

Tenancy Deposit Protection Scheme (TDPS) The Facts

The Tenancy Deposit Scheme forms part of the legislation implemented under the **Housing Act 2004**. It started on **06.04.07** and applies to all new Assured Shorthold tenancy agreements from this date.

The Purpose of the TDPS

To ensure good practice in deposit handling, so that when a tenant pays a deposit, and is entitled to get it back, they can be assured that this will happen.

To assist with the resolution of disputes by having an alternative dispute resolution service (ADR).

For Landlords & Tenants to have a clear understanding on the condition of the property through best practice.
e.g:

- use of clear inventories with photographs
- agreement on condition of the property
- timescales for dealing with deposit release

Different types of Tenancy Deposit Schemes

Government Scheme

The Deposit Protection Service (The DPS) run by **Computershare Investor Services** will be free to use for both Tenants and Landlords. Landlords cannot hold the deposit under this Scheme.

Insurance based Schemes

Mydeposits.co.uk company jointly owned by the National Landlords Association & Hamilton Fraser Insurance (HFIS plc)

The Dispute Services Limited* (ARLA BACKED)
***County Property Management have opted for this scheme**

Penalties for non-compliance

All Landlords must comply with these regulations. Penalties for not complying are harsh -

- * The Court will order repayment of the deposit to the Tenant and the Landlord will have nothing
- * The Court will further order 3 times the deposit to be paid to the Tenant by the Landlord as compensation for not holding it correctly in the first place
- * The Court could order further costs
- * The Landlord forfeits the right to serve a Section 21 Notice. Landlord's will only be able to repossess his property by surrender by the Tenant or if the Tenant significantly breached the Agreement.

Summary of TDPS Facts

- * Landlords are required to join a statutory Tenancy Deposit scheme, if they take money as a deposit.
- * This means Tenancy Deposits are safeguarded
- * Tenants will get all or any undisputed part of their Tenancy Deposit back promptly if they have kept the property in good condition and are entitled to get their Tenancy Deposit back (no rent is owed etc)
- * Both Tenant and Landlord are then offered, on any disputed sum, an Alternative Dispute Resolution service (ADR) which aims to be faster and cheaper than taking court action.

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COUNTY PROPERTY MANAGEMENT ARE MEMBERS OF 'THE DISPUTE SERVICE LIMITED'

How does it work?

1.	The Tenant pays the deposit to County Property Management, who will hold it as Stakeholder on behalf of the Landlord. (The deposit can no longer be held as Landlord's Agent.)
2.	In accordance with Stakeholder rules the deposit cannot be released until either the Landlord or Tenant becomes entitled to the money by mutual agreement. This means the deposit is safeguarded as required under the provisions of the Housing Act 2004
3.	Landlords who opt for either the County Property Rent Collection or Premium Management Service will be charged £25 + VAT* for protection of the deposit with The Dispute Service Limited, payable annually on the 1st April.
4.	Clients who choose a Let Only service will be charged £35 + VAT* for protection of the deposit with The Dispute Service Limited, payable on commencement of the Tenancy.
5.	County Property Management protect the interests of their Client Landlords by ensuring all prescribed scheme information is provided correctly and in a timely manner.
6.	At the end of the Tenancy, if the parties agree how it should be divided, then County Property Management will return all or some of the deposit to the Tenant as agreed. Any undisputed sum must be returned to the Tenant within 10 working days of the end of the Tenancy.
7.	If there is a dispute, County Property Management will pass the disputed amount to The Dispute Service Limited for safekeeping until the dispute is resolved by the ADR.
8.	If for any reason the Landlord or Agent fails to comply, the insurance arrangements will ensure the return of the deposit to the Tenant if they are entitled to it. All defaulting Landlords will forfeit access to an insurance based scheme in the future and will only be able to use the Custodial scheme.
9.	The standard County Property Management Tenancy Agreement will be upgraded and amended to allow for these legislative changes.

* Note fees are indicative only and subject to change and may vary depending on tenancy type. Your Agency Agreement will confirm the cost.

Statutory requirements for each Scheme are as follows:

Prescribed Information for Tenant	Prescribed Information for Landlord	Prescribed Information for Scheme
<ul style="list-style-type: none"> ◆ Value of the deposit ◆ Address to which it relates ◆ Details of scheme administrator ◆ Procedures for release of deposit if dispute ◆ Contact details of ADR service ◆ Information leaflet signed by both parties 	<ul style="list-style-type: none"> ◆ Contact details of scheme ◆ Contact details of ADR service ◆ Procedures for release ◆ The purpose of the deposit 	<ul style="list-style-type: none"> ◆ Details of the Parties ◆ Date deposit taken ◆ Start of Tenancy ◆ Amount of deposit ◆ Rent and frequency ◆ Charges made to Tenant