

1. Security Deposits

1.1 Under the Renting Homes (Occupation Contracts) Act 2016 ('the Act'), if a contract-holder pays a security deposit (or another person pays a deposit on his or her behalf) then the deposit must be dealt with in accordance with the requirements of an authorised deposit scheme.

1.2 Within 30 days of the contract-holder paying the deposit, the landlord must:

1.2.1 Comply with the requirements of an authorised deposit scheme; and

1.2.2 Give the contract-holder a written statement 'acknowledging the person who has paid the deposit on his or her behalf and the date of payment'.

The Required Information Regulations (The Renting Homes (Deposit Schemes) (Required Information) Regulations 2022).

These requirements apply to all occupation contracts entered into on or after 1 December 2022.

1.3 Landlords must provide a written statement to a contract-holder's deposits using an authorised deposit scheme if the contract is entered into on an occupation contract from 1 December 2022 onwards.

2. Security Deposits for existing contracts that convert to occupation contracts

Landlords must continue to use an approved deposit scheme when an existing contract is converted to an occupation contract on or after 1 December 2022. Existing contracts entered into before 1 December 2022 in approved schemes will be unaffected.

3. Deposit schemes

3.1 At the time of writing, there are no new authorised deposit schemes being created. Landlords must use one of the existing official deposit schemes. The schemes are:

3.1.1 Deposit Protection Scheme (DPS) - a "custodial" scheme where the Landlord pays the deposit into a bank account which holds the money in a bank account. When the contract ends, the DPS releases the deposit to the person who paid the deposit.

a) Any Landlord based outside the UK must use a UK-registered scheme. A Landlord based outside the UK must use a UK-registered scheme unless he employs a UK-registered agent to manage the tenancy.

b) There is no requirement to use a scheme. It is financed entirely from the deposits held in the scheme.

c) For further information, visit <http://www.depositprotection.com/>

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3.1.2 MyDeposits deposit but p... the deposit against the risk of the... the deposit but p... the deposit against the risk of the... Landlord wr... the Landlord doesn't pay the Tenant... the amount... of the tenancy, the insurer will pay... the Tenant a... back from the Landlord.

a) Any... the s... theme. Landlords pay a fee to join... premium for each deposit.

b) For f... <http://www.mydeposits.co.uk/>

3.1.3 Tenancy De... another insurance scheme.

a) TDS... es as the MyDeposits scheme, but... it is... ords who belong to an approved... profes... sioners have client money protection... insur... approved bodies include the... Asso... ciation of Letting Agents (ARLA), the Royal... Instit... ution of Chartered Surveyors (RICS), the National... Asso... ciation of Estate Agents (NAEA) and the National... Appro... ved Deposit Schemes (ADS).

b) For f... <http://www.thedisputeservice.co.uk/>

4. What happens if the land... deposit?

4.1 If landlords do not... holder's deposits when required to, ... the contract-holder... s paid the deposit on his or her... behalf) can apply to... e following grounds:

4.1.1 the landlord... h the initial requirements of an... authorised s...

4.1.2 the landlord... uired information; and/or

4.1.3 the applica... confirmation from the scheme... administrator... eing held in accordance with the... scheme (alt... s notified them that a particular... authorised d... the deposit).

4.2 The court will eith... r the person who is holding the... deposit) to repay th... t, or the scheme administrator of a... custodial scheme w... d' (being 14 days from the date of... the court order).

4.3 The court must als... pay to the applicant (within the... Relevant Period), a... than the deposit and not more than... three times the amc...

4.4 If the occupation ha... der the landlord to repay all or... part of the deposit t... Relevant Period.

4.5 A landlord will not... tion 173 notice, or a section 186... notice or give notice... k clause under the Act, if:

4.5.1 The initial r... orised deposit scheme have not... been met; or

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4.5.2

on has not been provided to the contract-holder;

4.5.3

ing held in accordance with an authorised deposit

unless

d to the contract-holder (or any person who paid

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ther in full or with any agreed deductions, or the

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order, or an application has been withdrawn or

settle

5. Holding dep

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for landlords
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ing deposits. Contract-holders will sometimes pay
signed an occupation contract. It is best practice
Holding Deposit Agreement with the prospective
ation is given to the prospective contract-holder
d or retained.

Under the R
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holding depo

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c.) (Wales) Act 2019, holding deposits must be
must be refunded within 7 calendar days of the
n there is provision for the holding deposit to be
or towards any permitted security deposit). The
rent or security deposit.

If the landlo
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Agreement')

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ail to enter into an occupation contract within 15
sit paid by the contract-holder ('the Deadline for
s agreed), the landlord must repay the holding
7 days of the Deadline for Agreement.

Landlords a
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scheme.

ect a holding deposit with a scheme before
r. If the contract-holder consents to the holding
ty deposit, then this must be protected with a

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but only in limited circumstances, for example,
provides misleading or false information.

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certain info
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the Renting Homes (Fees etc.) (Holding Deposit)
ulations 2019, landlords are required to provide
ation to prospective contract-holders prior to
re a contract. Failure to provide this information
y upon certain exceptions to retain a holding
contract-holder fails to take all reasonable steps to
contract-holder notifies the landlord that they do
nd the holding deposit must be repaid.

Please see
further inform

enting Homes (Fees etc.) (Wales) Act 2019 for
deposits.

6. What happ Renting Ho

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Act 2019?

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unt of the holding deposit), the landlord or agent
conviction to a fine. The enforcement authority
penalty of £1,000 as an alternative but this is

6.2 Land
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n their behalf will not be able to serve a section
notice or exercise a landlord's break clause under
an unlawfully retained holding deposit.

6.3 A lan
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uld have their Rent Smart Wales licence revoked
etermine a person is not fit and proper to hold a
ales Act 2014.

7. **Required In**

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section 186
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the county o
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vide their contract-holders with certain "required
ing a deposit. Much of the required information
d by the authorised deposit scheme so copies of
tached to the Required Information notice and
re to provide the required information within 30
o invalidate the service of a section 173 notice, a
eak notice under the Act. A landlord will only be
or a section 186 notice, or a notice under a
is returned to the contract-holder (or any person
) either in full or with any agreed deductions, or
or an application has been withdrawn or settled

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