents and private landlords to outline the new requirements.

We'll be monitoring ads across media to ensure changes are made following the 1 November deadline. The Committee of Advertising Practice is producing guidance as well as providing free, expert advice for advertisers who want to check their ads stick to the rules.

ASA Chief Executive, Guy Parker said: "Renting is a big financial commitment and it's simply not fair to hide extra charges. This practice hits tenants in the pocket at a time when they need every penny they've got. But this isn't just an important win for them. It will also benefit letting agents and private landlords because their customers will trust them more when they're up-front about non-optional fees."

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