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Legal reassurance for tenants

Disagreements with landlords and unfair retention of tenants' deposits are potentially a thing of the past, according to a leading Worcester letting agent as it reminds local tenants of the protection the law provides.

Many tenants are unaware of the security they have when renting a residential property, so Premier Places sets out to demystify the law that protects tenants' deposits.

At the commencement of a tenancy agreement residential tenants give their landlords, or their landlord's agent, a deposit against possible non-payment of rent or damage to property. When the tenancy comes to an end there is usually, in the majority of cases, no disagreement about the return of the deposit. But sometimes there is, and this can cause stress and inconvenience to both the landlord and the tenant.

Tenancy deposit protection was introduced by the Housing Act in 2004 as part of a package of measures to reduce such disputes, protect tenants' deposits and ultimately raise standards within the residential property sector.

Since April 2007, any landlord or agent in receipt of a deposit (for rent up to £25,000 per annum) on assured shorthold tenancies in England and Wales has been legally required to protect it in an authorised tenancy deposit scheme. In the first two years of operation over 1.5 million deposits have been protected, totalling nearly £1.4 billion

in value, with an average deposit of £906. (Source: Communities and Local Government.)

There are two main aims of the legislation:

- (1) To ensure good practice in deposit handling. When a tenant pays a deposit, and he is entitled to it back, he or she can be sure that this will happen. The legislation specifies that within 14 days of a tenancy commencing a landlord or agent must give the tenant details of how the deposit is protected, to include contact details of the deposit scheme, landlord or agent contact details, how to apply for release of the deposit, information explaining purpose of deposit and what to do if there is a dispute.

At the end of the tenancy, the tenant should check that the property is left in good order, allowing for fair wear and tear, check that all rent and expenses have been paid and then agree with the landlord how much of the deposit should be repaid. Within 10 days the tenant should then receive the agreed amount.

- (2) To assist with the resolution of disputes by having an alternative dispute resolution service. This is a free service offered by the scheme protecting the deposit, to help to resolve any disputes by a third party, with minimal stress endured by the landlord or tenant. It will also encourage tenants and landlords to agree, at the start of the tenancy, the condition and contents of the property.

If the landlord or landlord's agent hasn't protected the deposit the tenant can apply to the local county court who may order the deposit to be repaid to the tenant or insist that it is paid into an approved scheme. If the landlord or agent has not protected the deposit for the duration of the tenancy he will be ordered to repay three times the amount to the tenant.

Commenting on the legislation, Dani James, office manager at Premier Places said: "The law is effectively a security blanket for both tenants and landlords. It provides tenants with the confidence to take out a shorthold tenancy without fear of their deposit being unfairly withheld by the landlord or agent.

“Here at Premier Places our service includes a number of security measures aimed at safeguarding tenants’ deposits including, inviting the tenant to sign a detailed inventory when they are accompanied on their tenancy ‘check-in’ at the property.”

Miss James continued: “Premier Places is fully compliant with the legislation and has a team of dedicated staff who are experienced in dealing with every stage of the tenancy from, inventory preparation, check-in, handling of deposit, resolution of disputes and deposit return.”

For advice or information on any aspect of property management, contact Dani James at Premier Places on 01905 616616 or dani@premierplaces.co.uk

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