

## Tenancy deposit protection schemes

### What are tenancy deposit protection schemes?

All **cash deposits** taken by landlords for Assured Shorthold Tenancies (ASTs) have to be safeguarded by a Government-approved scheme.

**Since 6 April 2012** all cash deposits for new ASTs in England and Wales must be **protected within 30 calendar days of receipt by the landlord** (this changed from previous regulation requiring landlords to protect it within 14 days). If the landlord does not protect the deposit the tenant can take them to county court and require them to repay the deposit plus up to three times the deposit amount.

### Protecting a deposit

If a deposit is being paid, tenants should **ask their landlord which tenancy deposit protection scheme (TDPS) will be used** when signing their new tenancy agreement. The landlord must provide the tenant with all the information the law requires within 30 days of receiving the deposit, including:

- the landlord's name and contact details
- the amount of deposit paid and the address of the tenanted property
- details of the tenancy deposit protection scheme they are using
- a copy of the deposit protection certificate signed by the landlord
- information about the purpose of the tenancy deposit protection scheme
- how to get the deposit back at the end of the tenancy what to do if there is a dispute about the amount of deposit to be returned/withheld

### Tenancy deposit protection schemes

There are three TDPSs. All are Government-approved and offer two different types of service.

**Custodial scheme**- where the landlord or letting agent pays the tenant's deposit into the scheme and it remains locked until the end of the tenancy. Then, if there is a dispute, an independent panel will decide on how much should be returned to the tenant.

**Insurance-based schemes** –where the landlord or agent retains the tenant's deposit by paying an insurance fee- insuring themselves against the possibility of failing to repay the due amount. If the landlord illegally retains the deposit the scheme will repay the tenant the amount due and try to get the money back from the landlord. This type of service comes with a charge and the cost is sometimes transferred to tenants

**Deposit Protection Service** [www.depositprotection.com](http://www.depositprotection.com) offer a custodial scheme (free of charge) and insurance based scheme (for which there is a charge)

### Tenancy Deposit Scheme

[www.thedisputeservice.co.uk](http://www.thedisputeservice.co.uk) offer an insurance based scheme only (at a cost)

**My Deposits** [www.mydeposits.co.uk/](http://www.mydeposits.co.uk/) offer an insurance based scheme only (at a cost)

### Do private rented sector access schemes need to protect deposits?

Many private rented sector (PRS) access schemes assist homeless and vulnerable people into PRS accommodation by helping them with a bond guarantee in place of a deposit. These non-cash bonds do not need to be registered with a TDPS.

**Website** [www.crisis.org.uk/crisis-private-renting](http://www.crisis.org.uk/crisis-private-renting)

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Crisis runs an advisory service for voluntary organisations and local authorities to access the private rented sector for single homeless people