

HOLDING DEPOSIT

The position of the landlord in respect to taking a property off the market [reserved to a prospective tenant] is commonly protected by the taking of a holding, or reservation deposit. Such a deposit indicates the prospective tenant's commitment to renting the property, as the undertaking of reference checks.

REFERENCE CHECKING may include a credit check, previous landlord's reference, employment status and references and may take up to 7 days to complete. Please note the admin fee of £20 will be charged to cover reference checks.

A holding deposit of one week of the rental value of the property is required in order to reserve the property and remove it from our availability list. All of the holding deposit will be non refundable if the prospective tenant withdraws from the proposed letting, through no fault of the landlord/agent or if the prospective tenant provides fraudulent references. If the prospective tenant provides false or inaccurate information and the landlord suspects or identifies fraud he will record this and may also pass this information to fraud prevention agencies and other organisations involved in crime and fraud prevention.

If the landlord changes its mind before a tenancy is signed all it is required to do is to refund the holding deposit to the prospective tenant.

The holding deposit shows good faith on the part of a prospective tenant enabling the landlord to take further action in the confident knowledge that the applicant is serious and fully committed to the property. The landlord agrees to:

- Cancel any advertising for the letting
- Tell other applicants that the tenancy has been taken subject to satisfactory references
- Take up references
- Prepare a letting agreement

Every prospective tenant is always advised about these conditions on payment of the deposit; and therefore the prospective tenant is not entitled to reclaim repayment of the deposit from the landlord/agent. Holding deposits are not subject to statutory tenancy deposit protection.

IF THERE IS ANYTHING ABOUT WHICH YOU ARE UNSURE YOU SHOULD SEEK INDEPENDENT LEGAL ADVICE FROM A SOLICITOR OR CITIZENS ADVICE BUREAU.