



SafeDeposits Scotland

SafeDeposits Scotland, two years on





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SafeDeposits Scotland is an independent tenancy deposit scheme, approved by the Scottish Government.
SafeDeposits Scotland launched on 2nd July 2012.
The information contained in this report is taken from 2nd July 2012 - 30th June 2014.



Hello from SafeDeposits

Happy birthday to us! We turned two years old this summer and we are proud to have achieved so much in such a short space of time. We are now the leading tenancy deposit scheme in Scotland, with a 58% share of the market.

In our first month alone, the number of landlords and letting agents registered with SafeDeposits reached 1,200 and the value of deposits received in less than a month hit £750,000. There are now over 16,000 landlords and letting agents registered with SafeDeposits, with almost £60 million held in deposits.

As the organisation has grown, so has our team: since our launch on 2nd July 2012, we have doubled the number of staff working in our contact centre, added additional staff to our operations and account teams, and recruited further adjudicators who specialise in Scottish law. We also welcomed our new Chief Executive, Jennifer Paice, in 2013.

As the only tenancy deposit scheme based in Scotland, our team is integral to the service we provide and so, from September 2014, our call handlers, email advisors and operations team will be working together from our West George Street office in Glasgow. The departments will be working closer together to provide an even faster, more efficient service.



After 1 Month

1,200 registered landlords and letting agents
£750,000 in deposits held

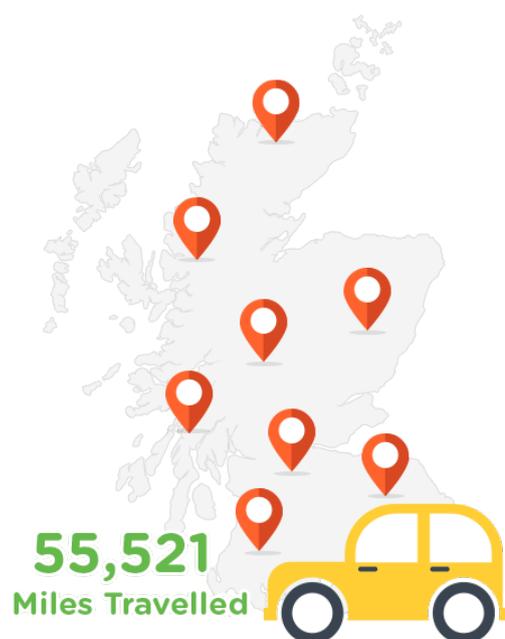


After 2 Years

16,000 registered landlords and letting agents
Almost £60,000,000 in deposits held

If you would like face-to-face training or support, then you are in the right place: since our launch, our former Managing Director, Malcolm Lindo, our Director of Operations, Rebecca Johnston, our Client Account Manager, Victoria Nixon, and our Deputy Director of Dispute Resolution, Alison MacDougall, have been out and about across Scotland on a weekly basis - in fact, over the past two years, Malcolm, Rebecca, Victoria and Alison have tallied up an impressive 55,521 miles travelling to meet our users.

We also regularly attend external events to try and help as many landlords, letting agents and tenants as possible. We have partnered with Landlord Accreditation Scotland to present sections of their Tenancy Management and Creating Inventories courses; attended and spoken at various landlord forums held by local authorities; held Q and A sessions at the Scottish Association of Landlords' branch meetings; sponsored and spoken at the Scottish Association of Landlords' National Landlord Day; sponsored and spoken at the Council of Letting Agents' The Agency Business conference; attended and spoken at the Association of Residential Letting Agents' regional meetings; spoken at the launch of the Scottish Government's Private Rented Sector Strategy in 2013; and spoken to students at various university accommodation fairs.

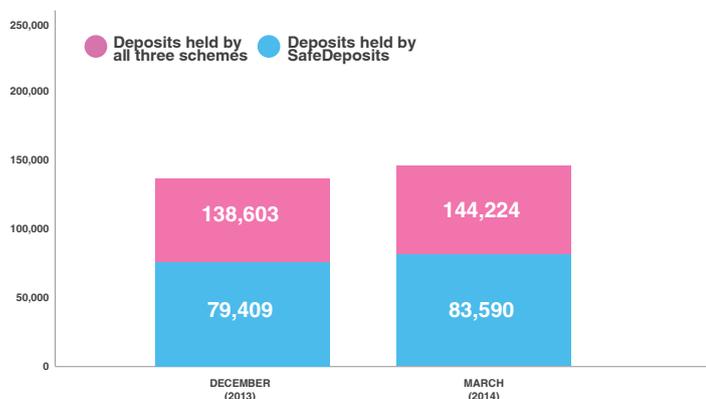
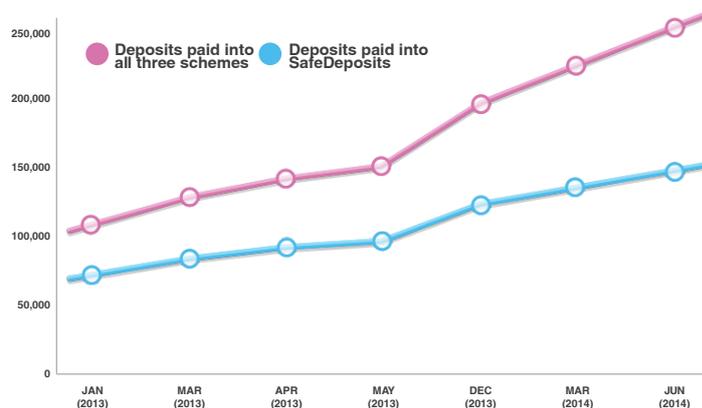


We have created this report to give you a peek inside SafeDeposits over the past two years. Thank you for choosing us as your tenancy deposit scheme.



Compliance in Scotland

Since our launch, high numbers of landlords and letting agents have paid in deposits to SafeDeposits without hesitation. The value of deposits received in less than a month reached £750,000 - a staggering figure which had increased to £94,650,220 by June 2014, representing 141,674 deposits. As the leading tenancy deposit scheme in Scotland, these figures represent a majority share of the market, but, for a complete picture, latest figures from the Scottish Government confirm that £168,367,449 had been paid in to tenancy deposit schemes by June 2014, representing 254,918 deposits.



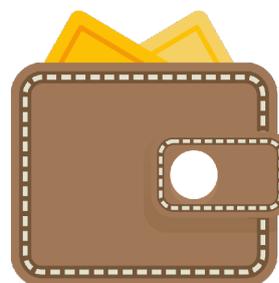
It is important to note that there is a significant difference between the figures for deposits paid in and the figures for deposits held by tenancy deposit schemes. This is because, for example, a property which has been let since the launch of the schemes may now have had several different tenancies, with a deposit being repaid and a new deposit paid to a scheme each time. The latest figures from the Scottish Government confirm that 144,224 deposits were held by tenancy deposit schemes in June 2014, representing a total value of £102,541,783. We are delighted to have received nearly 58% of this total - with 83,590 deposits, representing a total value of £57,980,182, held by SafeDeposits.

While these high - and ever increasing - figures are encouraging, we are of course also interested in the number of landlords and letting agents who have not yet complied with the Regulations. SafeDeposits is working, through our events and marketing, to continue raising awareness of the Regulations in Scotland. We also expect that high profile rulings through the Sheriff Court for non-compliance, such as Fraser and Pease v Meehan and Smith v Chan, will raise the profile of tenancy deposit schemes further and encourage landlords and letting agents who have not yet complied to do so. As the Regulations are enforced by tenants - by submitting a summary application through the Sheriff Court for financial sanctions against their landlord - as awareness of the schemes continues to grow, landlords who have not yet complied are putting themselves at risk of expensive penalties.



Fraser and Pease v Meehan

Landlord fined £3,450, three times the value of the deposit, for not paying the deposit to a scheme or providing the Prescribed Information.



Smith v Chan

Landlord fined £775, the value of the deposit, for not providing the Prescribed Information.



We know that not everyone is as obsessed with deposits as we are. As tenancy deposits represent a very small part of a much larger role for landlords and letting agents, SafeDeposits' website has been designed to make compliance with the Regulations as easy as possible. The speech bubbles below show just some of the features we have added to our system to help make managing deposits quicker and easier for landlords, letting agents and tenants.

Live Chat, an instant messaging service on the 'Contact us' page of our website, which means that landlords, letting agents and tenants have an extra choice of how to contact our team.

Online evidence portal, which allows users to upload evidence directly through their SafeDeposits account, making the disputes process faster and saving on postage and printing costs.

Text message alerts, to ask tenants for their email address if we don't currently hold one, to help make future communication easier, and to remind tenants of their deadline to submit evidence if the deposit repayment is in dispute.

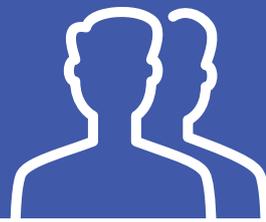
Alias user login function, which means that individual users can log in and manage their deposits using a separate login — particularly helpful if you're a letting agent with one user account which multiple staff can access.

Tenant changeover function, which means that if one tenant moves out while another remains in the property, we can repay the outgoing tenant their share of the deposit while the remaining tenant's share is automatically transferred into a new deposit account.

Tenancy activity log, which, for each deposit account, shows when a deposit moved from stage to stage (e.g. when a deposit moved from 'Payments sent to SafeDeposits' to 'Held by SafeDeposits').

Communication log, which, for each deposit account, shows which notifications we have sent, to whom we have sent them, and when they were sent.





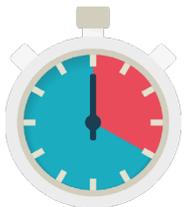
While an efficient online system is essential, we know that support from our staff is just as important. As our share of the market has grown so has our team - in fact, we had to move to a bigger office at the end of last year to make room for everyone!



As well as expanding our contact centre, operations and accounts teams, we have focused on appointing further client support staff. This team works with our landlords and letting agents on a one-to-one basis to provide personal support and training. If you have a particularly tricky question or would like personal training on a topic, such as how to present your claim if there is a dispute, then our client support staff can help. The team speaks to landlords and letting agents over the phone every day to help with anything that pops up. If you would like personal support, please contact our Client Account Manager, Victoria Nixon.

The best part about our Glasgow city centre location is that our staff are not limited to helping over the phone or by email either: with the rest of Scotland only a train or car journey away, we travel to meet our users face-to-face every single week. There is a price to pay for all of that travelling, however - after driving nearly 20,000 miles in two years, our Director of Operation's car bit the dust the week before our second birthday!

The majority of people who phone SafeDeposits will speak to one of the call handlers in our Glasgow-based contact centre. Since our launch, our call handlers:



- Have answered 80,584 calls;
- Answer 160 calls a day;
- Pick up your calls within 30 seconds.

If you send an email to info@safedepositscotland.com then our email advisors will be back in touch soon. Since our launch, our email advisors:



- Have received 41,935 emails;
- Receive 84 emails a day;
- Reply to your emails within 48 hours (and we aim for 24 hours).

We launched our Live Chat facility in September 2013 to give landlords, letting agents and tenants an extra choice of how to contact our team. Since September, we:



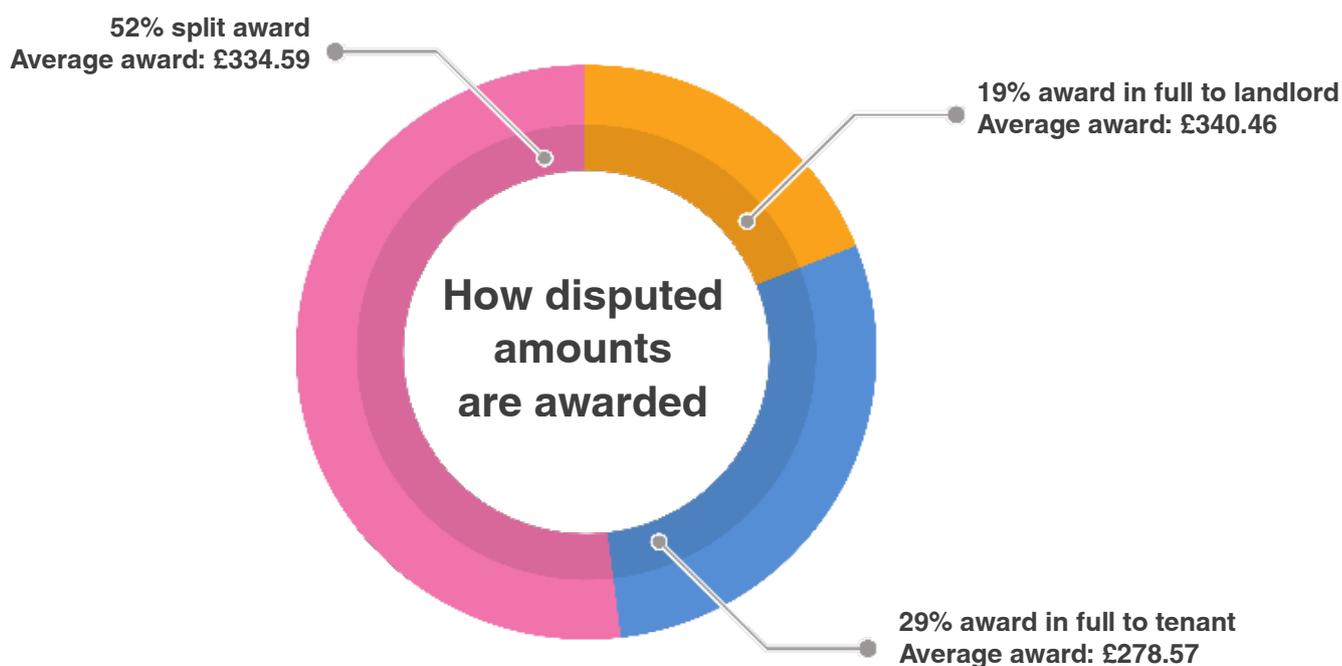
- Have received 2585 Live Chat calls;
- Answer 13 Live Chat calls a day;
- Answer your Live Chat calls within 3 seconds.

With an online system that has been designed to be as easy to use as possible, landlords, letting agents and tenants can log in 24 hours a day to manage their deposit at a time that suits them best. In fact, 61 people visited our website on Christmas Day last year, 128 people visited on Boxing Day and 114 visited on New Year's Day!



Adjudication

SafeDeposits offers an alternative dispute resolution (ADR) service for landlords and tenants who are unable to reach an agreement about how the deposit should be repaid at the end of the tenancy. As resolving a deposit dispute with ADR is a significant change for landlords, letting agents and tenants, we understand why people are curious about who gets what. The majority of disputed amounts are split between the landlord and tenant, with the remainder awarded in full to either party.



Since our launch, most disputes, perhaps unsurprisingly, are over charges for cleaning, damage and redecoration. However, while damage and redecoration have remained at the top of the list, the percentage of disputes over each has actually decreased since 2012. While it is difficult to determine an exact reason for these decreases, it may in part be due to more landlords and letting agents taking fair wear and tear and betterment into consideration at the end of the tenancy.

Basis of the dispute	Percentage of total referrals 2nd July 2012 - 31st March 2013	Percentage of total referrals 1st April 2013 - 31st March 2014
Cleaning	63%	64%
Damage	56%	41%
Rent arrears	16%	20%
Redecoration	35%	19%
Gardening	16%	8%
Missing items	2%	2%
Other	19%	24%

The average value of the disputed amount varies depending on the type of claim. For example, the highest disputed amount on average is for disputes over rent arrears. The lowest disputed amount on average is for disputes over gardening.



Adjudication

Average values of disputed amounts by claim



£134.22
Average amount for cleaning



£202.82
Average amount for damage



£381.27
Average amount for rent arrears



£205.35
Average amount for redecoration



£113.63
Average amount for gardening



£125.34
Average amount for missing items

We have found that most landlords and tenants can reach their own agreement over how the deposit should be repaid without the need for ADR. We have introduced a five working day period at the beginning of the ADR process to be used by the landlord and tenant to try and negotiate an agreement. Since introducing this period in April, 23% of disputes are withdrawn from ADR during the allocated five working days, following agreement from the parties.

If an agreement is still not possible, landlords, letting agents and tenants can speak to key members of our adjudication team, Paula Joynson and Nichola Martin, over the phone, by email or via Live Chat. If you want more information on what the ADR process involves, an update on your case, or need help submitting evidence, Paula and Nichola are here to help.



To help make the ADR process as easy as possible for all parties, Paula and Nichola:

- Send landlords, letting agents and tenants an update at each stage of ADR to explain the status of the dispute, what each party is required to do, and what will happen next;
- Call landlords and letting agents 48 hours before their deadline to submit evidence, and follow it up with a reminder email;
- Text tenants 48 hours before their deadline to submit evidence, and follow it up with a reminder email.

To provide a valuable resource for landlords, letting agents and tenants, we publish disputes guidance on our website, including:

- Guidance on how to present your case to the SafeDeposits adjudicator;
- Examples of well-presented and badly-presented cases;
- Guidance on inventories, check-in and check-out reports, and schedules of condition;
- Advice on the type of evidence which we look for;
- Case studies on disputes over particular claims (for example, case studies on disputes involving cleaning).

We also publish an adjudication digest every month, which gives a closer look at a real dispute and evidence we have received, to help explain how our adjudicators reach their decisions.

If you would like face-to-face support then we can help. We have held 32 adjudication workshops across Scotland in 2013-14, and have even arranged workshops via Skype for some of our harder to reach letting agents! As well as holding regular workshops, our client support staff are happy to organise one-to-one adjudication training with letting agents in their offices. If you would like to arrange training at your office, at a time that suits you, please contact our Client Account Manager, Victoria Nixon.



Your feedback

We like feedback. Whether it is by email, over the phone or at an event, we want to know what you think about us. From holding regular workshops, to writing new guidance documents, right through to making changes and introducing new functions to our online system, feedback from our users over the past two years has helped us raise the bar when it comes to our system and service. While day-to-day feedback from individual users is always welcome, we also sent a feedback survey to our landlords, letting agents and tenants in March 2014 to give people the opportunity to let us know how we are doing. We are happy to report that more than 80% of landlords, letting agents and tenants who gave feedback said our service lived up to their expectations.

The three main reasons which landlords and letting agents cited for choosing SafeDeposits as their tenancy deposit scheme are:

- Our position as the only tenancy deposit scheme based in Scotland;
- Our not-for-profit business model;
- Our easy-to-understand website.

After using our service, landlords and letting agents said they are particularly happy with:

- Our online deposit management system;
- Our team of staff;
- Our deposit repayment process.

After using our service, tenants said they are particularly happy with:

- Our website;
- Our communication with them;
- Our deposit repayment process.

“Easy to set-up and use.”

“Very fast response to email queries, great support and info from staff. Made the process very easy. Thanks!”

“Adjudication when there was a dispute was done fairly and the decision was explained well.”

“It was quick, easy and simple - everything happened as described.”

“Staff are very helpful when this particular landlord gets into a tangle!”

As tenancy deposit schemes are still relatively new in Scotland, we think we are in a great position to make changes and introduce new features in response to your feedback. With a clean slate and Scottish focus, we have listened to our users since our launch to provide functions which make SafeDeposits easier to use for landlords, letting agents and tenants - some of which are mentioned in the Customer focus section of this report.

We are pleased that our feedback surveys received a big thumbs up from our landlords, letting agents and tenants, but please get in touch if you have any other feedback or suggestions - whether it is good or bad, a well done or constructive criticism, we are all ears.



The future

We are proud to have focused on developing a tenancy deposit scheme with a team and online system which work hard to make complying with the Regulations quicker and easier for landlords and letting agents, and the repayment process simpler for tenants. But we are not finished yet. To continue providing a scheme which is friendly, helpful and supportive, we look forward to:



- Launching our user report function, which will allow landlords and letting agents to download a report which gives an up-to-date snapshot of their user account, including the stage of each deposit (e.g. which deposits are 'Held by SafeDeposits', which are 'Repayment requested by one party', etc.) and details for deposits which have been repaid (including when they were repaid, to whom they were repaid, and the amount(s) repaid);



- Moving our contact centre into our central office on 250 West George Street, which means our call handlers will work side-by-side with our operations team and email advisors, and can escalate calls to the relevant department and answer your questions more quickly;
- Changing our contact centre number to an '0141' number, to reflect our location in Glasgow city centre and to make phoning us cheaper;



- Introducing a deposit checker to our website, to help tenants who are unsure of where their deposit is held;
- Relaunching the Tenants section of our website, to make the repayment process quicker and easier, and to provide a resource centre with deposit protection and ADR guidance;
- Launching our related charity, the SafeDeposits Scotland Trust, a grant giving charity designed to promote education, training and best practice in Scotland's private rented sector;
- Hosting our first private rented sector conference at the start of next year, to officially launch the SafeDeposits Scotland Trust, and to ask landlords, letting agents and tenants how the Trust can best help them.

We have designed this report to let landlords, letting agents and tenants know what we have been working on over the past two years, but also to provide a glimpse of what we will do next. The continued development of our system is crucial: we have our ears to the ground and are listening to what landlords, letting agents and tenants have told us will help them. While the user report is an example of another unique function we have developed to help, please do not hesitate to get in touch with any feedback or ideas which could help make the process even easier.

While SafeDeposits was introduced to safeguard tenancy deposits and to provide an independent adjudication service, the aim was also to improve the reputation of the private rented sector in Scotland. As the only not-for-profit tenancy deposit scheme in Scotland, we want to continue improving standards through the launch of our related charity, the SafeDeposits Scotland Trust. We believe that the people who should decide how to improve the private rented sector are the people who live and work in the sector every day. And that is where you come in. When we launch the SafeDeposits Scotland Trust at the beginning of next year, we want to hear your ideas on what Scotland's private rented sector needs to make it the best it can be.

We hope this report has provided a helpful insight into SafeDeposits. Please do not hesitate to get in touch with any feedback or questions you may have.



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SafeDeposits is an innovative partnership between landlords, agents and tenants. We would like to thank our members for their support:

