



Terms and Conditions of Business

Terms of Business



PLEASE SIGN AND RETURN THIS DOCUMENT TO HENRY ADAMS AS SOON AS POSSIBLE

Agreement of Terms and Conditions of Business for Residential Letting Agency

BETWEEN

Henry Adams (Horsham Lettings) LLP of 6 Carfax, Horsham, West Sussex, RH12 1DW (Hereinafter referred to as 'the Agent') and ***** and their successors in title (Hereinafter referred to as 'the Landlord')

IN RESPECT OF

The property referred to as –

(Hereinafter referred to as 'the Property')

1.0 Authorisation of Instruction

- 1.1 I / We as sole / joint legal owners(s) of the above stated property hereby appoint Henry Adams (Horsham Lettings) LLP of 6 Carfax, Horsham, West Sussex, RH12 1DW to act as our Agents in connection with the letting of the Property and in accordance with the terms and conditions herein.
- 1.2 The property shall be initially advertised at a calendar month rental figure of £.....
- 1.3 I / We hereby confirm instructions for the Agent to provide the following service level, full details of which are set out in the Schedule attached: (tick one box as appropriate).

Full Management - ☐

Rent Administration - ☐

Tenant Introduction - ☐

- 1.4 I / We agree to the Agent's charges as specified in the schedule attached and accept that in the event of our withdrawing instructions after the date of signature below, I / We will pay the Agent a fixed fee of £250 plus expenses incurred plus VAT if terms have been agreed for a tenancy of the property but the tenancy has not yet been executed. We agree that the Agent may review and amend the quoted fees and management rates during the course of the tenancy by giving not less than 3 months' notice in writing of the intention to do so to be concurrent with the end of the tenancy dates.
- 1.5 I / We indemnify the Agent (where instructed as managing agents only) for all costs incurred as a result of any emergency situation, acting in my / our best interest(s) at their absolute discretion. I/we authorise the

Henry Adams Lettings (Horsham and Haywards Heath)
Registered Office: 50 Carfax, Horsham, West Sussex, RH12 1BP. VAT Reg: 938693467

Agent to complete any necessary works up to the value of £250 + VAT (£300 Inclusive of VAT) without reference to me/us on the understanding that the Agent will exercise absolute discretion at all times.

- 1.6 I / We authorise the Agent to photograph, advertise and erect a To Let Board at the Property and hereby grant consent for the Agent to use this material for subsequent marketing purposes.
- 1.7 I / We agree that I / We will be responsible for obtaining permission to let the Property from my / our mortgage lender; I / We will also advise our insurers of our intention to let and, where applicable, the managing agents of the freehold if the Property is held leasehold I/We agree to provide a copy of the head lease to the Agent prior to the letting of the Property
- 1.8 If we have requested a Tenant Introduction service only under 1.3 above, I / We agree to arrange for all utility meters to be read and to settle all utility and council tax accounts. I / We shall arrange for all post to be forwarded to an alternative address and agree that if the Agent incurs additional costs as a result of our failure to comply with this undertaking we shall be liable for these costs which shall be invoiced to us on a time basis
- 1.9 I / We authorise the Agent to sign any tenancy agreement relevant to the Property on the landlords behalf.
- 1.10 I / We confirm that we are **RESIDENT / NON-RESIDENT** in the United Kingdom for tax purposes. [delete as applicable] In the case of the latter I/We undertake to obtain a non-resident landlord form (NRL1) from HM Revenue and Customs and return it to them fully completed.

2.0 Definitions

In these Terms and Conditions of Business the following expressions have the corresponding meanings:-
The "Tenant" is the named Tenant, or Tenants, on the Tenancy Agreement of the Property who remain in occupation of the property.
The "Tenancy" shall be read and construed accordingly and includes renewals or tenancy extensions.
The "Rent" is the rental amount specified in the Tenancy Agreement.
The "Deposit" is the sum paid by the Tenant as security for the performance of their obligations as defined in the tenancy agreement.
The "Stakeholder" is the Agent who holds the deposit as Stakeholder so that no deductions can be made from the deposit without the consent from both parties, the consent of the court or an adjudication decision from The Dispute Service

3.0 The Landlord's Obligations

- 3.1 The Landlord hereby warrants to the Agent that all furniture and furnishings in the Property fully comply with the **Furniture and Furnishings (Fire) (Safety) Regulations 1988, as amended.** The Landlord agrees that any non-compliant furniture or furnishing items will be removed from the Property prior to the commencement of the Tenancy. The Landlord accepts that should such items not be removed, the Agent reserves the right to arrange their disposal and recover the cost thereof from the Landlord.
- 3.2 Where there is a gas supply to the property, the Landlord hereby agrees to provide the Agent with a Gas Safety Record in accordance with the **Gas Safety (Installation and Use) Regulations 1998.** Such Record must confirm that all gas appliances, flue and pipe work have been checked by a qualified GAS SAFE registered engineer. The Landlord agrees to provide the Agent with a Gas Safety Record a minimum of **5 days** prior to the commencement of the Tenancy and accepts that should such Gas Safety Record not be delivered to the Agent, the Agent reserves the right to instruct a qualified GAS SAFE registered engineer to carry out the Gas Safety Check at the Landlord's expense. The Agent will present such Records to the Tenants at the commencement of the tenancy.
- 3.3 The Landlord hereby warrants to the Agent that all electrical appliances have been **Portable Appliance Tested (PAT)** and all electrical wiring, plugs, sockets and fuse boxes/consumer units in or on the Property are in safe, working order and have been checked by a qualified electrical engineer and comply with the **Electrical Equipment (Safety) Regulations 1994.**
- 3.4 The Landlord hereby agrees to provide the Agent with a valid **Energy Performance Certificate (EPC).** The EPC needs to be in place prior to the commencement of marketing the property. The Landlord accepts that should the EPC not be provided to the Agent, the property cannot be marketed, and this is in accordance with government legislation. The Agent will include the EPC on property details which are available to

persons viewing the property, and reserves the right to charge an administration fee for arranging the EPC in the event of the Landlord failing to provide one

- 3.5 In order to comply with the Taxes Management Act 1970 and Finance Acts 1994-95 the Landlord undertakes to notify HMRC of the Tenancy. The Landlord accepts that:-

3.5.1 The Agent is legally obliged to supply HMRC, on request, with the details of rent and other payments arising from the Property and that where the Landlord resides abroad, HMRC will hold the Agent responsible for the payment of any tax liability which arises on rents collected by the Agent on the Landlord's behalf, unless an exemption certificate is provided by the HMRC in accordance with the Finance Act 1995.

3.5.2 Where no certificate has been provided, the Agent is legally bound to deduct tax at the appropriate rate from rent collected on the Landlord's behalf and hold the amount so deducted to the Landlord's credit until the taxation liability has been agreed.

The Landlord indemnifies the Agent against all payment of tax, interest thereon or penalties levied on or made by the Agent and the costs of dealing with any case issued by HMRC. The Landlord agrees to pay the Agent any shortfall of such monies together with interest at 3% above Barclays Bank Plc base lending rate in force on a daily basis from the due date of payment by the Agent until reimbursement is fully made.

- 3.6 Premium Leases – Should the Landlord enter into a premium lease whereby the Tenant pays the whole rent in advance, the Agent's full term fees are payable for the service required at the start of the Tenancy.

- 3.7 **Sale of the Property to a Tenant or third party** - Where a Tenant or any Third Party introduced to the Landlord by the Tenant or the Agent purchases the Property, whether currently occupied (or previously occupied) by the Tenant, or within 6 months of the expiry of the Tenancy, the Landlord undertakes to inform the Agent immediately and pay a fee to the Agent of 1.5% (1.8% Inclusive of VAT) of the price paid for the property by the Tenant or third party such sum to be invoiced by the Agent to the Landlord's solicitor/conveyancer and payable out of the sale proceeds in full within one month of invoice date.

Where the Landlord sells the Property to a Third Party, he shall remain liable for the Agent's fees in accordance with 4.1 below until the new Owner agrees to honour all fees and terms and conditions of business agreed between the Agent and the original Landlord.

- 3.8 The Landlord agrees to respond promptly to requests for instructions and correspondence from the Agent with regards to the rental property and will supply an alternative contact and details if necessary due to them being unavailable for a prolonged period.

- 3.9 The Landlord indemnifies the Agent from and against any and all loss, damage or liability (Whether Criminal or Civil suffered) and legal fees and costs incurred by the Agent in the course of conducting the services detailed in these Terms and Conditions and resulting from:

- a) Any acts of neglect or default of the Landlord, their employees or licensees.
- b) Any successful third party claim in respect of any matter arising from the Agent conducting the services detailed in these Terms and Condition provided that such liability has not been incurred through any material default by the Agent in carrying out the said services.

- 3.91 The Landlord confirms that the property is safe with regards to precautions taken to control Legionnaires Bacteria in water systems. The Landlord confirms that all water outlets have been tested and meet the legal requirements as stated by the Health and Safety Executive.

4.0 Payment of Fees

- 4.1 The Landlord/s shall be liable to pay the Agent's fees set out in the Schedule hereto.

- 4.2 Value Added Tax will be charged in addition to all fees and commissions.

- 4.3 The Landlord shall be liable to pay the Agent's fees in respect of the entire tenancy period during which the Tenant introduced by the Agent is in occupation of the Property or any other premises owned by the Landlord.

- 4.4 Fees are payable upon receipt of rental monies from the Tenant out of such monies received. Any outstanding balance on fees not covered by such monies shall be invoiced by the Agent to the Landlord and payable within one month of invoice date.
- 4.5 The Agent reserves the right to charge for additional or special services which are required by a Landlord which fall outside of the normal service levels agreed. These may include special appointments outside normal office hours, unoccupied supervisory visits, sourcing specialist consultancy services or quotes/reports and are subject to individual negotiations between the Agent and the Landlord/s. Additional visits to the property by the Agent, upon instruction from the Landlord, will be charged at £25.00 plus VAT.
- 4.6 **Upon any extension of a tenancy, an administration renewal fee of £50 plus VAT (£60 Inclusive of VAT) will be payable by the Landlord to the Agent.**
- 4.7 Where the Agent is required to instruct a qualified GAS SAFE registered Contractor to provide a Gas Safety Record, the Landlord will pay the costs of the works in advance plus an administration fee of £25.00 to the Agent. (The administration fee only applies to the first Gas Safety Check and Record, there will be no administration charge levied for arranging all subsequent gas checks).
- 4.8 The Agent reserves the right to charge an appropriate additional amount for the inventory of excessively furnished and equipped properties.
- 4.9 The Agent reserves the right to charge an appropriate amount for other services including the re-direction of post, overseas telephone calls and faxes, the supervision of any major building or decorative works, processing insurance claims and management services agreed with the Landlord when the Property is unoccupied
- 4.10 All monies received in respect of both the Deposit and rent from the Tenant on behalf of the Landlord will be held by the Agent in a client account at Barclays Bank, Chichester Branch or such other bank as the Agent may designate and any interest earned thereon shall belong to the Agent.
- 4.11 Where terms have been agreed by the Agent between the Landlord and a prospective tenant for the letting of the property and the Landlord does not proceed with completing the tenancy, he shall be liable for the administration costs incurred by the prospective tenant and also any additional administration fees charged by the Agent

5.0 Agent's Obligations

At all times to provide the services detailed in the Schedule hereto as selected by the Landlord at 1.3 above.

6.0 Management of the Deposit at end of the Tenancy

The Landlord hereby agrees that at the end of the Tenancy the Deposit will be dealt with as set out below and that the Agent will charge for these services where appropriate as set out in the Schedule:-

If there is no dispute the Agent will keep any amounts agreed as deductions where expenditure has been incurred on behalf of the Landlord, or repay the whole or the balance of the Deposit according to the conditions of the Tenancy Agreement with the Landlord and the Tenant. Payment of the Deposit will be made within 10 working days of written consent from both parties.

If, after 10 working days following notification of a dispute to the Agent and reasonable attempts have been made in that time to resolve any differences of opinion, there remains an unresolved dispute between the Landlord and the Tenant over the allocation of the Deposit it will (subject to the paragraph below) be submitted to The Dispute Service Ltd ('TDS') for adjudication. All parties agree to co-operate with any adjudication.

The Tenancy Agreement shall provide that when the amount in dispute is over £5,000 the Landlord and the Tenant agree to submit the dispute to formal arbitration through the engagement of an arbitrator appointed by the TDS although, with the written consent of both parties, the TDS may at its discretion accept the dispute for adjudication. The appointment of an arbitrator will incur an administration fee, to be fixed by the Board of TDS from time to time, shared equally between the Landlord and the Tenant. The liability for any subsequent costs will be dependent upon the award made by the arbitrator.

The statutory rights of either the Landlord or the Tenant(s) to take legal action against the other party remain unaffected.

It is not compulsory for the parties to refer the dispute to TDS for adjudication. The parties may, if either party chooses to do so, seek the decision of the Court. However, this process may take longer and may incur further costs. Judges may, because it is a condition of the Tenancy Agreement signed by both parties, refer the dispute back to TDS for adjudication. If the parties do agree that the dispute should be resolved by the TDS they must accept its decision as final and binding.

If there is a dispute the Agent must remit to TDS the full deposit, less any amounts already agreed by the parties and paid over to them. This must be done within 10 working days of being told that a dispute has been registered whether or not the Landlord or the Agent want to contest it. Failure to do so will not delay the adjudication but TDS will take appropriate action to recover the deposit and discipline the Agent.

The Agent must co-operate with the TDS in the adjudication of the dispute and follow any recommendations concerning the method of the resolution of the dispute.

7.0 Indemnity and Incorrect Information

- 7.1 Where instructed under the 'Full management' or 'Rent collection' basis in accordance with the definitions in the Schedule, the Agent shall take reasonable steps to collect the rent due under the Tenancy but shall not be liable for any rent which the Tenant fails to pay. The Agent shall not be liable for any other payments in respect of the Property or contents and nothing shall render the Agent or its employees responsible for any loss or damage to the Property and contents howsoever caused. The Landlord fully indemnifies the Agent against any failure of the Landlord to comply with the Terms and Conditions of the Tenancy Agreement, statutory obligations or regulations.
- 7.2 The Landlord warrants that all the information he/she has provided to the Agent is correct to the best of his/her knowledge and belief. In the event that the Landlord provides incorrect information to the Agent which causes the Agent to suffer loss or causes legal proceedings to be taken the Landlord agrees to reimburse and compensate the Agent for all losses suffered.

8.0 Miscellaneous Terms and complaints handling procedure

1. All invoices for the Agent's fees are due for payment within one month of invoice date
2. The Agent reserves the right to charge the Landlord interest at the rate of 4% above the Base Rate of Barclays Bank PLC in respect of accounts not paid within one month.
3. If the Landlord has a complaint about an invoice or any other aspect of the Agent's service, the Landlord must follow the Agent's standard complaints handling procedure, a copy of which can be forwarded to the Landlord on request. Any complaint or query about an invoice must be submitted to the Agent within one month of invoice date or the right to complain is forfeited.
4. The Landlord hereby acknowledges that:-
 - 4.1 the Agent is obliged to include the Landlord's full name and address on all rent demands and the tenancy agreement in accordance with the requirements of the Landlord and Tenant Act 1987
 - 4.2 The tenant must be provided with the address in England or Wales to which notices may be served to the Landlord. Unless otherwise instructed the Agent will provide their own address for this purpose.
 - 4.3 Although the Agent will use their best endeavour to forward any notices to the Landlord promptly, the Landlord will not hold the Agent liable for any loss or damage incurred either directly or indirectly from their action in this respect other than arising from fraud or negligence.

I / We confirm that we unconditionally accept the Terms and Conditions of Business herein in their entirety and instruct the Agent to provide the service we have selected at 1.3 herein.

I / We expressly confirm that we have read and understood Clause 3.7 herein (sale of the Property to the Tenant or a third party) and its implications.

I / We instruct the Agent to pay remittances in respect of monies/rent collected to the bank account below [PLEASE COMPLETE DETAILS]

SIGNED 1st LANDLORD

Print name

SIGNED 2nd LANDLORD (if applicable)

Print name

DATE

BANK ACCOUNT DETAILS FOR PAYMENT OF RENT

Bank / Building Society:

Bank Address:

Account Name:

Account number:/...../...../...../...../...../...../..... Sort Code:-.....-.....

THE SCHEDULE

OPTION 1 - Full Management Service

Services provided by the Agent

1. Carry out initial market appraisal, provide a realistic market rental value of the Property, suggest where appropriate improvements to the Property to optimise this and advise on relevant safety regulations
2. Advertise and promote the property, erect a To Let Board
3. Interview prospective tenants and arrange accompanied viewings with all suitable applicants
4. Obtain satisfactory references on all Tenants and any Guarantors
5. Ensure that all Tenants and Permitted Occupiers have a legal right to rent in the UK by carrying out the necessary checks and procedures to verify this
6. Prepare and execute the Tenancy Agreement
7. Compile an Inventory and Schedule of Condition EXCEPTING THAT The agent will not be held responsible for nor will they take an inventory of any contents locked within a room or other storage area. Lofts, sheds and outbuildings are not generally included in an inventory and should items be left in these areas they are the responsibility of the landlord/s.
8. Where possible take meter readings and notify utility companies and local authority of change of occupier (excluding telecommunications)
9. Receive monies/rents and remit to the Landlord's account by bank transfer after all deductions referred to in Clause 4 of these terms and conditions
10. Receive and hold security deposits as Stakeholder as per the Tenancy Deposit Scheme administered by:-

The Dispute Service Ltd
PO Box 541
Amersham
Buckinghamshire
HP6 6ZR

Phone: 0845 226 7837
Email: deposits@tds.gb.com

11. Carry out regular property inspections.
12. Attend to any maintenance matters and arrange any necessary repairs up to the value of £250.00
13. To ensure that all follow up documents required for Tenants or Permitted Occupiers with time limited right to rent documents are requested within the relevant timescales during the Tenancy
14. Acting in the Landlord's best interest, attend to and oversee any emergency repairs
15. Where necessary, arrange for two quotations to be submitted by qualified Contractors
16. Provide estimates for preventative maintenance
17. Instruct a GAS SAFE registered Contractor to carry out subsequent gas safety checks, provide a gas safety record.
18. In the case of rent arrears, send all appropriate letters, prepare and serve Legal Notices
19. Serve legal Notices of Possession (but for the avoidance of doubt, any possession proceedings shall be conducted by solicitors at the expense of the Landlord)
20. Notify the landlord where the tenancy renewal is due and take instructions regarding the serving of notices or renewal of the tenancy and insurances if appropriate
21. Negotiate an extension to the Tenancy, prepare and execute Supplemental Tenancy Agreement
22. Arrange for the Check Out at the end of the Tenancy, where possible take meter readings and notify utility companies and local Authority of change of occupier
23. Instruct and oversee any necessary works including repairs, cleaning and gardening
24. Reconcile the deposit and the return the sum or balance thereof to the Tenant as per the Tenancy Deposit Scheme.
25. Pay interim bills on behalf of the Landlord (providing sufficient funds are retained and the account is in credit.)
26. Provide where applicable statements and receipts for rent and other payments at the time due and as agreed with the banks
27. Maintain up to date records of all transactions in respect of the management of the property.
28. Keep financial records in respect of the Property for not less than 7 years.

29. To act on behalf of the landlord/s as their agent in all matters appertaining to the management and tenancing of the property and obey the Landlord's lawful instructions and in the absence of such instructions to act in a manner as the agent reasonably considers to be the most beneficial to the Landlord.
30. Notify the landlord of any breach in the tenancy agreement of which they become aware as soon as reasonably possible.

Option 1 – Full Management Service

Fees payable to the Agent for our 'Full Management Service'

A fee of 12% (% Inclusive of VAT) of the monthly rent (the "Commission"), payable monthly, upon receipt of the rent.

In addition to the above there is a 'Set Up' charge which includes the compilation of the inventory, schedule of condition, writing of the tenancy agreement and tenant check out which is equivalent to one weeks' rent subject to a minimum sum of £150.00. In addition to a fee of £50.00 to register the deposit with the TDS. These charges are subject to VAT.

The Agent reserves the right to charge a fee of £25 per hour to deal with any dispute arising with the Tenant over the return of the Deposit and any other matter at the end of the tenancy if the time incurred on such dispute becomes excessive.

Option 2 - Rent Administration Service

Fees payable to the Agent for our 'Rent Administration Service'

A fee of 10% (% Inclusive of VAT) of the monthly rent (the "Commission"), payable monthly upon receipt of the rent.

In addition to the above there is a 'Set Up' charge which includes the compilation of the inventory, schedule of condition, writing of the tenancy agreement and tenant check out which is equivalent to one weeks' rent subject to a minimum sum of £150.00. In addition to a fee of £50.00 to register the deposit with the TDS. These charges are subject to VAT.

The agent will provide all services detailed in the section entitled Full Management Service EXCEPT FOR ITEMS 11, 12 13, 14, 15 and 23. The Landlord shall attend to all maintenance matters, Tenants queries and carry out internal inspections.

OPTION 3 - Tenant Introduction Only Service

Services provided by the Agent

1. Carry out initial market appraisal, provide a realistic market rental value of the Property, suggest where appropriate improvements to the Property to optimise this and advise on relevant safety regulations
2. Advertise and promote the property, erect a To Let board
3. Interview prospective tenants and arrange viewings with all suitable applicants
4. Obtain satisfactory references on Tenants and any Guarantors
5. Ensure that all Tenants and Permitted Occupiers have a legal right to rent in the UK by carrying out the necessary checks and procedures to verify this
6. Prepare and execute the Tenancy Agreement
7. Receive the first month's rent and security deposit
8. Register the deposit with the Tenancy Deposit Scheme (TDS) and hold it as Stakeholder for the duration of the tenancy.

9. Return the deposit to the Tenant upon receiving written instructions from the Landlord and the Tenant in respect of any agreed claims/deductions.
10. In the event of a dispute, we will provide the Landlord and the Tenant with the necessary "Notification of a Dispute" form for either of these parties to submit evidence to the Alternative Dispute Resolution (ADR) of the TDS to adjudicate on the dispute and decide what is fair. We will forward the disputed sum to the TDS and allocate the balance of the deposit as per the Landlord and Tenants agreed written instructions. The procedure for dealing with the deposit is listed below under our Managed and Rent Collection services – however, under the Tenant Introductory Only service **you** will be responsible for the check in/out and you will be responsible to make proper attempts to resolve any dispute directly with your Tenant.

Fees payable to the Agent for our 'Tenant Introduction Service'

A fee equivalent to one month's rent plus VAT.

In addition to the above there may be a 'Set Up' charge which includes the compilation of the inventory, schedule of condition, writing of the tenancy agreement and tenant check out which is equivalent to one weeks' rent subject to a minimum sum of £150.00. In addition to a fee of £50.00 to register the deposit with the TDS. These charges are subject to VAT.

GENERAL INFORMATION FOR LANDLORDS (NOT FORMING PART OF THIS AGREEMENT)

- 1 Although the Agent's documents are reviewed and updated regularly by their appointed advisors, the Agent is not a firm of solicitors and cannot advise on legal technicalities. The Landlord should consult their own solicitor if they require further information about their rights and obligations as a Landlord.
- 2 The Agent is legally obliged to inform the Landlord that the Agent may offer the following services to potential tenants and purchasers of the property:- Estate Agency Services: Credit Brokerage (Within the meaning of the consumer credit act 1974) in particular the arrangement of mortgages, advice on and sale of investment (as defined in financial services act 1986), arrangements for property contents general insurance, surveys, valuation services and alternative providers of utility services.
- 3 As a member of ARLA (The Association of Residential Lettings Agents) the Agent must comply with strict rules on how they deal with the Landlord's money and bank accounts must be audited regularly.
- 4 The Agent will have adequate professional indemnity insurance and be protected by the ARLA's client money protection bonding scheme which safeguards client's monies from any misappropriations of funds or claims of bankruptcy.
- 5 The Agent may provide the landlord with specialist contact details for 'Legal Cover and Rent Protection', 'Buildings and Contents Insurance' policies and any other services which may be of interest to the landlord/s.
- 6 Henry Adams (Horsham) LLP whose registered address is 50 Carfax, Horsham, West Sussex, RH12 1BP, is an Introducer Only agent for HomeLet who are authorised and regulated by the Financial Conduct Authority.

HomeLet is a trading name of Barbon Insurance Group Limited, Hestia House, Edgewest Road, Lincoln, LN6 7EL which is authorised and regulated by the Financial Conduct Authority for insurance mediation. Their FCA registered number is 308724. Their permitted business is administering and arranging general insurance contracts.

You can get more information and check this on the FCA's register by visiting the FCA's website www.fsa.gov.uk/register/home.do or by contacting the FCA's helpline on 0845 6061234.