

Carl Sargeant AC/AM  
Ysgrifennydd y Cabinet dros Gymunedau a Phlant  
Cabinet Secretary for Communities and Children



Llywodraeth Cymru  
Welsh Government

Eich cyf/Your ref P-05-734  
Ein cyf/Our ref CS/06110/16

Mike Hedges AM  
Chair - Petitions Committee  
National Assembly for Wales  
Ty Hywel  
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January 2017

Dear Mike

Thank you for your letter of 7 December regarding the Petition the Committee has received from Shelter Cymru requesting the Banning of Letting Agents Fees to Tenants.

I am fully aware of the campaign which is led by Shelter Cymru and the wide support for such a ban amongst Assembly Members. Indeed the spotlight fell on the issue again very recently following the Chancellor's announcement in the Autumn Statement that England would be consulting on introducing a ban early in the New Year.

The Welsh Government is committed to ensuring a fair deal for private sector tenants. Most recently we have introduced the Renting Homes (Wales) Act 2016 and Rent Smart Wales, both of which will benefit tenants. We are very much leading the way in cracking down on rogue agents and landlords and working to raise standards in the sector.

Nevertheless, I am concerned about the bad practices of some letting agents who are charging extortionate fees to tenants, who very often are in no position to refuse to pay such fees and agree they must be stopped. Some of the examples we hear about are simply shocking and action is required to tackle this.

I appreciate there are many good letting agents operating across the country and that many of their fees are legitimate and necessary in recouping business costs for the services they provide. Therefore any measures introduced to stop the charging of letting agent fees to tenants needs to be carefully considered. They must be proportionate and effective, and must not result in unintended consequences or simply create new problems in their place.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

I have already made a commitment to review the evidence currently out there, before deciding what action we should take in Wales. We will take into account the effect of the Scottish legislation. We will also be reviewing the proposals in England, taking into account the findings of their consultation which is due to be held in the coming months.

We must also consider the impact of the different route we have taken in Wales, by introducing Rent Smart Wales and whether this will impact on how we approach any further regulation of the sector. In summary, whilst I agree action is needed to address this issue, I am reluctant to go rushing into legislation without carefully studying all the evidence and thinking through the potential consequences first.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Carl Sargeant', written in a cursive style.

**Carl Sargeant AC/AM**

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