

Tenancy Deposits Fact Sheet for Tenants

What is a deposit and why will I be asked to pay one?

A tenancy deposit is money that is intended to be held as security to make sure that the tenant pays their rent and does not cause damage to the property.

Deposits can cover:

- non-payment of rent
- damaged items
- cleaning
- stolen items

The amount and circumstances under which a deposit or part of a deposit can be withheld should be outlined in your tenancy agreement.

The landlord and the tenant should make sure that the tenancy agreement states:

- How much the deposit is
- Where it has been protected
- When money can be deducted from it
- When the tenant will get the money back

What is deposit protection?

Normally a landlord will ask you to pay a deposit at the start of a tenancy, typically equal to one month's rent.

The landlord is responsible for ensuring that your deposit is protected within 30 days of receiving it from you. There are currently 3 agencies that your landlord can use to protect the deposit, and they each offer two ways to protect the deposit:

- custodial - where the scheme administrators hold the deposit, or
- insurance - where the landlord holds the deposit but has to pay an insurance premium.

The landlord should then give you the following information within 14 days so you know how the deposit is being protected and where the money is being held.

- Contact details of the scheme protecting the deposit.

- How to apply for the money to be returned at the end of the tenancy.
- Information explaining the purpose of the deposit.
- What to do if there is a dispute at the end of the tenancy regarding the deposit.

What happens when I want to leave the property?

At the end of the tenancy a landlord should return your deposit to you within 10 days of the tenancy ending unless they ask to keep part of all of it to cover things such as rent arrears or damages. You can agree this with your landlord, and arrange for any remainder of the deposit to be returned.

If you cannot agree or you feel that the landlord should not be keeping any of the deposit you should go to the deposit protection service your landlord has used as they will offer a free dispute resolution service (ADR).

You will be able to explain to the ADR why you think the deposit should be returned to you and provide evidence to support this. The ADR will look at the supporting documents (i.e. inventory, rent statements etc.), make decision and advise both parties.

What if my landlord has not protected my deposit?

If your landlord has not protected your deposit you can apply to the County Court however you should consider getting legal advice before you do this.

If the court finds that the deposit has not been protected they can order that the landlord repays the deposit to you, or that they must protect it the custodial scheme with 14 days.

The Courts also have the discretion to order that the landlord pays up to 3 times the value of the deposit.

If the landlord has not protected the deposit and your tenancy has not ended:

You should ask your landlord to protect your deposit in one of the three approved schemes. If the landlord refuses or fails to do so you can apply to the County Courts. You should write to your landlord and advise that you intend to do this.

Once your landlord has protected your deposit and the tenancy has ended you can follow the stage on the above page if you do not agree with their decision to retain the deposit.

If the landlord has not protected your deposit and your tenancy has ended:

Gather up information about your tenancy such as:

- ✓ Tenancy agreement,
- ✓ Rent schedule,
- ✓ Evidence of the deposit you paid,
- ✓ Evidence that the deposit was not protected,
- ✓ Inventory photos,
- ✓ Any letters you have written or received from your landlord;
- ✓ and anything else you feel is relevant.

Write to your landlord and advise that you intend on taking court action if the deposit is not returned. Be sure that you want to take court action as the landlord could use this opportunity to counter claim against you if they feel the rent arrears or damage was more than the deposit amount.

The following are the three companies awarded by the Government to operate the Schemes:

- The Deposit Protection Service (DPS)
For more information visit <https://www.depositprotection.com/>
- My deposits
For more information visit www.mydeposits.co.uk/landlords/
- The Tenancy Deposit Scheme (TDS)
For more information visit www.tenancydepositscheme.com/

Further information about the details of the Tenancy deposit protection is available on the website www.gov.uk/tenancy-deposit-protection/overview

Deposit Protection Flowchart

Start of tenancy:

Give the deposit money to the landlord, make sure you get a receipt.

The landlord should protect the deposit within 30 days of receipt with one of the three registered DP scheme

They should provide you with:

- ✓ the Tenancy Deposit Protection Certificate
- ✓ the Prescribed Information
- ✓ a leaflet 'What is the Tenancy Deposit Scheme'
- ✓ a tenancy agreement with clauses relating to TDS



End of tenancy:

The landlord should return deposit to you within 10 working days of the end of the tenancy.

Or

The landlord should give reason as to why they want to hold all or part of the deposit and repay the remaining balance to you within 10 working days.



If you do not agree with reasons the landlord wants to keep the deposit:

You should use the alternative dispute resolution (ADR) service attached to the deposit protection scheme used by the landlord.

If either party refused to use the ADR the they can apply to the county courts for a judgement.