

Deposits

What Is A Deposit?

A sum paid to a landlord or agent to provide them with security against any damage that you may cause in the property or rent arrears during your tenancy. You usually pay a tenancy deposit before you move into a property.

From June 1st 2019, the maximum tenancy deposit that can be charged is equal to 5 weeks' rent.

You can calculate your maximum tenancy deposit by multiplying your monthly rent by 12. Then divide this by 52 and multiply by 5.

The maximum limit applies to deposits relating to all assured short hold tenants, lodgers and Students in halls of residence as long as the yearly rent is less than £50,000.

Tenancy Deposit Protection

Your landlord/letting agent must protect your deposit using one of the 3 authorised deposit protection schemes. Your landlord/letting agency can choose which scheme they protect your deposit in.

If at the end of your tenancy your landlord won't return your deposit or wishes to make deductions from your deposit, you can contact the scheme's dispute resolution service to decide how much you get back.

You may be able to get your deposit back from the scheme without going to court if you can't get in touch with your landlord at the end of the tenancy.

When you pay your deposit make sure you get a receipt.

Your landlord or agent has 30 days from when you pay your deposit to:

- protect it with an authorised scheme
- give you certain written information about the scheme

The deposit must remain protected throughout the tenancy.

If you are unsure whether your deposit is protected you can check on the 3 authorised deposit protection scheme's websites- [Deposit Protection Service \(DPS\)](#), [Tenancy Deposit Scheme \(TDS\)](#) and [MyDeposits](#).

Safeguarding Your Deposit

To ensure that you will receive your full deposit back at the end of your tenancy you need to make sure that you take care of the property and are returning it to the landlord in the same condition as when you took it on **subject to fair 'wear and tear'**.

To remind yourself of your responsibilities when it is time to move out, and as evidence in case of any dispute, you should keep an **inventory** and check the terms of your particular tenancy agreement.

My landlord has not protected my deposit under the Tenancy Deposit Scheme. What are my rights?

There are penalties for landlords who fail to protect your deposit within the time limits.

If you think that your landlord hasn't used a tenancy deposit scheme when they should have done you can make an application to your local county court.

If a court finds that your landlord/letting agent hasn't protected your deposit it can order the person holding the deposit to either:

- Pay it into a tenancy deposit scheme's bank account within 14 days
- Repay it to you

The court may also order the landlord to pay you up to 3 times the deposit within 14 days of making the order.

It is advised that you seek legal advice prior to taking action. You should also firstly attempt to resolve issues informally with your landlord/letting agent. The court will expect you to have done this. Ensure that you keep evidence of contact you have had with your landlord/letting agent (i.e. letters/emails).

When can the landlord keep the deposit?

The deposit is your money. Your landlord should provide evidence of their costs if they decide to make deductions.

Reasonable deductions could include:

- unpaid rent
- damage to the property

You can challenge deductions if you think they're unreasonable.

Any deductions from a deposit are usually made at the end of a tenancy. Your landlord should provide you with a breakdown in writing of any deductions they wish to make and provide evidence to support them.

It is also possible for landlords to retain the deposit until proof has been provided that all utility bills have been paid, but this intention should be stated in the tenancy agreement.

Landlords can also deduct amounts from deposits for any other financial loss, such as the cost for utilities to be reconnected due to you not paying bills.

Moving Out Early

If you decide to leave your property before your contract finishes, whether you receive your deposit back early or not depends on certain factors. There may be a term in your tenancy agreement about this procedure. If you are able to find a replacement tenant, then you should receive your deposit back once you leave the property and the new tenant moves in (provided you have not caused any damage and have no rent arrears). However, check your contract for specific details as each tenancy agreement varies.

Tenancy Is Coming To an End

When your tenancy is **coming to a close** you should contact your landlord in writing and request them to inspect the property before you leave it. Before the inspection you should ensure that:

- The property is in a clean and tidy state of repair
- All items listed on the inventory are there and in the same condition as when provided (except 'fair wear and tear')

Can I use my deposit to pay for the rent?

During your tenancy agreement you should not use your deposit to pay for any rent arrears. You are legally liable to pay the rent up until the end of the tenancy agreement. If you do not then your landlord could take legal action against you to recover it.

Resolving Disputes

If you cannot agree with the landlord or agent over how much of the deposit should be returned, then you should refer to the tenancy deposit scheme which is protecting your deposit.

Landlord/Agency Won't Return My Deposit

If your tenancy has finished and you do not receive your deposit back within 14 days (or period stated on your contract), then you should first write to your landlord respectfully requesting it to be returned. If that does not work, please speak to Guild Advice.

Landlord/Agent only returned part of my deposit

If you only receive part of your deposit back, then your landlord should provide you with reasons as to why deductions have been made including a full breakdown of costs incurred. If they do not, then you should write to your landlord/agent requesting this information along with evidence to support any claims (i.e. receipts).

Taking Further Action

If your landlord refuses to return your deposit, or if you have been charged for damage that you feel you are not liable for, then it is possible for you to take legal action to claim any amounts owed to you. Before taking this option you should try to resolve the dispute informally with your landlord and you should always seek advice before taking the legal route. Where your deposit is protected under a Tenancy Deposit Scheme then your dispute would normally have been resolved before this point using the scheme's resolution service.

Sources of Help

Guild Advice- Guild of Students

Email: guildadvice@guild.bham.ac.uk

Shelter

www.shelter.org.uk

Offers advice and information on housing queries.

Shelter's helpline is a 24-hour free phone service providing advice on a range of housing issues. Tel: 0808 800 4444

Birmingham Council Private Tenancy Team www.birmingham.gov.uk/privatetenants

Tel: 0121 303 5070 or prs@birmingham.gov.uk

Citizens Advice Bureau

www.citizensadvice.org.uk

03444 111 444

Tenancy Deposit Schemes

Deposit Protection Service (DPS)- <https://www.depositprotection.com/>

Tenancy Deposit Scheme (TDS)- <https://www.tenancydepositscheme.com/>

mydeposits- <https://www.mydeposits.co.uk/>