

LET TER BOX

ISSUE 2 | SUMMER 2017



IN AND OUT

*We take a closer look at
check-in and check-out reports*



ENTER

INSIDE

MANAGE JOINT
TENANTS

PAGE 10

WHO'S SLEEPING
IN MY BED?

PAGE 8

ASK AN
ADJUDICATOR

PAGE 13



Why not bring your deposits

under one roof?



You can use both TDS Insured and TDS Custodial – **no need to choose exclusively between them.**



We answer your calls in **30 seconds**, pick up live chats in **a few seconds**, and reply to your emails in just a **few hours.**



You can transfer your deposits from DPS Custodial to TDS Custodial easily - just send a mandate and we will manage the transfer of data and funds.



We have lots of **unique system features** to make deposit protection **fast and easy.** Change the lead tenant, upload evidence, or do tenant changeovers at the click of a button, for example – simple!

Switching to TDS is easy

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WELCOME TO LETTERBOX

We hope you enjoyed the first issue of Letterbox.

With issue 2, we have focused on check-out reports, such is the importance of these documents when demonstrating the deterioration in condition between the start and end of the tenancy.

But that's not all – you'll also find news about what we've been up to recently – there is so much that we've had to increase the section to a double page spread. Please do get in touch with us if there is anything you would like to learn more about.

I am also delighted to give you a little teaser about our new website, which is coming very soon. You'll find fewer web-pages, yet more information, and we've come up with an innovative way to deliver this, so watch this space!

Steve Harriott
Chief Executive



ISSUE 2 | SUMMER 2017

SPECIAL FEATURE

8 WHO'S SLEEPING IN MY BED?

We look at the rise in popularity of Airbnb and its challenges to landlords and tenants

REGULAR FEATURES

4 THE DELAYED READ

Four months in review

6 THE LONG READ

Check-in and check-out reports – an adjudicator's perspective

10 TEN THINGS

...to manage joint tenants

12 FROM THE ARCHIVES

Evolution of the inventory

13 ASK AN ADJUDICATOR

We answer your questions

14 WHAT'S ON?

Training and resources

15 DAY IN THE LIFE

The glamorous life of the credit controllers

16 TDS TRENDS

Some interesting facts and figures

If you have received this magazine in the post, you will also have received our new window sticker!

For a chance to win a hamper of goodies for your team, tweet a picture in your office window [@tenancydeposits](https://twitter.com/tenancydeposits).



TDS NEWS

4 MONTHS IN REVIEW

By the time you read this, it will be old news, but we think it's still worth a mention...

Since the last issue of Letterbox, TDS has continued with lots of new initiatives – we've launched our new Code of Recommended Practice, expanded our team, and are proud that our scheme in Northern Ireland was named best deposit scheme in the ESTAS 2017.

Here's a flavour of what you might have missed!

TDS NORTHERN IRELAND SCOOPS TOP GONG IN NATIONAL ESTATE AGENCY AWARDS



In May, TDS Northern Ireland was named the best supplier of tenancy deposit protection in the UK at the prestigious estate agency awards, the ESTAS 2017.

The team overcame stiff competition in the Supplier Awards category and won 'Best in Sector – Deposit Schemes'. Our Membership Executive, Sean Timoney, and Eamonn Hunt, Operations Manager at TDS Northern Ireland attended the glitzy ceremony at the Grosvenor Hotel in London. The award was presented by property expert and celebrity Phil Spencer.

TDS Northern Ireland was rated 'excellent' across all criteria, which looked at how we communicate with our clients and how we resolve any client issues. We were also rated on the cost of our services and the value for money we provide.

The award was voted for by customers and then subject to review by a judging panel. Judges received over 90 positive testimonials from customers using our services in Northern Ireland.

Eamonn commented on the award win, saying: "It's an honour to be recognised by fellow industry professionals for doing what we do; delivering the highest standards of service to our clients. For that, I have to praise our dedicated and knowledgeable staff members.

"TDS is the market-leader in Northern Ireland because of the value we place on working tirelessly for landlords, letting agents and tenants, to provide a transparent and fair tenancy deposit scheme."

TDS LAUNCHES CODE OF RECOMMENDED PRACTICE

In June, we issued our Code of Recommended Practice for deposit protection continuing our on-going remit of improving standards in the private rented sector.

The code (which builds on existing guidance to members) outlines the standards we expect of members and covers protecting deposits and serving prescribed information, terms of business with landlords, tenancy agreements, check-in/check-out reports, and proposing and negotiating deposit deductions.

Designed to dovetail with codes of practice from the Property Ombudsman, ARLA Propertymark and the Royal Institution of Chartered Surveyors (RICS), the work acts as a practical and convenient resource for everyone in the private rented sector.

Our Director of Dispute Resolution, Michael Morgan, said: "Dealing with over 16,000 deposit disputes a year gives us an outstanding insight into what causes tenancy deposit disputes, and what can be done better to avoid them arising."

With this in mind, TDS launched the Code of Recommended Practice. It captures, in an easy to understand statement, those 'best practice' requirements which we would expect TDS members to follow in their dealings with tenancies and deposits.



Steve Harriott, our Chief Executive, backed this saying: "I am delighted to commend this Code to all TDS members and their tenants. As part of our commitment to raising standards in the private rented sector, it reflects the very purpose of tenancy deposit protection – to improve practices for dealing with tenancy deposits, and work to reduce disputes."

TDS' Code of Recommended Practice is available to view online. Please let us have any comments you might have.

www.tenancydepositscheme.com/agents-and-landlords-documents-and-forms.html



A DECADE OF TENANCY DEPOSITS

2017 marks the 10-year anniversary of tenancy deposit schemes in England and Wales but you need to go back a bit further to really understand how they came about.

Back in June 1998, the National Association of Citizens Advice Bureaux (NACAB) published a damning report based on their clients' experience of getting deposits back from landlords.

This, and other research, made legislators sit up and take notice. Tenancy deposit protection became mandatory with the Housing Act 2004 and deposits started being protected from April 2007. Having been involved in the pilot and the TDSRA, TDS, which is the only not-for-profit scheme, had a bit of a head start.

It was thought that there would be a rise in disputes but we quickly found that the vast majority of tenancies don't have problems. The formalisation of arrangements for deposits has raised standards in many areas; for example, tenancy agreements are now much better worded, with explicit deposit use clauses. As tenancy deposit schemes have developed, there have been significant improvements in the quality of dispute evidence being submitted, which protects landlords and tenants alike.

We have also been investing in software development, and pioneered online evidence portals for disputes that do away with paper-based systems. This has been universally well received and is now used throughout the UK. More than 95% of disputes are now handled via the portal; five years ago, nearly everything came by post.

A decade after tenancy deposit schemes were first introduced, and almost 20 years on from the ground-breaking NACAB report that prompted it, we believe that the private rented sector is the better for them. Tenants and landlords are secure in the knowledge that deposits are safe, there is a quick and easy way to resolve disputes, tenancy management standards have improved, there is a growing acceptance of the value of client money protection and the adoption of new technology is driving down the costs of deposit protection.

TDS STRENGTHENS CUSTODIAL TEAM WITH SENIOR APPOINTMENT

Former ARLA Vice President, Claire Lloyd, has joined TDS as a Business Development Consultant with a particular remit to attract new letting agents to the TDS Custodial scheme.



She took up her new role in June, working alongside Rebecca Johnston, our Custodial Managing Director, as part of the business development team.

Claire has over twenty years' experience in the property industry and the UK's letting market, including setting up and running the multi-award winning lettings agency, Claire Lloyd Properties. She was a founder agent member of TDS and has supported the organisation since its inception over ten years ago.

She's been a Fellow of both ARLA and NAEA since 2007 and was elected as Vice President of ARLA in June 2016. Since selling her business she has worked as a consultant in the sector. Steve Harriott, TDS Chief Executive, sees Claire's appointment as a strong statement about the importance of the custodial scheme saying: "Claire is well-known and well-connected within our industry and is a valuable team member. Claire is involved in encouraging agents to switch to TDS Custodial and advising us on how we might improve our award-winning service."

Claire Lloyd, commenting upon her new role, said: "I'm excited to join TDS and to be able to use my hands-on experience of the lettings world to help build the company's business. From my dealings with TDS over the years I know it's a company whose ethos and goals very much match my own."

TOO MANY RULES FOR LANDLORDS?

Commissioned by our sister charity, TDS Charitable Foundation, property expert Kate Faulkner has published the third report in her series on the private rented sector entitled 'What impact is enforcement of rules and regulations having on the private rented sector?'

The report finds that the myriad of rules and regulations in the sector are creating confusion among landlords, letting agencies, tenants and enforcement bodies. A typical English landlord must comply with around 150 rules and regulations, and even more if they want to let a property to someone in receipt of benefits.

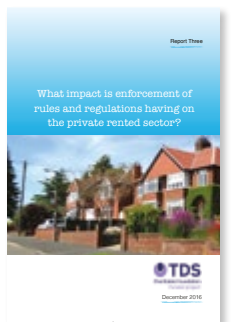
"There are 4.4 million rental properties in England alone so reforming the market would help millions of voters", Kate said.

In the report, she claims that the lack of enforcement of regulations has created a two-tier rental market whereby legally let properties are available at a premium, while those who cannot afford it, must settle for sub-standard, illegal, or even dangerous homes.

It is also critical of policy being regularly tweaked or new legislation introduced without the necessary awareness campaigns and enforcement mechanisms.

"By tightening up on implementing legislation, tenants will know what to expect, and how to bring rogue landlords to heel. By tackling the causes of the current two-tiered rental market, the quality of the UK's rental stock will increase, providing better homes for tenants, and better standards for landlords and agents."

The full report is available at <http://bit.ly/tdsenforcement>



CHECK-IN AND CHECK-OUT REPORTS

AN ADJUDICATOR'S PERSPECTIVE

Providing appropriate evidence to support a tenancy deposit claim is essential for a positive outcome, but what does an adjudicator really look for during the decision making process and how can agents and landlords shape best practice?

This article will explore these issues and clarify what makes a good check-in and check-out report.

When a landlord or agent makes a claim against a tenant's deposit they are required to provide evidence to show the condition of the property, or items within it, at the beginning and end of the tenancy. A comparison

of the condition of the property at these times will allow an adjudicator to determine whether damage or deterioration in excess of what should reasonably be attributed to fair wear and tear has occurred. The extent of that damage or deterioration can then be assessed and a suitable amount of compensation awarded. This evidence of condition can be in many forms but, while TDS do not deem written check-in and check-out reports as a prerequisite for raising a dispute, these documents are considered the primary source of evidence in justification of deductions from the deposit.

As the reports will be used to provide a comparison of the condition and cleanliness of the property at the beginning and end of the tenancy, it is important that the reports are clear and comprehensive. The check-in report should list all of the areas of the property, such as walls, flooring, ceilings, doors and windows as well as any other fixtures and fittings such as furniture, appliances



and even light bulbs. It is not possible to forecast which areas are going to be the subject of any dispute and so a methodical, room by room approach will provide the best level of protection to both the landlord and tenant.

The check-in report should then describe those items and areas in terms of both condition and cleanliness. A carefully worded general or overarching statement is a useful 'catch-all' here and allows the adjudicator to imply the condition and cleanliness of the property, or items within it, in the absence of more detailed information within the report.

Such statements come in many forms but a common example would be 'in the absence of any comment to the contrary the items listed in the report are found to be in good and clean condition'. Importantly the wording in this statement covers both condition and cleanliness. Where items are simply noted as 'good condition' an adjudicator cannot determine the cleanliness of the item and so it is important to include both.



THE REPORT ITSELF CAN BE PRODUCED BY ANYONE; LANDLORD, AGENT OR INVENTORY CLERK. HOWEVER, A PROFESSIONALLY PREPARED AND INDEPENDENT INVENTORY IS LIKELY TO BE MORE PERSUASIVE AND MORE USEFUL TO AN ADJUDICATOR

A general summary of cleanliness is also very useful to the adjudicator. Cleaning remains one of the most common disputes between landlord and tenant and yet a statement as to the standard of cleanliness is often omitted from a report. It is important to remember that there are different standards of cleanliness, for example 'professionally clean' and 'domestically clean', and it is essential to clearly state the standard in which the property is presented as a landlord is only entitled to receive the property in a similar state of cleanliness to that present at the start of the tenancy. Furthermore, if carpets and appliances have been professionally cleaned then this should also be specifically stated.

Light bulbs are another common claim as tenants are generally responsible for replacing consumable items. A check-in report should therefore note whether they are working or not, or even include a general statement that all bulbs are working. To help the adjudicator, a check-out report should state exactly how many bulbs are not working at the end of the tenancy, rather than simply state 'lights not working' or 'bulbs out'.

The report itself can be produced by anyone: landlord, agent or inventory clerk. However, best practice is that a report is prepared by an objective third party, and is signed by the tenant confirming it to be a true representation of the condition of the property. Where the tenant has not returned a signed copy of the inventory, it is good practice to submit evidence that the tenant has been given the opportunity to review and sign the document. It is important to remain objective when preparing the report. Adjudicators regularly see subjective and emotive comments within landlords' reports, some suggesting that an item has been 'absolutely destroyed' or that areas are 'disgusting' and items are 'ruined', when on evaluation of the evidence it transpires that the damage complained of amounts to nothing more than fair wear and tear.

The report must be contemporaneous. A check-in report is often signed by the tenant and this is enough to show that they agree that it was an accurate reflection of the condition and cleanliness of the property at the start of the tenancy, even if the report was undertaken sometime before the tenancy began. In a recent case I dealt with the check-in report was undertaken a month or so before the tenant had moved in and, although it said that the property was very clean throughout, I was unable to consider this to be evidence of the cleanliness of the property at the start of the tenancy. As a consequence, I was unable to conclude that the cleaning claim was justified even though the check-out evidence showed the property to be generally unclean.

The timing of the check-out report is also critical and the inspection should be undertaken within no more than a few days of the end of the tenancy, allowing for weekends or bank holidays. Any delay introduces doubt that the deterioration in condition or cleanliness occurred during the tenancy, and instead opens up the possibility that it has occurred since the tenancy ended. A delay of any more than a few days will most likely lead an adjudicator to conclude that the claim is not

supported by the evidence, and no date at all could result in the report not even being considered.

Photographs included in a report are useful to demonstrate the extent of damage or deterioration and are of particular use in demonstrating how a garden may have altered over the course of a tenancy. Photographs instead of a written report, however, are likely to compromise the success of a claim because these images are often insufficiently detailed to show cleaning issues, such as dust, which may be visible to

the naked eye. It must also be remembered that where a claim relies only on photographic evidence an adjudicator can only assess the condition or cleanliness of the property to the extent shown in the photograph and so, if the agent is seeking to show that the property required cleaning throughout, then a couple of pictures showing dust on a skirting and scale in a toilet are not likely to result in success. It is also now common for video inventories to be presented as evidence. Again, while no specific format is required or expected, a shaky video filmed using mobile telephone is unlikely to provide the clarity required to make any meaningful comparison.

The same attention and effort should be made in respect of both the check-in and check-out reports. It is not uncommon to see a check-out report simply list the areas of the property and note items as 'damaged' or 'unclean'. When faced with this an adjudicator is unable to determine the extent of the damage or the level of cleanliness, and so it is far more useful when a report describes any issues in detail, and perhaps even includes some clear photographic evidence. Also, where a claim is for replacement of an item, an adjudicator can only usually make an award towards replacement if the item is so severely and extensively damaged that its condition makes it unusable or uneconomic to repair. If the report simply states that the item is 'damaged' then it is impossible to come to that conclusion.

The outcome of a dispute is likely to succeed or fail on the basis of the check-in and check-out reports and so their importance cannot be understated. If claims have been unsuccessful in the past, then it may be wise to review the format and content of your reports to ensure that they provide the adjudicator with the clear evidence required to reach a fair and reasonable outcome. It is also worth being mindful of the fact that well prepared and clearly presented check-in and check-out reports may help to avoid disputes altogether, as obvious discrepancies between the check-in and check-out condition of the property will be clear for all to see, and disputing parties may be more readily steered towards agreement.



PHOTOGRAPHS INCLUDED IN A REPORT ARE USEFUL TO DEMONSTRATE THE EXTENT OF DAMAGE OR DETERIORATION AND ARE OF PARTICULAR USE IN DEMONSTRATING HOW A GARDEN MAY HAVE ALTERED OVER THE COURSE OF A TENANCY



Martin Wilks
Adjudicator

WHO'S SLEEPING IN MY BED?

The rise in popularity of the short term rental site Airbnb has brought some interesting challenges for both landlords ('hosts') and tenants.



Michael Morgan,
Director of Dispute Resolution

A recent review spotted on the internet said "I have better experiences staying at people's houses and guesthouses rather than hotels – it's so much more comfortable and each stay is interesting". This is a view shared by many of its users, who value the ease and flexibility that Airbnb brings.

There are advantages too for landlords: The Residential Landlords Association reported last year that landlords are also drawn by the Airbnb effect, with many preferring short term holiday lets through Airbnb than the open market. This may become increasingly popular, given that furnished holiday rentals are not impacted by the mortgage interest rate relief changes, phased in from April 2017.

Despite this, there are of course risks – for both landlords and tenants – and both should exercise caution. For example, the ease of which properties can be let has given rise to a number of incidents of tenants subletting properties without telling their landlord. And for the tenant, any deposit paid in relation to this type of rental does not benefit from a statutory tenancy deposit protection scheme, in the same way as an assured shorthold tenancy would.

“ I have better experiences staying at people's houses and guesthouses rather than hotels. ”

THE RISKS TO LANDLORDS

Tenants who sublet without permission risk eviction or having to pay compensation – but the risks for the landlord are serious too:

- subletting may be in breach of the landlord's mortgage.
- if a sublet makes the property into a 'house of multiple occupation' (a property where at least five people live in more than one household over three or more storeys) the landlord may face the prospect of a fine from the local authority for being unlicensed.
- landlords could also find themselves in breach of their insurance policy – potentially leaving them without cover.
- landlords who are themselves leaseholders may also be breaking the terms of their lease.
- properties let out for more than 90 nights a year might also need planning permission.

WHAT CAN LANDLORDS DO TO MINIMISE RISKS?

Landlords should make sure there is a clause in their contract, either requiring a tenant to tell them if they want to use Airbnb or other similar sites, or preventing them from doing it at all.

If the tenancy agreement does not cover subletting or sharing, the landlord can be held responsible for the activities of the tenant - including antisocial behaviour and damage.

Where landlords do agree to subletting, the terms agreed with the tenant should be carefully documented. Remember that guests staying in the property will not have given references and are unknown to the landlord. A landlord may want to be involved in deciding who can be allowed to stay at their property, and may also want to ask the tenant for an increased deposit to meet the increased risk of damage to the property.

SO WHAT SORT OF CASES DO WE SEE AT TDS?

• **Changing locks:** many of the cases we see involve claims from landlords for the cost of replacing locks and cutting keys following the end of the tenancy, and the discovery that the tenant was subletting. In nearly all cases, tenancy agreements, quite sensibly, included provisions:

- preventing tenants from receiving paying guests
- requiring the property to be used for private occupation only
- excluding tenants from assigning or subletting the property without the landlord's permission

Tenants often consider that returning their keys at tenancy end is sufficient, and argue that no more keys were cut. They also argue that a tenant who was not subletting could equally have cut keys for friends and family but would not be charged for replacement keys and locks.

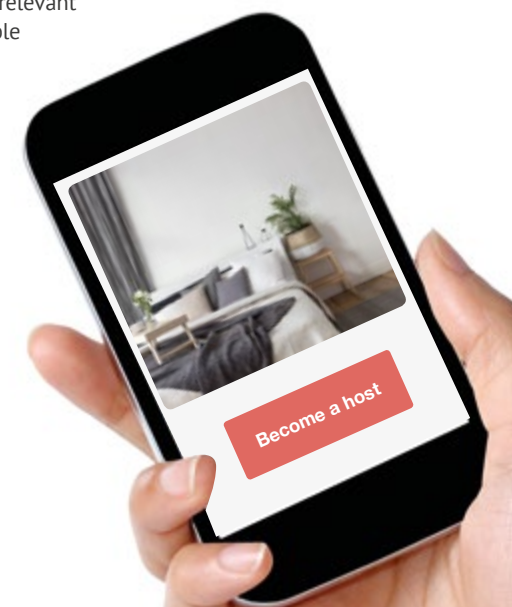
A TDS adjudicator is unlikely to be convinced by these arguments – it stands to reason that a tenant would have to have more keys cut to facilitate the subletting of the property. It is also reasonable for a landlord to consider that the security of their property is compromised by the subletting. An award from the deposit for replacement locks and keys is therefore likely to be made.

That said, the adjudicator will want to see some evidence to show that a tenant did indeed sublet the property. A TDS adjudicator must take the evidence presented at face value. In one case, a landlord produced screenshots of what they claimed to be their property on the Airbnb website. However, these did not show the property address, nor the tenant's name as given on the tenancy agreement. The reviews of the accommodation given by Airbnb guests also predated the tenancy. Whilst the adjudicator could accept that the property had been sublet at some point, they could not be certain that the current tenant was responsible.

• **Cleaning, damage and missing items:** many of the cases we see also involve claims from landlords for the cost of cleaning, making good damage and replacing missing items.

These cases are more straightforward and are approached by the adjudicator in the same way as any other similar case. The adjudicator will want to see the obligation on the tenant detailed in the tenancy agreement, and will consider a comparison of check-in and check-out reports, together with any estimates or invoices.

To some extent, the subletting is less relevant in these cases. The tenant is responsible for returning the property and its contents in the same condition as they received it, and the issue of subletting does not change this. However, we have seen instances where, because of the increased traffic in the property, the amount of remedial work needed is higher than might otherwise be expected. Therefore in short-let subletting cases, the deposit taken may not be sufficient to meet all liabilities.



10 THINGS

TO MANAGE JOINT TENANTS



People sharing a property usually have one of two types of tenancy agreement: they will either rent a room, with shared use of facilities such as a kitchen and bathroom, or they will share the entire property with friends or family members. The type of agreement they have can affect how you manage the tenancy, including the deposit.

We've compiled some top tips to avoid some common pitfalls.



Rebecca Johnston,
Director of Business Development

- 1 CHOOSE A LEAD TENANT** 

Include a section in your tenancy application form asking the tenants to nominate a lead tenant so that you can include it in the tenancy agreement and be assured that everyone is aware. In the Custodial scheme, the lead tenant will be responsible for making and responding to repayment requests.
- 2 SET OUT THE RENT PAYMENT METHOD**

While rent is due for the tenancy as a whole, usually tenants will each contribute a portion of the rent. This can be difficult to manage if lots of varying amounts are coming in from tenants by individual transactions, spread out over a number of days. If you prefer that the tenants pay the rent in a single transaction, set out that requirement in your tenancy agreement. Each tenant can then pay their contribution to the lead tenant who is responsible for paying it to you in one transaction.
- 3 JOINT AND SEVERAL LIABILITY**

Make sure the tenants are aware about the implications of being joint and severally liable under the tenancy agreement. Often in deposit disputes, we see a tenant arguing that they paid their rent and that they want their deposit back. However, each tenant is liable to remedy any loss caused by the actions and inactions of all tenants, so the landlord can claim against the deposit as a whole, even if in reality only one tenant has not paid their contribution.
- 4 AGREE THE SPLIT** 

If joint tenants have each contributed to the deposit, you should agree at the outset how they would like it to be repaid at the end of the tenancy. If you will only make one payment, make it clear who that payment will be made to – usually the lead tenant. If you are happy to make more than one repayment at the end of the tenancy, a note of how it is to be split between the tenants will make it easy to determine how much is due to each person and avoid arguments.

If you are using our custodial scheme, you can split the repayment between tenants so having the information at the outset will help you. It also means that if only one tenant has damaged their room, you can agree that the deductions will be taken from that tenant's 'portion' of the deposit. Don't worry if you don't want to nominate a split though as the lead tenant has the ultimate responsibility to instruct how any amount due to them will be split between the tenants.
- 5 HAVE A PROCESS IN PLACE FOR TENANT CHANGEOVERS** 

It is quite common for one tenant to want to move out of a property, but another remain. Sometimes the remaining tenant will want to remain on their own and other times there will be a new incoming tenant. It is important that this process is managed well in order that liability for the outgoing tenant comes to an end.
- 6 SIGN A NEW TENANCY AGREEMENT**

If the fixed term has come to an end, a joint tenant giving notice will end the tenancy for all tenants, so if one or more tenants wants to remain in the property, a new tenancy agreement should be drawn up in those tenants' names.
- 7 ASK THE OUTGOING TENANT TO PAY FOR ANY DAMAGE** 

It can be impractical to do a check-out report where only one tenant is moving out as all the tenants' belongings will be in place. If you notice damage to the outgoing tenant's room, you could agree with them that they will pay for the damage outside of the deposit. The original inventory can then be updated to make note of the damage and that the landlord has already been compensated. That way, the new tenant will not be liable for it at the end of the tenancy.
- 8 GET THE NEW TENANT'S AGREEMENT TO THE CHECK-IN REPORT** 

Unless you are completing a new inventory, the incoming tenant(s) should sign up to the original inventory. You should make it clear that they will be bound by it at the end of the tenancy, so that at the end of the tenancy they cannot claim that they are not liable for any damage that was done before they moved in.
- 9 UPDATE THE DEPOSIT DETAILS**

We have a simple function in our custodial scheme where you can update the deposit details without requesting the entire deposit back. You can simply select which tenant(s) have moved out and how much they are due to be repaid (this can be zero if the tenants have sorted the deposit out among themselves). We will repay this amount to the outgoing tenant and you can then top up the remaining tenants' deposit with the amount the incoming tenant has paid to you. We will then confirm the new details with all tenants. Simple!

In the Insured scheme, you should end the deposit protection and start a new one.
- 10 PROVIDE ALL DOCUMENTS AS EVIDENCE IN A DISPUTE** 

Should the new tenancy end with a dispute over the deposit return, you should submit all tenancy agreements – not just the most recent one – to show why the inventory is dated much earlier than the tenancy start date. The problem with submitting just the most recent tenancy agreement, and an inventory that predates that agreement, is that the adjudicator would have difficulty in establishing that the tenants are liable under the inventory. By submitting the series of tenancy agreements that relate to the property, you can show the correct paper trail to the adjudicator.

From the archives...

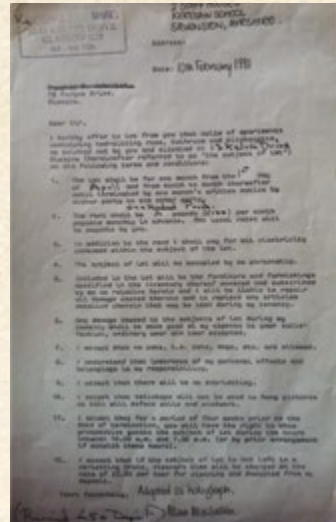
Evolution of the inventory

This 'Rules of the house' dates from over half a century ago! This busts the myth that inventories weren't needed until deposit protection came around. It contains some of the tenant's obligations such as sweeping the chimney twice a year. Surprisingly, it gives consent for a 'small party'. Our favourite – and very much to the point – is an instruction not to tamper with the electricity as this could result in death. Who could argue with that?



The importance of an inventory is always at the forefront of our advice to landlords and agents. Yet despite deposit protection only having been a legal requirement since 2007, inventories have been around for decades longer.

Here we take a look at some oldies-but-goodies.



Written in type rather than by hand, the cleaning clause appears, or a version of one. The tenant accepts if the property is not left in a re-lettable state, cleaning will be charged at £2.50 per hour and deducted from the deposit. Not a bad clause for the early 80s! And the deposit amount? Just £50!

1965

1981

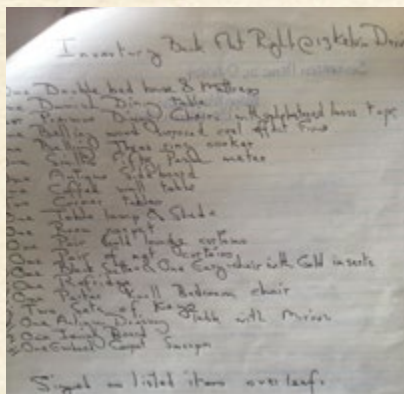
2017

These days, it is quite normal to see inventories that look like this, with colour photographs, detailed descriptions of every item and their cleanliness and condition. However, the written word is key, with clear, comprehensive descriptions.



1979

We move on to the late 70s here – hand written in pen and a simple list of items. Keys are included, the property name, and the makes and models of some appliances and furniture.



2025

What will inventories of the future look like?



Rebecca Johnston,
Director of Business Development



ASK AN ADJUDICATOR

WHAT SHOULD I DO IF ONE HALF OF A JOINT TENANCY MOVES OUT BUT REFUSES TO RESPOND TO THE TENANT CHANGEOVER REQUEST (CUSTODIAL SCHEME ONLY)?

"The tenant changeover function has been designed to help in case of this situation: if the tenant fails to respond to the request, it will 'time out' after 15 working days. This means you can enter a repayment request to return the outgoing tenant's portion of the deposit (if any is due), and pay the remaining tenant's portion of the deposit to you, to be re-lodged in a new deposit account. If a new tenant is moving in to replace the outgoing tenant, they should sign to agree to the contents of the original inventory document."

IF IT'S A TENANT FIND ONLY PROPERTY WITH NO INVENTORY OR CHECK-OUT REPORT, WHAT'S THE BEST WAY TO APPROACH THE DISPUTE?

"An adjudicator needs to be able to see the starting condition of the property and its contents and compare it to the end of the tenancy, which is normally done through a check-in and check-out report, supported by photographs. If this evidence is not available, unless a tenant makes an admission of liability in their evidence, it's unlikely that your claim will succeed. In this situation, we recommend that landlords negotiate with their tenants outside of the adjudication process to try and reach a compromise."

CAN I TERMINATE A TENANCY WITHIN A 6 MONTH AST DUE TO UNPAID RENT?

"If the fixed term has come to an end, the notice has to be served at the end of the current rental period. Notice could be issued by serving a section 21 notice. There are new rules for the service of s21 – RLA do a good guide here <https://www.rla.org.uk/landlord/guides/section-21-notice-frequently-asked-questions.shtml> .

If the tenancy is still within the fixed term, a section 8 notice (so-called because it operates under section 8 of the Housing Act 1988) should be used. This is different from the more common section 21

notice in that it is served on the tenant by a landlord wishing to regain possession of a property during the fixed term of an Assured Shorthold Tenancy (AST) due to a breach of the tenancy. The most common reason to issue the section 8 notice is rent arrears."

ONE OF THE TENANTS LEFT WITHOUT NOTICE AND HAS MARKED THE CARPET. CAN I CLAIM SOME OF THE DEPOSIT FOR A NEW CARPET?

"When you're considering remedies for damage to a carpet, replacement should be the last consideration – for example, cleaning or repair should be considered first. However, if the damage is so extensive that the carpet is no longer fit for purpose, a replacement carpet could be claimed for. Please remember to allow for fair wear and tear when deciding on the amount to claim for."

THE EMAIL I HAVE DOESN'T SEEM TO WORK ANYMORE AND THE TENANT SEEMS TO HAVE DISAPPEARED WITHOUT PAYING THE LAST MONTH'S RENT. I USE THE CUSTODIAL SCHEME. HOW CAN I CLAIM THE DEPOSIT?

"In the Custodial scheme, the deposit repayment process should not be completed until the tenancy has legally come to an end. When you make a repayment request, we will attempt to contact the tenant using the contact details you supplied at the start of the tenancy, or the updated details supplied directly from the tenant. We send a reminder after 10 working days, and another after 15 working days. If the tenant does not respond, you will need to follow the statutory declaration process. Despite its name, this is a reasonably straightforward process which should not cost you any more than £10 as the fees are prescribed in legislation. It involves completing a form and having it notarised by a solicitor or commissioner for oaths, and sending any copies of your attempts to contact the tenant, if you have done so. We will attempt to send the form to the tenant and if they do not respond within 14 days, we will pay the amount you have claimed."

WHAT'S ON ?

Workshops, training and other resources



TDS Academy
27 September 2017 – Exeter
22 November 2017 – Cardiff
From £155 with a reduced rate for current TDS members. <small>(all prices include VAT)</small>

Adjudication Workshop (Half day)
13 September 2017 – London
18 October 2017 – Birmingham
15 November 2017 – York
£99 with a reduced rate of £89 for current TDS members. <small>(all prices include VAT)</small>

RESOURCES AT A GLANCE

TDS ACADEMY

In-depth training covering everything you need to know about deposit protection, including legislation, registration, preparation and adjudication, ensuring you are well prepared with a wealth of TDP knowledge so you can comply with the current legislation.

TDS ADJUDICATION WORKSHOP

Your chance to think and experience the role of a TDS adjudicator, review some typical TDP evidence and consider real case scenarios to decide who gets what and why.

NFOPP LEVEL 3 TECHNICAL AWARD IN RESIDENTIAL TENANCY DEPOSIT PROTECTION MANAGEMENT

Developed in partnership with Propertymark and MOL to give you and your team a recognised TDP qualification and so stand out in a competitive market.

TDS CONFERENCE AND EVENT PRESENTATIONS

We regularly appear at ARLA and NAEA regional events and branch meetings to offer personal and impartial advice.

TDS GUIDES AND PUBLICATIONS

We produce a wealth of free information on our website covering topics such as legislation, adjudication and top tips.
www.tenancydepositscheme.com/agents-and-landlords-documents-and-forms.html

TDS CHARITABLE FOUNDATION

Projects funded by our Foundation produce guides, training resources and reports all designed to raise standards of management in the private rented sector.

Please visit <https://www.tenancydepositscheme.com/academy.html> to make your booking

FOUNDATION COURSE

The TDS Academy launched in 2012, designed by the team here at TDS so that property professionals can benefit from our practical and helpful guidance covering tenancy deposit protection legislation, effective tenancy management and dispute resolution principles. It also takes an in-depth look at alternative dispute resolution.



Having recently changed employment and previously used an alternative scheme, I've found the TDS training very thorough and informative.

TDS Academy student, Manchester, May 2015

Thanks to popular demand, it's now in its third year and we have refreshed for 2017, allowing those participating to spend a day with senior staff, soaking up important, relevant and technical information; delegates also have an opportunity to ask questions for discussion about processes and procedures and share those nightmare scenarios that all property managers experience!

The full day course is ideal as a refresher for long serving (and suffering!) property professionals as well as those new to the letting and management functions of their business, and includes a light lunch and refreshments, giving delegates the opportunity to network.

ADJUDICATION WORKSHOPS

We launched our adjudication workshops based on feedback that customers wanted to understand how an adjudicator approached evidence in a dispute. Delegates can spend a half-day identifying the key markers in the evidence supplied in a tenancy deposit dispute and even get to be an adjudicator and review the evidence.

TDS have had great feedback from those attending and places do fill up quickly, with over 1,000 participants having taken part since we launched.

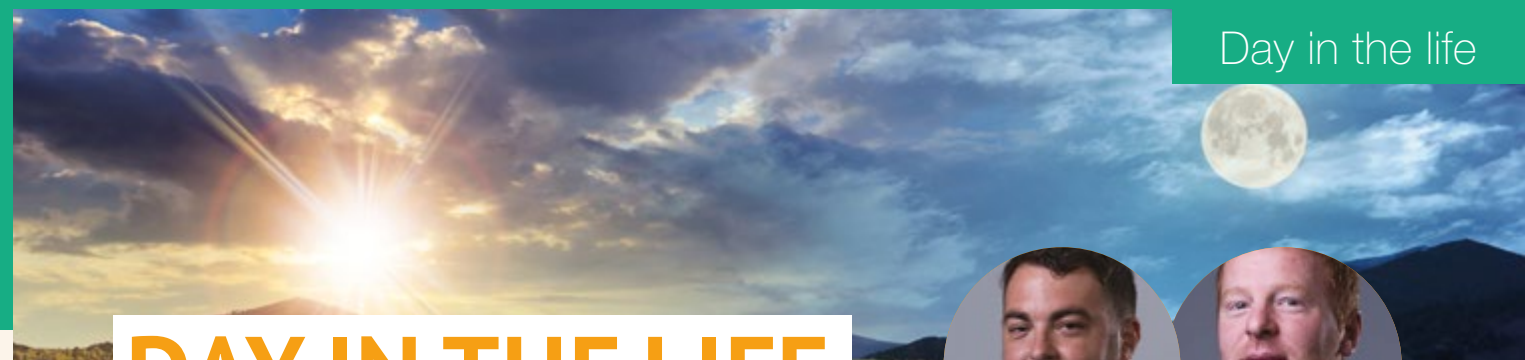
Delegates to our training have their attendance recognised with a certificate which can be used to confirm up to six hours of Continued Professional Development (CPD) with industry bodies.

TENANCY DEPOSIT QUALIFICATION

Developed by TDS with Propertymark's awarding body, the Propertymark Level 3 Technical Award in Residential Tenancy Deposit Protection Management offers the only deposit protection qualification in the private rented sector. With workbooks provided by MOL, this qualification can provide you with the accreditation you need to stay ahead of the competition.

www.propertymarkqualifications.co.uk/qualifications/residential-tenancy-deposit

Day in the life



DAY IN THE LIFE

JAMIE BANNER AND ADRIAN DELAPORTE

THE GLAMOROUS LIFE OF THE CREDIT CONTROLLERS

In the Insured scheme, when a dispute is raised the landlord or agent is required by law to submit the disputed part of the deposit to TDS who will hold it for the duration of the dispute, and pay it to the parties in accordance with the adjudicator's decision.

We have a team of dispute credit controllers who allocate these funds to the associated dispute cases, and chase landlords and agents where the funds have not been submitted.

Here we speak to Jamie and Adrian about their typical day...

Our first job of the day is to download the BACS receipts from the bank and start allocating the monies to the disputes. This can prove tricky where a payment reference (the TDSN dispute number) has not been included with the payment so we need to do a bit of investigating to find out which disputes match to which payments. As you can imagine this can take some time to do! It is important that the money is collected as soon as possible and we have daily targets to meet to achieve this. At the moment, we average £85k per day.

It's then onto emails to answer any queries. Credit control has an additional 3 inboxes for various areas of our roles:



Breaches Inbox – Emails sent to the breaches inbox are to notify us of any payments that need to be returned to an agent/independent Landlords. This is only monies that have been sent above the deposit amount. For example, an agent may send a disputed sum in error to TDS that doesn't have anything to do with a deposit and it's down to credit control to return the payment.



Account Inbox – Emails sent to this inbox are remittances and other proof of payment documents. We ask our members to send this when they send us a payment as it makes it that bit easier not to have to search for it when it doesn't arrive with a reference.



Credit Control Inbox – Emails to this inbox are usually in response to our automated emails that are sent out overnight. This helps us work out what money has been sent and for what reason. We can then forward these emails to the relevant Dispute Resolution Executive.

Once the post has been delivered we will enter any cheques received onto the database. On average, we receive around £10k worth of cheques a week. These get banked once a week on a Friday.

It's then onto calling our member agents and landlords for the outstanding disputed deposits. We split our debtors list in half so we can get through all that's outstanding. Our outstanding debt can move up and down quite considerably throughout the year – anything from £400k to £1m in our busiest time of the year.



ON AVERAGE, WE RECEIVE AROUND £10K WORTH OF CHEQUES A WEEK



OUTSTANDING DEBT CAN BE ANYTHING FROM £400K TO £1M

Other jobs that make up the rest of our role consist of calling agents in relation to any unallocated payments we may have.

When new colleagues join us having previously worked in letting agencies, they often comment that they didn't know that TDS would have a credit control team for disputes. Most landlords and agents do send the disputed amount when requested to do so, and while we deal with the minority of cases where the funds are not forthcoming, TDS handles so many disputes each year that we are kept very busy.

WHICH DISTRICT HAS THE FEWEST CLAIMS FOR...?

CLEANING

- 1 Gravesham – 2.44%
- 2 North Dorset – 4.32%
- 3 South Cambridgeshire – 5.55%

RENT ARREARS

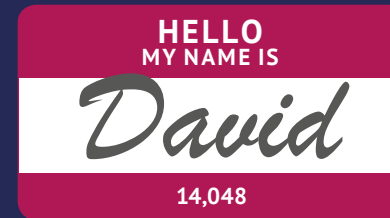
- 1 Cambridge – 8.09%
- 2 Oxford – 9.60%
- 3 Islington – 10.27%

GARDENING

- 1 Buckinghamshire – 34.17%
- 2 Horsham – 30.54%
- 3 Shropshire – 29.36%

REDECORATION

- 1 South Cambridgeshire – 5.87%
- 2 Surrey Heath – 6.8%
- 3 Swindon – 9.21%



MOST COMMON TENANT FIRST NAME



MOST COMMON HOUSE NUMBER



MOST COMMON STREET NAME



MOST COMMON TENANCY START DAY



MOST COMMON TENANCY END DAY



MOST COMMON TENANCY START DATE



MOST COMMON TENANCY END DATE



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