

Introduction

Tenancy Deposit Schemes are used to safeguard tenancy deposits paid in connection with residential tenancies. There are three schemes which are available to both private landlords and letting agents to join and make use of if creating a new Assured Shorthold Tenancy (AST) or a formal extension of an existing unprotected tenancy.

Tenancy Deposit Protection (TDP) was introduced by the Housing Act 2004 as part of a package of measures to raise standards in the private rented sector. Since 6 April 2007, all deposits (for rent up to £25,000 per annum) taken by landlords and agents in England and Wales have had to be protected and registered under an authorised tenancy deposit scheme.

There are two main aims:

1. To ensure good practice in deposit handling, so that when a tenant pays a deposit, and is entitled to get it back, he or she can be assured that this will happen.
2. To assist with the resolution of disputes by having an alternative dispute resolution service (ADR). It will also encourage tenants and landlords to have in place, from the outset, clear agreement on the condition of the property through best practice, such as the use of inventories, and agreement on the condition of the property. It will also encourage tenants and landlords to agree - at the start of the tenancy - the condition and contents of the property.

A landlord is ultimately responsible for ensuring that any deposit he or she takes from a tenant in respect of an AST is protected and that the statutory requirements of tenancy deposit protection are met.

Schemes

The Government awarded three companies to run its tenancy deposit schemes. The three schemes are:

The Deposit Protection Service (DPS) This custodial deposit protection scheme is free to use and open to all Landlords. The service is funded entirely from the interest earned from deposits held. Landlords are 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. For more information visit:

www.depositprotection.com.

Tenancy Deposit Solutions Ltd (TDSL) This insurance-based tenancy deposit protection scheme enables landlords, either directly or through agents, to hold deposits however there is a joining fee and the deposit must be held in an independent secure bank account. For more information, visit **www.mydeposit.co.uk**.

The Tenancy Deposit Scheme (TDS) is an insurance-backed deposit protection and dispute resolution scheme run by The Dispute Service for professional agents and is backed by ARLA, NAEA and RICS. The scheme enables authorised Letting Agents to hold deposits. For more information, visit **www.tbs.gb.com**. As agents we have registered with the TDS and are authorised to hold deposits.

If you have selected to manage your own property and do not wish to lodge the deposit yourself, we as members of the Tenancy Dispute Service (TDS) will hold the deposit and register it on your behalf for the duration of the Tenancy for £75.00 plus VAT (excludes end of tenancy, check-out and deposit dispute matters which are charged separately and are subject to an independent quotation on request). Alternatively, if you have selected the Deposit Protection Service (DPS) a cheque will be provided with your first statement payable to "The Deposit Protection Service". It is essential you send this to the DPS with the correct paperwork within 14 days.

For further Information please contact us or visit:

Communities and Local Government website:

www.communities.gov.uk/housing/rentingandletting/privaterenting/tenancydepositprotection

Or;

Directgov website at: **www.direct.gov.uk/tenancydeposit**
