

ARCHINGTONS

**Deposit Protection Scheme:  
(Information for Landlords)**

Please note: The following information is taken directly from the relevant websites and are clearly marked for your information and assistance. We do not accept any liability for incomplete or inaccurate information/advice. By continuing, you understand and agree to this.

The Tenancy Deposit Scheme came into force on the 6th April 2007. If you are not protecting a tenant's deposit you will be ordered to repay three times the amount to the tenant so find out how you can protect deposits and resolve disputes.

### **Why protect deposits?**

Deposits are protected to ensure:

- tenants get all or part of their deposit back, when they are entitled to it
- any disputes between tenants and landlords or agents will be easier to resolve
- tenants are encouraged to look after the property they are renting

### **Letting a property**

When a landlord or letting agent takes a deposit from a tenant, the deposit must be protected in a government-authorized tenancy deposit scheme.

This new rule applies if the tenancy is an assured shorthold tenancy.

### **Moving in**

At the beginning of a new tenancy agreement, the tenant pays their deposit to their landlord or agent as usual. The landlord or agent must then ensure it is protected.

Landlords and agents have a choice of three schemes providers, offering two types of scheme to protect the deposit.

#### **Custodial schemes**

Money is held by the scheme until it is time for it to be repaid at the end of the tenancy. The custodial scheme is free to use. The landlord simply puts the deposit into the scheme at the beginning of the tenancy. There is one custodial scheme provider.

#### **Insurance-based schemes**

Under the insurance schemes the landlord keeps the deposit, and pays the insurance scheme to insure against the landlord failing to repay the tenant any money due to him. There is a choice of two insurance-based schemes.

### **Protecting the deposit**

Within 14 days of taking the deposit, you must provide your tenant with details of how the deposit is being protected including:

- the contact details of tenancy deposit scheme
- the contact details of the landlord
- how to apply for the release of the deposit
- information explaining the purpose of the deposit
- what to do if there is a dispute about the deposit

Tenants have a responsibility to return the property in the same condition they took it on.

### **Moving out**

At the end of tenancy the condition and contents of the property should be checked against the agreement made at the start of the tenancy. The landlord or agent then agrees with the tenant how much of the deposit will be returned to them.

Within 10 days the agreed amount of the deposit will be returned to the tenant.

### **Resolving disputes**

If no agreement can be reached about how much of the deposit should be returned, there will be a free service to help resolve disputes offered by the scheme which is protecting the deposit.

### **The legislation**

As part of the Housing Act 2004 the Government is introducing tenancy deposit protection for all assured shorthold tenancies (ASTs) in England and Wales where a deposit is taken. From April 6th 2007, all deposits paid under an AST have had to be protected within 14 days of receipt by the landlord.

The legislation aims to ensure that tenants who have paid a deposit to a landlord or letting agent and are entitled to receive all or part of it back at the end of that tenancy, actually get it.

### **Who is affected?**

The legislation covers virtually all new AST contracts through which private landlords let property in England and Wales.

However, the following will not need to be registered with a tenancy deposit protection scheme:

- resident landlords (those living in the property)
- landlords of properties with rent of over £25,000 a year
- company lets
- student accommodation let directly by universities or colleges.

Deposits taken before 6 April 2007 do not need to be protected by a scheme such as The DPS. However, as an existing tenancy is renewed and a landlord agrees a new fixed-term tenancy, the initial deposit taken must then be lodged with a tenancy deposit protection scheme.

### **Why is legislation needed?**

The return of a deposit at the end of a tenancy is by no means guaranteed. For example, in 2005/6:

- 70% were returned in full
- 19% were returned in part
- 11% were not returned at all

The reasons given by landlords for withholding some or all of a deposit were:

- damage to the property (28%)
- cleaning the property (34%)
- unpaid rent or bills (8%)
- other reasons (30%)

Nearly one in five (17%) of tenants who had some or all of their deposit withheld felt that it had been withheld unjustifiably. The new tenancy deposit protection schemes will ensure all landlords safeguard the deposits they take, which is in every landlord and tenant's interests.

**The Deposit Protection Service (The DPS)** is open to all landlords and letting agents, and is the only scheme that is free to use.

Our funds are secured with a trusted high street bank, so for safe, secure and straightforward deposit protection, The DPS is ideal.

**Fast** Landlords and letting agents can access online accounts 24/7 and submit deposits in minutes, allowing you to concentrate on doing business, not admin.

**Free** The DPS is the only Government-authorized custodial scheme that is free to use.

**Secure** All funds are ring fenced in accordance with client money regulations.

**Inclusive** The DPS is open to all private landlords and letting agents, with no pre-conditions to meet or assessments to take.

**Fair** An independent and free Alternative Dispute Resolution (ADR) service will aim to resolve any disputes quickly and without the need for court action. Landlords, agents and tenants could also earn interest on any proportion of the deposit they are entitled to retain at the end of a tenancy.

**Reliable** The DPS is managed by Computershare Investor Services Plc, a global business with more than eight years' deposit protection experience.

To access these services, please visit: <http://www.depositprotection.com>

## 1. The Deposit Protection Service (The DPS)

The DPS is the only custodial deposit protection scheme, is free to use and open to all Landlords and Letting Agents. The service is funded entirely from the interest earned from deposits held. Landlords and Letting Agents will be able to register and make transactions online. Paper forms will also be available should internet access be an issue. The scheme will be supported by a dedicated call centre and an independent dispute resolution service.



### Join The DPS

The DPS is open to all Letting Agents and Landlords. There are no preconditions to fulfil and no fees to pay.

Registration with The DPS is simple and quick – we just need your contact details.

If you have not used The DPS before, [click here to visit our new user registration page](#) where you will be asked to provide some basic information about yourself and your business.

As soon as you have provided all the necessary details you will be sent an activation email which we will ask you to respond to. As soon as you have done that you can start to protect deposits with The DPS.

If you have already registered with The DPS by telephone, you can [request online access to your account here](#).

Simply review your existing details, choose a password and provide answers to three security questions.

Once you have completed the additional details we need for an online account you will be sent an activation email which we will ask you to respond to. As soon as you have done that you can start to protect deposits with The DPS. It couldn't be easier!

If you are already a DPS on line user, you can [access our login page here](#). Simply provide your user name and password to access your account with The DPS.

## 2. Tenancy Deposit Solutions Ltd (TDSL)

TDSL is a partnership between the National Landlords Association and Hamilton Fraser Insurance. This insurance-based tenancy deposit protection scheme enables landlords, either directly or through agents, to hold deposits. Letting agents can also join the scheme.

**mydeposits** is a "pay-as-you-go" scheme.



- One-off joining fee to set up your account, then an annual renewal fee to keep your account open.
- Deposit Protection Fee for each tenancy **deposit** that you protect. This will protect the deposit for the duration of the **tenancy agreement**, however long that might be.
- For a **Joint & Several Tenancy Agreement**, you only pay one Deposit Protection Fee to cover the whole deposit.
- All fees are payable by credit or debit card – we do not provide credit account facilities.
- All fees are tax deductible and include VAT.
- Discounts are available for members of the [National Landlords Association](#) and some other professional organisations.
- **Disputes:** if the Landlord and Tenant disagree about how much of the deposit should be returned. **mydeposits** offers a free and impartial **Dispute Resolution service**.

### What does it cost?

Joining Fee	Deposit Protection Fee (per tenancy agreement)			Annual Membership Renewal Fee (currently being waived for existing members)
	Deposit	Protect by phone	Protect online	
£58.75	Up to £300	£30	£17.50*	£14.70
	Over £300	£30	£30	

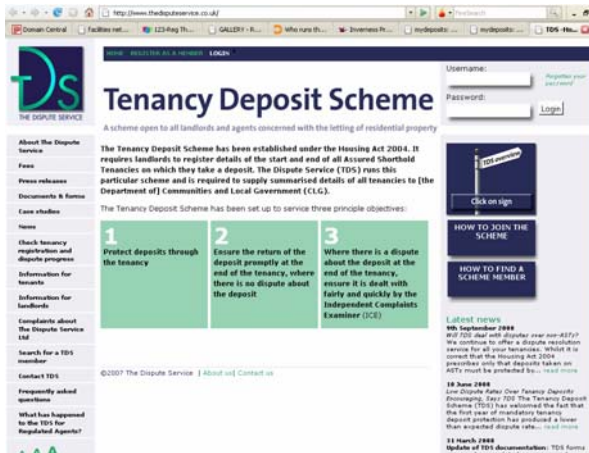
### Contact:

Email	Phone	Post
General enquiries: customerservices@mydeposits.co.uk	call 0871 703 0552 [8.30am to 5.30pm Monday-Friday]	08456 34 34 03
Disputes enquiries:		

<p>disputes@mydeposits.co.uk</p> <p>Change details: changemydetails@mydeposits.co.uk</p> <p>Complaints: complaints@mydeposits.co.uk</p>	<p>Post: mydeposits 3rd Floor, Kingmaker House Station Road New Barnet Hertfordshire EN5 1NZ</p>
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### 3. The Tenancy Deposit Scheme (TDS)

TDS is an insurance-backed deposit protection and dispute resolution scheme run by The Dispute Service that builds on a scheme established in 2003 to provide dispute resolution and complaints handling for the lettings industry. The new scheme enables letting agents and landlords to hold deposits.



#### About The Dispute Service

The Dispute Service is an independent, not-for-profit company established in 2003 to resolve complaints and disputes arising in the private rented sector speedily, cost-effectively and fairly.

As well as running the Tenancy Deposit Scheme, the company deals with complaints against members of The Association of Residential Letting Agents (ARLA).

The Dispute Service also runs a similar scheme, under the auspices of the Ombudsman for Estate Agents, for its members who undertake lettings.

#### Membership fees

**Landlords** (per tenancy office 2007-08, ex VAT)

On application	Corporate landlords	
	Landlord accreditation schemes (see note 3)	TBA
	Members of landlords' trade associations (see note 1)	£40
	Unaffiliated landlords (see note 1)	£95

### **Transcription of tenancy data**

Where members submit data for entry onto the tenancy database on paper rather than electronically, there will be a charge of **£5.00 plus VAT** for each document. Please note: the data will not be entered until the fee has been paid.

### **Disputes arising out of pre-existing tenancies**

Where the dispute concerns a tenancy that started **before** the agent's membership of TDS, the ICE may, at his discretion nevertheless adjudicate the dispute. The parties must complete *TDS 4 Consent for adjudication on a pre-existing tenancy*. The charge for this service is £250 or 10% of the deposit (+ VAT), whichever is the greater. **Please note: the adjudication process will not start until form TDS 4, the fee and the disputed deposit have been received.**

### **Contact TDS**

Contact The Dispute Service if you want:

- to get more information about the Tenancy Deposit Scheme
- to find out about joining the Tenancy Deposit Scheme
- advice about the Tenancy Deposit Scheme
- resolution of a dispute about a deposit

Write to us at:

**The Dispute Service Ltd**  
**PO Box 1255**  
**Hemel Hempstead**  
**Herts**  
**HP1 9GN**

Telephone 0845 226 7837

Fax 01442 253193

e-mail [deposits@tds.gb.com](mailto:deposits@tds.gb.com)