

LETTING

TENANCY DEPOSIT PROTECTION SCHEMES



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If you're intending to let your property, you'll need to ensure that you protect your tenant's deposit. In fact, from 6th April 2007, when a landlord or letting agent takes a deposit from a tenant, it's a legal requirement for the deposit to be protected in a Government-authorised tenancy deposit scheme. This rule applies if the tenancy is an assured shorthold tenancy.

The Government wants to make sure tenants' deposits are protected so that:

- tenants are guaranteed to receive all or part of their deposit back, assuming 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

What types of scheme are available?

There are two types of scheme to choose from:

1. **A custodial scheme** – where the money is held by the scheme until the end of the tenancy. This scheme is free to use and the landlord or agent simply pays the tenant's deposit into the scheme at the beginning of the tenancy.
2. **Insurance-based schemes** – where the landlord or agent keeps the tenants' deposit and pays a fee to the scheme to insure against their failure to repay the money due to the tenant at the end of the tenancy. There are two insurance-based schemes to choose between.

What happens when my tenant moves out?

At the end of a tenancy, the condition and contents of the property should be checked against the tenancy agreement and the inventory that was conducted at the start of the tenancy. The landlord or agent should then agree with the tenant how much of the deposit will be returned. The agreed amount should be received by the tenant within 10 days.



Exemptions

Some types of tenancy are exempt from the Tenancy Deposit Scheme including:

- instances where the landlord lives at the property
- tenancies yielding more than £100,000 rent per annum
- company lets
- student accommodation (e.g. halls of residence) let directly by universities or colleges



Scheme providers

There are three government-authorised tenancy deposit schemes offering tenancy deposit protection. At Urban Spaces we can help you find the scheme that is most appropriate for you, as well as advise you on your legal obligations and the information you'll need to provide to your tenants once the scheme has been taken out.

If you'd like further information on tenancy deposit schemes or if you have any queries, please call our Account Managers on 020 7591 7342.

The custodial scheme is provided by:

The Deposit Protection Service

www.depositprotection.com

t: 0844 472 7000

The two insurance-based schemes are provided by:

The Tenancy Deposit Scheme

www.tds.gb.com

t: 0845 226 7837

Tenancy Deposit Solutions Limited

www.mydeposits.co.uk

t: 0844 980 0290

For more information about buying, selling or letting your home, contact one of our dedicated Account Managers.

URBAN SPACES

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