

Munrolock Guide to **TENANCY DEPOSIT SCHEMES**

WHY THE DEPOSIT SCHEMES

Moving in and Moving out....

CHOOSING MUNROLOCK

The scheme we choose.....

DEPOSIT PROVIDERS

Which one to use.....



Beckenham Office

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Beckenham, Kent, BR3 1AY
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Fax: 020 8462 5055

Hayes Office

31 Station Approach
Hayes, Kent, BR2 7EB
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By Law Deposits must be registered

All new tenancy deposits **must be protected** in a government-authorised scheme. This new rule applies if the tenancy is an assured shorthold tenancy. The Government wants to make sure tenants' deposits are protected so that:

- Tenants get all or part of their deposit back, when 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.

At the end of the tenancy, following adequate written notice, a landlord or agent can seek possession of the property. A tenant who refuses to leave cannot be evicted without a court possession order. A landlord or agent will lose their automatic right to regain possession of the property at the end of the tenancy unless they have protected the deposit in a scheme and given the tenant information about how it is protected.

Moving in

At the beginning of a new tenancy agreement, the tenant pays the deposit to the landlord or agent as usual, who must ensure it is protected.

1. There is a custodial scheme.

Where the money is held by the scheme until the end of the tenancy. The landlord or agent simply puts the deposit into the scheme at the beginning of the tenancy. This is the service Munrolock uses.

2. Insurance-based schemes

Under the insurance schemes the landlord keeps the deposit, and pays the insurance scheme to insure against the landlord failing to repay the tenant any money due to him. There is a choice of two insurance-based schemes.

Within 14 days of taking the deposit, the landlord or agent must provide the tenant

with details of how the deposit is being protected including:

- The contact details of the tenancy deposit scheme selected
- The landlord or agent's contact details
- How to apply for the release of the deposit
- Information explaining the purpose of the deposit
- What to do if there is a dispute about the deposit

Tenants have a responsibility to return the property in the same condition they took it on.

Moving out

At the end of tenancy the condition and contents of the property should be checked against the agreement made at the start of the tenancy. The landlord or agent then agrees with the tenant how much of the deposit will be returned to them. Within 10 days the agreed amount of the deposit will be returned to the tenant.

“ To make any claim with the deposit schemes, it is vital you have a professional inventory and check in and out completed. ”

Scheme Providers

Scheme Providers

There are three government-authorised tenancy deposit schemes offering tenancy deposit protection. Landlords should find out about these schemes and their legal obligations before taking a tenancy deposit.



The Deposit Protection Service (The DPS)

(Free to use, you send the deposit to the scheme to look after)

The DPS is the only custodial deposit protection scheme, is **free to use** and open to all Landlords and Letting Agents. The service is funded entirely from the interest earned from deposits held. Landlords and Letting Agents are able to register and make transactions online. Paper forms are also available should internet access be an issue. The scheme is supported by a dedicated call centre and an independent dispute resolution service.

For more information, visit www.depositprotection.com or telephone 0870 707 1 707.



My Deposits (formerly TDSL)

(You look after the deposit and register it with them, but there are fees to pay)

My Deposits is a partnership between the National Landlords Association and Hamilton Fraser Insurance. This insurance-based tenancy deposit protection scheme enables landlords, either directly or through agents, to hold deposits. Letting agents can also join the scheme.

For more information, visit www.mydeposits.co.uk or telephone 0871 703 0552.



The Tenancy Deposit Scheme (TDS)

(You look after the deposit and register it with them, but there are fees to pay)

TDS is an insurance-backed deposit protection and dispute resolution scheme run by The Dispute Service that builds on a scheme established in 2003 to provide dispute resolution and complaints handling for the lettings industry. The new scheme enables letting agents and landlords to hold deposits.

For more information, visit www.thedisputeservice.co.uk or call 0845 226 7837.

What happens if you don't secure a tenant's deposit?

The tenant can apply to the local county court. The court can order the landlord or agent to either repay the deposit to the tenant or protect it in a scheme. If the landlord or agent has not protected the deposit, and they fail to do so within 14 days, they will be ordered to pay the tenant three times the amount of the deposit.

How does it affect you as a Landlord with Munrolock?

Management with Munrolock.

If you use either this service with Munrolock, we will hold the deposit as normal. We are registered with the DPS service so will pass the deposit on to be safeguarded. We will deal with the administrative work.

Let only and Rent Collection with Munrolock

If you use these services, we will pass the deposit on to you as normal. As a Landlord, it will be compulsory for you to ensure you are registered with one of the three schemes and to inform the tenants of their rights and let them know which scheme you belong to. We can look after the deposit for you for a small extra charge

