



**Who should read this?**

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Tenants	Agents	Landlords

**Insured / Custodial**

# The key argument

Adjudication Digest March 2019

The Adjudication Digest takes a recent decision by a TDS Adjudicator and sets out the reasoning behind the decision. The aim of these Digest reports is to help tenants, landlords and agents better understand how we make our adjudication decisions. The names of the landlords and tenants involved have been removed and this is only a brief summary of the dispute.

**Amount of deposit in dispute:** £100.00

**Dispute initiated by:** Landlord

<b>Award made:</b>	<b>£100.00</b>
<b>Tenant</b>	<b>£0</b>
<b>Landlord</b>	<b>£100.00</b>
<b>Agent</b>	<b>£0</b>

This month's case turned on a dispute around the return of the keys to a property. The agents and tenants had carried out a pre-check out inspection, in which the tenant was advised that all was well with the property. They advised the tenant, on the last day of the tenancy, they would be able to get their deposit back without deductions. On the last day of the tenancy the tenant wrote to the agents to confirm they had handed back the property in the same condition but stated that they would return the keys when their deposit was returned. Some days after the tenancy had ended the tenant had still not done this. The agents chased the tenant and advised them of a final deadline for returning the keys. They also advised the tenant that if they did not return the keys a claim would be made for £100.00 to change the locks at the property.

The adjudicator agreed that the deposit is held as security for the breach of a tenant's obligations under the tenancy agreement. The deposit is not able to be repaid on the last day of the tenancy itself because the agent would not be able to assess the property's final condition until after the tenant vacates. The tenant was obliged to return all keys to the property as part of handing it back – until they did so, the landlord could not secure the property. The landlord was therefore entitled to the reasonable cost of the lock change from the tenant's deposit.

### **So what are the key points here?**

Pre-check out inspections are a useful way of managing a tenant's expectations before the last day of the tenancy. In this case, the tenant had already moved out a couple of days before the last tenancy day, and the property was in the condition the landlord expected it to be.

The difficulty arose in this case, in part, because the agent's advice appeared to promise the return of the deposit with 'no strings attached' – when in fact the return of the keys was a fundamental part of handing back the property.

If you are conducting pre-check out inspections, make it clear in writing what is expected on the last tenancy day and who needs to do what. This could have avoided the parties reaching an impasse when in truth there was no dispute.