A holding deposit must be no more than one week's rent otherwise it will be a prohibited payment under the Tenant Fees Act 2019.

Tenant pays holding deposit to landlord

A security deposit must be no more than five weeks' rent otherwise it will be a prohibited payment under the Tenant Fees Act 2019.

Tenant signs tenancy agreement and pays the deposit to the landlord

A relevant person for the purposes of prohibited payments is defined under the Tenant Fees Act 2019 as 'a tenant, or a person acting on behalf of, or who has guaranteed the payment of rent by, a tenant'.

Landlords/agents must not accept a prohibited payment from a relevant person or invite or encourage a relevant person to make a prohibited pretenancy payment of rent

## Period 1

This is the period before the tenancy is "entered into"

Landlord signs and dates the agreement. The tenancy is "entered into" on the signing/dating of the agreement

This is the permitted pre-tenancy period during which the landlord can ask the tenant to pay and accept the initial rent - it ends on the day before the first day of the tenancy.

The initial rent is the rent payable for the first rent period - it must not be more than the rent of a rent period but it can be shorter than for subsequent rent periods

First day of the tenancy - the tenant moves into the property and tenancy commences

The tenancy has commenced. A landlord cannot require rent to be paid before the first day of a rent period (i.e. in advance) and any clause in the tenancy agreement requiring advance payments will be unenforceable once the tenancy is entered into. Landlords can accept early payment if made voluntarily by the tenant. Any such payment will not be a prohibited payment provided it has not been requested or demanded

## Period 2

The tenancy is "entered into" - it is unclear as to what "entered into" means as it is not defined in statute. The earliest date this could be is the date both parties sign the tenancy agreement. The latest date would be the date the document is completed (i.e. dated and enforceable). Therefore until further guidance is released on this we would recommend that landlords use the date of completion as the "entered into" date (as described above). We would recommend including a definition in the tenancy agreement that the tenancy agreement is "entered into" on the date it is dated.

## Period 3

Tenancy period

This is not a defined period as fixed-term is no longer permitted