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1. Introduction

- 1.1 Tenancy deposit p Assured Shorthold making deductions
- 1.2 TDP schemes guar the tenancy, so lo tenancy agreement
- 1.3 Landlords must pro have let the proper on or after 6 April 20
- 1.4 Landlords must also was entered into be date.
- 1.5 It is advisable for L the AST started bef before that date. Th the restriction on se circumstances.
- 1.6 If a tenancy is not a for the deposit. How practice.

es ensure that deposits paid by and that Landlords act properly in

et their deposits back at the end of llied with their obligations in the he property.

osits using a TDP scheme if they hold Tenancy (AST) which started gislation came into force).

its using a TDP scheme if an AST came a periodic tenancy after that

sits in a TDP scheme even where s converted into a periodic tenancy s decided in December 2014 that ection 3.2 below) applies in these

es not have to use a TDP scheme wish to do so as a matter of good

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2. Capped Security Deposit

Under the Tenant Fees Act renewed tenancies in Engl under £50,000 or six weeks

The weekly rent is worked

Security deposits for tena affected but note landlords exceeds the cap for a fixed

Security deposits for tena Homes (Fees etc.) (Wale introduce caps in the future

2019, security deposits for new or ve weeks' rent if the yearly rent is £50,000 or more.

divided by 52.

re the 01 June 2019 will not be a tenant the excess deposit which or after 01 June 2019.

currently capped but the Renting Welsh government the power to

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3. TDP schemes

3.1 There are three off schemes. They are

3.1.1 Deposit Pro Landlord pay

e Landlord must use one of these

a "custodial" scheme where the S which holds the money in a bank

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account. Where the person who

the DPS releases the deposit to the

a) Any Landlord based outside the UK must register with the scheme.

A Landlord based outside the UK must register with the scheme, unless he employs a UK-registered agent to manage the tenancy.

b) There is no charge for the scheme. It is financed entirely from the deposits held in the scheme.

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c) For further information visit <http://www.depositprotection.com/>

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3.1.2 MyDeposits is a scheme where the Landlord retains the deposit but pays for the deposit against the risk of the Landlord not paying the Tenant the amount of the deposit if the Landlord doesn't pay the Tenant the amount of the deposit at the end of the tenancy, the insurer will pay the amount back from the Landlord.

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a) Any Landlord who joins the scheme must pay a fee to join the scheme. Landlords pay a fee to join the scheme and a premium for each deposit.

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b) For further information visit <http://www.mydeposits.co.uk/>

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3.1.3 Tenancy Deposit Scheme (TDS) is another insurance scheme.

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a) TDS is a scheme where Landlords who belong to an approved professional body have client money protection. Approved bodies include the Association of Residential Letting Agents (ARLA), the Royal Institution of Chartered Surveyors (RICS), the National Association of Estate Agents (NAEA) and the National Association of Approved Letting Agencies (NALA).

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b) For further information visit <http://www.thedisputeservice.co.uk/>

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**4. What happens if the Landlord does not return the deposit?**

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4.1 If Landlords do not return the deposit, Tenants can take action. Tenants can be required to repay the deposit to the Tenant in one and three times the amount of their deposit.

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4.2 Landlords who have not returned the deposit in accordance with the TDP legislation may be required to pay back possession of their property in one and three times the amount of their deposit.

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**5. What if there is a dispute about the deposit?**

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5.1 All three schemes provide a dispute resolution service. It is also open to the Tenant to refer the dispute to court.

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5.2 Landlords should tell the Tenant how much of their deposit they have kept back at this stage. Landlords should tell the Tenant how much of their deposit they have kept back at this stage if the dispute is resolved.

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5.3 The custodial scheme service or the courts Tenant. Under the Landlord must pay the dispute resolution any amount due to

5.4 Please look at the i their dispute resolut

5.4.1 <http://www.d>

5.4.2 <http://www.m>

5.4.3 <http://www.th>

## 6. Holding deposits

TDP schemes do not cov deposit before they have landlords/agents to enter tenant so that clear inform deposit is to be repaid or re

Under the Tenant Fees Act 2019 (England) and the Renting Homes (Fees etc.) (Wales) Regulations 2019, holding deposits must be capped at one week's rent at the time the tenancy being entered into. The cap will be applied to the first instalment of rent (including any permitted security deposit). Under the Tenant Fees Act 2019 (England) and the Renting Homes (Fees etc.) (Wales) Regulations 2019, a holding deposit is to be applied to the security deposit, however,

If the Landlord and Tenant agree to the holding deposit receipt of the holding deposit (unless an extension is agreed) the Landlord must repay the tenant within 7 days of the

Landlords are not required to accept a holding deposit if someone becomes a Tenant before the holding deposit is applied to the security deposit.

A holding deposit can be used for a number of limited circumstances, for example, where a prospective tenant provides false information. Under the Renting Homes (Fees etc.) (Wales) Regulations 2019, a landlord or letting agent wants to rely on the exception to repay the holding deposit, the information must have been provided by the landlord (or letting agent) before the holding deposit was paid. The prescribed information and the circumstances in which it must be provided will be specified in future regulations. The Wales Regulations will be specified in future regulations on the prescribed information in the

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deposit until its dispute resolution service. The deposit should be returned to the tenant. Schemes (MyDeposits or TDS) the Landlord must pay the deposit into the scheme while the dispute. The scheme will then pay

visits for detailed information about

tenants sometimes pay a holding deposit before the tenancy agreement. It is best practice for landlords/agents to enter into a Holding Deposit Agreement with the prospective tenant so that clear information is provided to the prospective tenant about when the

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**7. What happens if the Landlord (or Letting Agent) does not comply with the Tenant Fees Act 2019?**

7.1 A landlord or letting agent who doesn't comply with the deposit requirements under the Tenant Fees Act 2019 in respect of new or renewed tenancies from the 1st September 2019 is liable for a fine in the sum of £5,000 for a first offence. For a second offence, this will be £10,000. A landlord or letting agent could be liable for an unlimited fine. The enforcement authorities may impose a financial penalty of up to £30,000.

7.2 Landlords or Letting Agents who do not also be precluded from serving a notice in certain circumstances.

**8. What happens if the Landlord (or Letting Agent) does not comply with the Renting Homes (Fees etc.) Act 2019?**

8.1 A landlord or letting agent who doesn't comply with the deposit requirements under the Renting Homes (Fees etc.) (Wales) Act 2019 in respect of new or renewed tenancies (ASTs) from the 01 September 2019 is liable for a primary conviction to a fine. The enforcement authorities may impose a civil penalty of £1,000 for certain offences as a secondary conviction to a fine. The enforcement authorities may impose a financial penalty of up to £30,000.

8.2 Landlords or letting agents will not be able to evict a tenant using the section 21 notice if they do not return an unlawfully retained holding deposit.

8.3 A local housing authority as the licensing authority will take a decision as soon as they are aware of an offence. The licensing authority will take a decision as soon as they are notified to them when determining whether a person is a fit person to hold a licence under the Housing Wales Act 2014.

**9. Protecting deposits from students**

Landlords must protect student deposits using a TDP scheme if the students have an Assured Shorthold Tenancy (AST) and the deposits were received on or after 1st September 2019.

**10. Protecting deposits made by third parties**

10.1 If a Tenant's deposit is made by someone other than the Tenant, e.g. a relative or friend, the Landlord must ensure the deposit is protected under a TDP scheme.

10.2 The Landlord should find out how much the third party is involved in the process. For example, the deposit provider needs to know if the third party wants the deposit returned to them.

**11. Prescribed information**

The TDP legislation requires landlords to provide their Tenants with certain "prescribed information" when they are taking a deposit. Our Prescribed Information document provides more details on this.

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Information template can be  
contained in literature pro  
literature should be attach  
Tenant.

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of the required information will be  
heme so copies of the relevant  
information notice and given to the

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