



ESSENTIAL INFORMATION FOR LANDLORDS OF RESIDENTIAL PROPERTY

THE TENANCY DEPOSIT SCHEME

Since 6 April 2007 any Landlord who takes a deposit from his residential tenant is required to pay it into a Tenancy Deposit Scheme within 14 days of the receipt of that deposit.

There is more than one Tenancy Deposit Scheme but the preferred scheme is the actual placement of that deposit in an authorised scheme. The Landlord is required to give the tenant information relating to: –

- a) The authorised scheme applying to the deposit.
- b) Compliance by the Landlord with the initial requirements of the scheme in relation to the deposit.

This information must be given to the tenant:-

- a) In the prescribed form or in a form substantially to the same effect, and
- b) Within the period of 14 days beginning with the date on which the deposit is received by the Landlord.

Some Landlords are choosing to ignore the Tenancy Deposit Rules presumably because they are ignorant of the scheme or because it involves extra administrative work. **THIS IS A MAJOR MISTAKE!**

A tenant can make an application to Court on the following grounds:-

- a) That the Landlord has not complied with the "initial requirements" of the Deposit Scheme, or
- b) The Landlord has not given details of which scheme the deposit is being held in.

The Court may order the following:-

- a) That the deposit be repaid to the tenant or
- b) That the deposit be paid into a scheme

The Court **MUST** make an Order that three times the value of the deposit be paid by the Landlord to the Tenant within 14 days. It is, therefore, an expensive mistake to make!

Furthermore, if a Landlord fails to comply with the Tenancy Deposit Protection Rules, the Landlord cannot serve a notice under Section 21 of the Housing Act 1988 or bring proceedings to recover possession of the property which has been let. The Landlord can apply to place the deposit in a Tenancy Deposit Scheme late but this may not avoid the mandatory 3 month penalty described above.

All Court forms have been amended to ask a Landlord whether the Tenancy Deposit Scheme Rules have been complied with. Failure to answer this question correctly leaves the Landlord open to prosecution for perjury.

Let your Solicitor help you navigate these Rules and save substantial time and expense.

For more information contact Alan Porter on 0208 290 0440 or email: alan.porter@thackraywilliams.com