

# Tenancy deposits... *the story so far*



**Ben Beadle**  
Managing Director



Northern Ireland  
Executive

[www.northernireland.gov.uk](http://www.northernireland.gov.uk)



# Key points

- ❑ The Tenancy Deposit Scheme (Northern Ireland) Regulations took effect on **1 April 2013**;
- ❑ Four **scheme administrators** were appointed (now only three);
- ❑ Each scheme must provide a free **Dispute Resolution Mechanism**;
- ❑ Choice of **custodial** and **insured** protection.



# What landlords must do

- ❑ **Register** the deposit within 14 days of receipt
- ❑ Tell the tenant within 28 days of receipt, which scheme is protecting their money by issuing **Prescribed Information** and a scheme leaflet



# Penalties for not complying

- ❑ **A fixed penalty** of 3 times the deposit issued by the local council
- ❑ If unpaid, the council can take the landlord to court for a **maximum penalty of £20,000**
- ❑ Penalty is **retained** by the council



# 1<sup>st</sup> year facts and figures...

- ❑ **18,628** deposits were protected to 31 March 2014 in the **whole** of NI
- ❑ **13,767** were protected through **TDSNI** to the value of **£7.8m**, with 56% of deposits in the custodial scheme
- ❑ **34** dispute resolution **decisions** issued

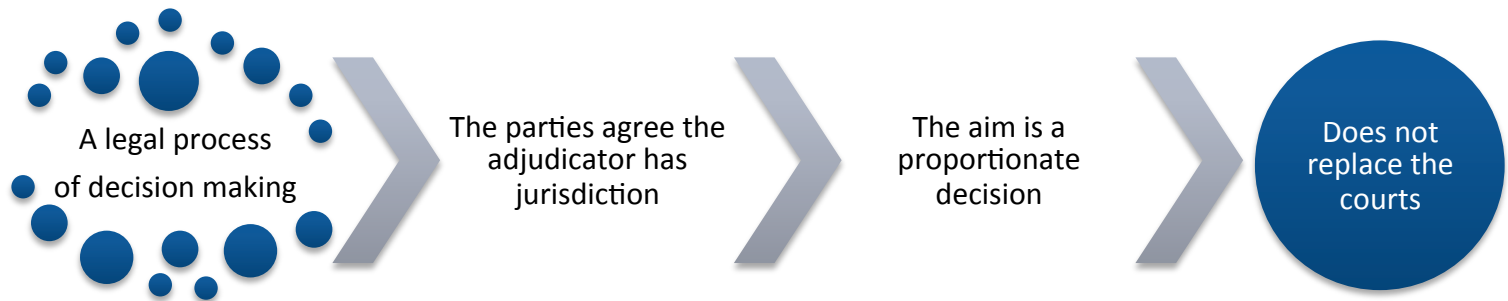


# What tenants think...

- 90%** of tenants paid a deposit on their previous tenancy
- 42%** of tenants felt their deductions were **unfair**
- 97%** did **nothing** about it
- 79%** knew their **current deposit** was protected
- Only **32%** of tenants received **Prescribed Information**



# Dispute Resolution Mechanism



# Who has to prove what?

**TENANT'S DEPOSIT**



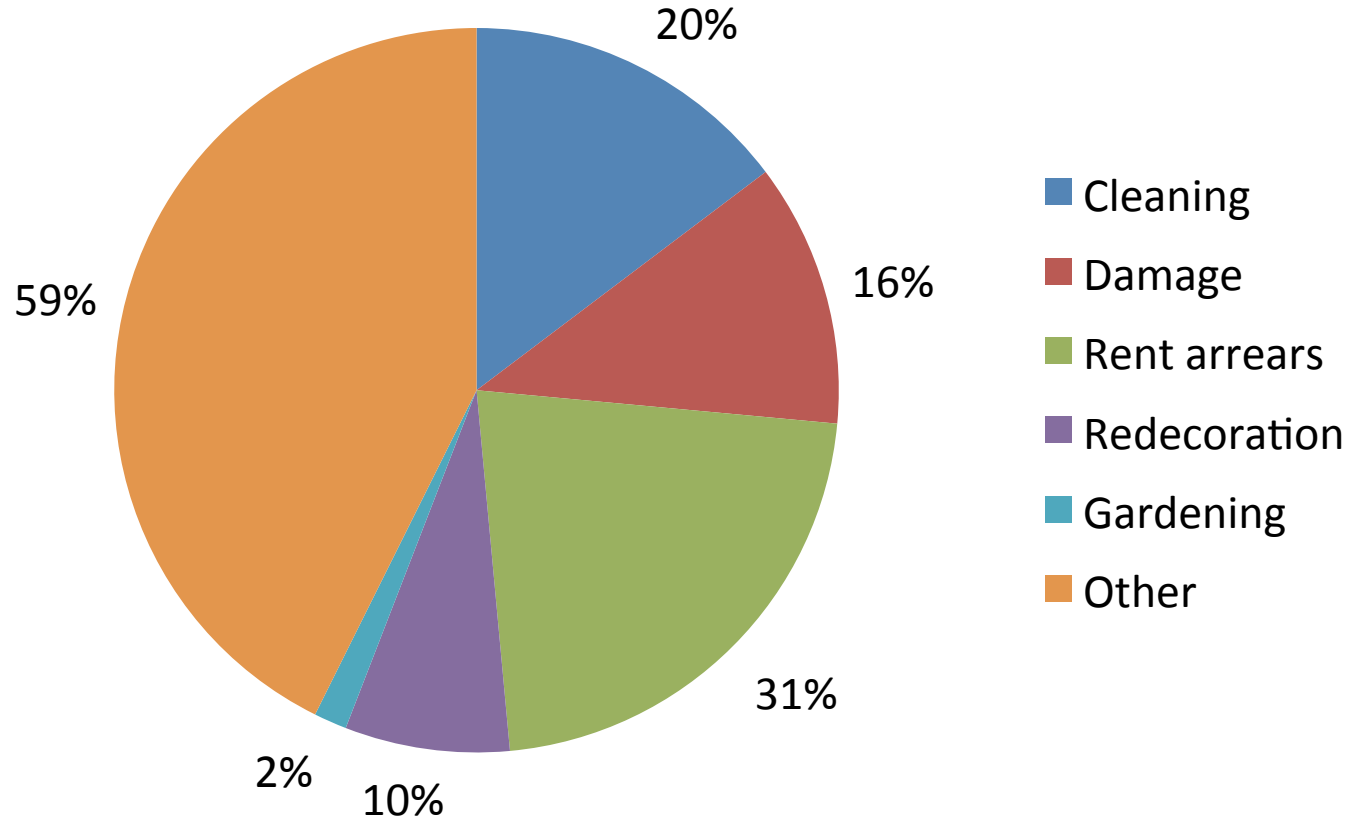
Landlord must support their claim with evidence



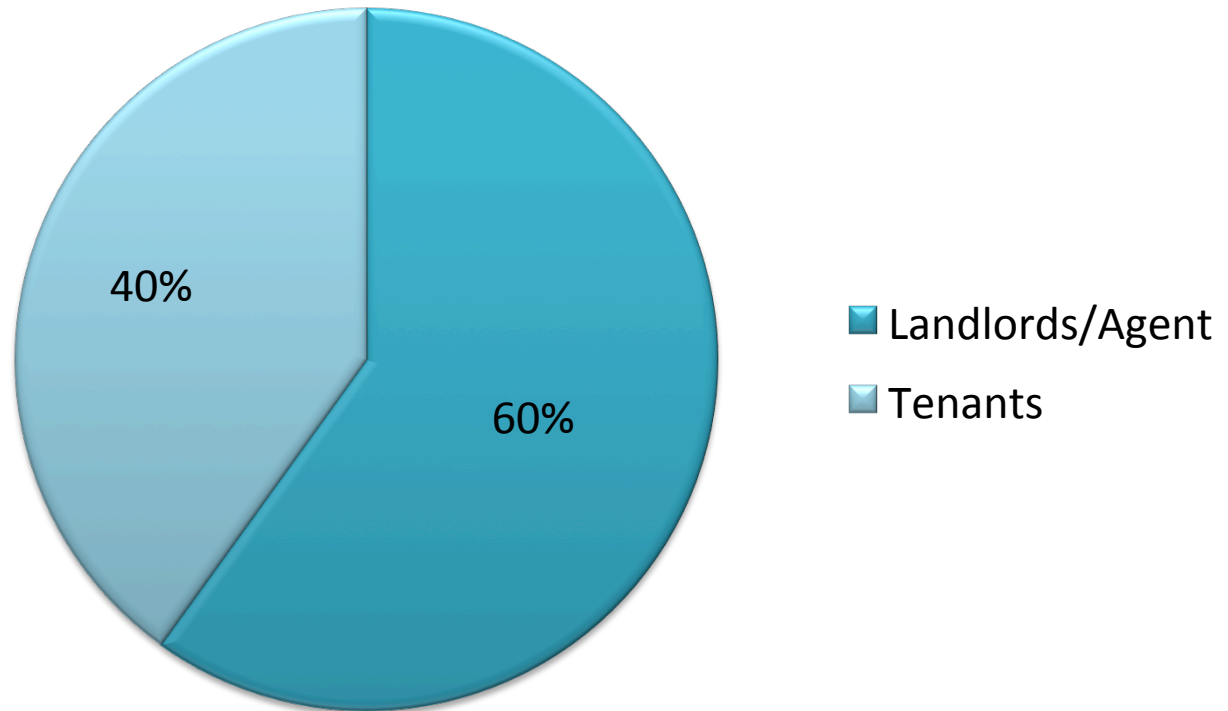
Failure to do so means the natural path is for the deposit to be returned to the tenant



# What are disputes about?



# Split of adjudicator awards





# Where it's gone wrong...

- Claiming for rent after the tenancy has ended;
- Claiming the deposit by default for a breach of the tenancy;



- Poor submissions failing to explain the claim;
- Remember, tenants can see what you say!

# Bigger and better uptake...

- ❑ To the end of September 2014, a total of **22,066** deposits have been protected through **TDSNI** to the value of **£12.8m**
- ❑ **82** decisions have been made through the dispute resolution mechanism

**BUT!**

# A bigger and better approach is needed...

- ❑ **Uptake is low** compared to the number of tenancies out there
- ❑ The regulations are **not retrospective**, so do not apply to pre 1 April 2013 tenancies already in existence.
- ❑ Greater focus on **enforcement** for non-compliance

# In closing...

- ❑ More needs to be done to offer protection to those tenants **not currently covered**;
- ❑ Some evidence of **improved practice**, such as conducting independent inventories;
- ❑ But a general view which is overwhelmingly **positive** from landlord and tenant perspective, of TDP working well.



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