SPRING INTO ACTION

How the industry and TDS have responded to change

TENANT FEES BAN
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It’s been almost a year since the Tenant Fees Ban came into effect. In June, we’ll see the transition period come to an end, which makes this a perfect time to review the impact it’s had so far on the sector.

In this issue, we’ve published the latest statistics on rent and deposit figures, and we reveal which tenancy deposit schemes are proving most popular amongst letting agents and landlords.

As spring is beginning to bloom, we’ve also featured some useful tips and case studies on common disputes surrounding gardening and cleaning to help you weed out the problems before they turn bad.

We hope you enjoy reading this magazine and we look forward to seeing you at the ARLA Propertymark annual conference in September.

Steve Harriott
Group Chief Executive

For a chance to win a £50 B&Q voucher To enter:
1. LEAVE us a Trustpilot review
2. GO to the Tenancy Deposit Scheme Facebook page and 'like' the competition post
3. SHARE the Facebook competition post

You have until midday Tuesday 31st March to enter.
The delayed read

TDS NEWS

ONE YEAR ON FROM THE FIRE

It’s hard to believe it’s been a year since the fire that ravaged the TDS head office in Hemel Hempstead leaving our staff without a place to call home. Thankfully, no one was hurt and the months that followed showed us a great deal in terms of our resilience as an organisation, and the opportunities that were open to us to accelerate improvements across the business. Our business continuity systems protected us and our customers from any loss of data or security threat. This enabled us to maintain our high service levels even in such adverse conditions.

“Our business continuity systems protected us and our customers from any loss of data or security threat.”

NEW TALENT ACROSS THE BOARD

In the past four months, we have invested in the growth of the Business Development team, Operations team and Board of Directors, attracting bright new talent and significant industry expertise to join us at TDS. These people will help us continue improving our service to customers.

We are seeing an increase in customers looking to switch to TDS from alternative schemes and therefore a strengthened team was needed to accommodate the additional growth. A larger team is also allowing us to do more education in the industry, highlighting the benefits of TDS and getting our message in front of agents and landlords who perhaps didn’t realise there was an alternative custodial option available.

The role of our new onboarding staff is to streamline the onboarding and transfer process, where agents and landlords are transferring deposits from an alternative provider. We want this process to be as seamless as possible, so we handle all work for these new customers.

The role of our new sales executives is to be more active and engage with landlords and letting agents around the country, providing demonstrations of our new technology both in person and remotely, as well as training those who have newly joined us.

“We are seeing an increase in customers looking to switch from alternative schemes and therefore a strengthened team was needed to accommodate the additional growth.”

HAVE YOU SEEN THE NEW TDS WEBSITE?

As the only not-for-profit, Government-approved tenancy deposit scheme, we are in the unique position of being able to continually invest in new technology. To give you some background to the website, we’ve always been committed to finding new ways to make tenancy deposits easier and, whilst the old site worked well, we could see room for improvement in its navigation and login access.

The aim of the new site was to create a single front-end website that would make the customer journey much more straightforward, logical and enjoyable to use.

“We are in the unique position of being able to continually invest in new technology.”

The new website offers many other features:

• Customers can now access both schemes via a single login on the website. This is particularly useful for letting agents who hold deposits in both the TDS Insured and Custodial schemes.

• From a deposit management perspective, customers simply login into one place to view details of their deposits. From there, customers can easily add deposits, request repayments and make changes to contact details themselves.

• One of the website’s key features is the TDS Information Lounge, which is a hub of useful guides, templates, forms, case studies and downloadable publications. From updates on legislation to advice on tenancy and deposit disputes, this resource centre provides the latest guidance on all deposit-related news in the PRS.

• The new search function will point you in the right direction of content, case studies and guidance.

• Tenants can also use the new login to quickly see which TDS scheme their deposit is held in. They can update details and action repayments or disputes from their dashboard.

• The new website makes switching even easier too. The online joining process has removed all manual form filling, turning what was a longer admin process into one that can be completed in minutes.

We hope you enjoy using the new website.

VISIT

www.tenancydepositscheme.com
THE TENANT FEES BAN
WHAT'S CHANGED?

As the transition period deadline for the Tenant Fees Act approaches in England, we take a look at the impact the Act has had on the private rented sector over the past nine months, and what will happen after the transition period ends. The Law, which was introduced in England in June 2019, banned letting agents from charging fees other than rents, deposits, holding deposits and charges for defaulting on contracts.

Deposits were also capped at 5 weeks’ rent, or 6 weeks’ rent for annual rents of £50,000 per annum or over. The Act requires that any existing deposit above the cap should be refunded on any new fixed term tenancy created on or after the 1st June 2019.

THE TRANSITIONAL PERIOD IS ABOUT TO END

The transitional period meant that the ban only applied to new tenancies from June 2019 but, from 1st June 2020, the ban on tenant fees will apply to all existing tenancies in England – even those that started before the fees ban came into effect. The transitional period coming to an end does not mean that landlords must repay deposits taken before the cap came into effect. The deposit cap only applies to new or renewed tenancies.

WHY WAS THE BAN INTRODUCED?

The Act was introduced to make renting fairer and more affordable for tenants but, at the time, many worried that this would simply result in a hike in rents, as landlords looked for ways to recover losses. Before the law becomes applicable to all, we want to take a look at the data to see what difference it has already made to the PRS – and if rents have indeed been affected.

DATA REVEALS THE TRUTH – SO FAR

The Tenancy Deposit Scheme has been monitoring the situation closely since the new law came into effect. We’ve now taken a look at new rental deposits taken during the period April 2019 to December 2019, and we’ve analysed data from 211,837 transactions in England to review the impact of the fees ban and deposit cap legislation. Whilst the average deposit repayment has been £317.06, TDS has seen deposits refunded as little as 1 pence and as large as £4,880.89.

So far, there has been no hike in rental prices as many thought there would be by now. London is showing a similar pattern to the rest of the country too.

NEW DEPOSITS & RENTS IN ENGLAND & WALES

<table>
<thead>
<tr>
<th>Month</th>
<th>Average deposit</th>
<th>Average rent</th>
<th>Deposit in weeks’ rent</th>
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<tbody>
<tr>
<td>April ’19</td>
<td>£1,457.27</td>
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<td>May ’19</td>
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<td>July ’19</td>
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<td>August ’19</td>
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<td>September ’19</td>
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<td>October ’19</td>
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<td>£1,264.47</td>
<td>£1,136.68</td>
<td>4.82</td>
</tr>
<tr>
<td>December ’19</td>
<td>£1,274.19</td>
<td>£1,160.42</td>
<td>4.76</td>
</tr>
</tbody>
</table>

The Long Read

Average deposit Average rent Deposit in weeks’ rent

Average rent

Average deposit

*TDS Insured April - December 2019

AVERAGE RENT BY MONTH

Did you know... you don’t need to refund deposits after the 1 June 2020?

If a tenancy deposit was paid before 1 June 2019 and the Landlord has not issued a new fixed term tenancy, the deposit does not need to be reduced to within the cap, even after the end of the transitional period.
10 Things... 

TO PREVENT CLEANING DISPUTES AT END OF TENANCY

Cleaning continues to be the most common reason for deposit disputes at the end of tenancy, cited in over half of all disputes adjudicated by TDS throughout England, Wales and Scotland, and 45% of disputes in Northern Ireland. However, by following a few best-practice processes with clarity and honest communication with the tenant, you can reduce the likelihood of these disputes happening at all. Here are 10 ways to prevent cleaning disputes at end of tenancy:

1. Produce a comprehensive inventory
   The best evidence of condition at the start of a tenancy is a comprehensive inventory and schedule of condition. It must specifically mention cleanliness and should make separate references to each area of potential concern such as the oven, curtains, carpets, etc. It can help to provide photos alongside each item, as this will enable the tenant to return the property to the same condition more easily.

2. Be crystal clear in the check-in report
   If the check-in does not mention cleanliness, adjudicators will not assume the property is clean if a dispute is raised. ‘Good condition’ doesn’t cover the specifics of cleaning and will not support a case. By providing clear details about the level of cleaning in the property, such as if the oven has received a professional clean, the tenant will be able to agree or disagree to the specifics at the start. It’s important to include details about smells and surfaces, as any changes to either will be difficult to prove at end of tenancy. This document will provide a critical benchmark at the end of the tenancy when conducting the check-out report.

3. Agree the cleaning condition at start of tenancy
   An adjudicator will consider any amendments made by the tenant to the check-in report at the start of the tenancy, if a dispute claim is made. Encourage tenants to go around the property to check the condition against the check-in report and inventory. Ensure you receive a signed agreement of the report back from the tenant within 48 hours of moving in.

4. Provide detailed expectations about cleaning in the agreement
   Disputes often occur when expectations are unclear or mismatched between landlord and tenant. Where a tenant may feel that a thorough DIY clean is enough, a landlord may expect a professional clean. Be clear on the tenant’s cleaning responsibilities so they know what is required of them before moving out, but ensure the responsibilities are fair and reasonable.

5. Include a cleaning clause
   If you intend to use the deposit for cleaning costs, you must make this clear in a separate cleaning clause within the tenancy agreement. This is especially important if you have given the tenant permission to keep a pet in the property.

6. Differentiate between fair wear and tear, and clean
   It is important to specify the difference between fair wear and tear, and cleanliness, in the tenancy agreement. However, it is important to inform the tenant that although something may become worn or aged over time, it can still be cleaned.

7. Visit the property for interim checks
   It is possible to spot warning signs during interim inspections of the property. By addressing issues with the tenant at the time, cleaning issues can be resolved quickly before they become a problem over time. When conducting an interim check, look out for mould in the bathroom; potent smells from furniture, carpets and curtains; appliances, doors, cabinets and blinds that are sticky to the touch; soiled or smelly litter trays; a build-up of clutter or rubbish; and spillages on carpets.

8. Conduct a thorough check-out report
   The check-out report is a key document for recording how the property has changed during tenancy, since the check-in report was agreed. This will help all parties (including the adjudicator) assess any deterioration to the property and if this is a result of cleaning issues on behalf of the tenant. Ideally, the person who conducted the check-in report should do the check-out report, although this may not always be practical.

9. Provide evidence at check-out
   Photographs and video evidence are generally of little value in support of cleaning claims, other than for individual items such as ovens or other kitchen appliances. If photos have been used in the check-in report and there is clear evidence to show a change in condition, photos can help with disputes. Not all cleanliness is visual, however, and it is important to note odours or sticky surfaces in the property – ideally, against similar observations in the check-in report.

10. Supply detailed quotes and invoices for cleaning
    Invoices or quotes will help to show the tenant how much of their deposit will be deducted, if they have not cleaned the property to the required standard. Providing the amount is fair, this can help to prevent dispute claims being escalated further. However, if the tenant doesn’t agree, detailed invoices are helpful in support of your claim, although an adjudicator is not bound to accept the full amount.

You can download guides and templates for tenancy agreements or check-in/out reports for free on the new TDS website.

VISIT
The TDS Lounge
Tenants have a duty of care to promptly alert landlords to any areas of concern that may need repairing or replacing, such as when mould starts to appear. Typically, the response we usually see is that landlords are responsible when there is a fault with the building that has caused the mould, for example a leaky pipe. Tenants would have responsibility for housekeeping and if the mould develops during their tenancy, i.e. was not present at the beginning of the tenancy and was not as the result of a fault with the property, it may be down to lifestyle. However, this is not always the case, and every case should be considered based on the evidence provided. A statement alone as to the cause of mould will not by itself be sufficient to place liability on either the landlord or tenant.

Even if you, the landlord, are clear in your own mind as to what had been said and discussed between you and the tenants, you need written evidence to support this. The adjudicator is not able to take one party’s word over another and does not have the benefit of being involved in the dispute previously and will not ask for further evidence. It is important, therefore, to document matters discussed and agreed during any negotiations carefully in writing, even if it feels like you are telling somebody something they already know and to obtain the tenants’ acknowledgment of any agreement reached. This includes agreeing the condition of the property and its contents at the start of the tenancy and the negotiation of deposit deductions at its end.

Regardless of what the deposit dispute is about or who is responsible, these examples from Sandy Bastin, Head of TDS Adjudication Services, show just how important it is to dot the i’s and cross the t’s when it comes to tenancy agreements, communications and evidence.

**Who is responsible for mould during a tenancy?**

Even if you, the landlord, are clear in your own mind as to what had been said and discussed between you and the tenants, you need written evidence to support this. The adjudicator is not able to take one party’s word over another and does not have the benefit of being involved in the dispute previously and will not ask for further evidence. It is important, therefore, to document matters discussed and agreed during any negotiations carefully in writing, even if it feels like you are telling somebody something they already know and to obtain the tenants’ acknowledgment of any agreement reached. This includes agreeing the condition of the property and its contents at the start of the tenancy and the negotiation of deposit deductions at its end.

**The tenants admitted they were responsible for damages but now deny previous communications. What do I do?**

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**There are two clauses in the tenancy agreement that conflict about responsibilities between landlord and tenant. What should I do?**

Even if you, the landlord, are clear in your own mind as to what had been said and discussed between you and the tenants, you need written evidence to support this. The adjudicator is not able to take one party’s word over another and does not have the benefit of being involved in the dispute previously and will not ask for further evidence. It is important, therefore, to document matters discussed and agreed during any negotiations carefully in writing, even if it feels like you are telling somebody something they already know and to obtain the tenants’ acknowledgment of any agreement reached. This includes agreeing the condition of the property and its contents at the start of the tenancy and the negotiation of deposit deductions at its end.

Many have speculated that tenancy deposit protection scheme preferences are changing. This data taken over a 6-month period was gathered to provide clarity on the bigger picture. It shows that both Insured schemes (where the landlord or agent holds the deposit) and Custodial schemes (where a provider like TDS holds the deposit) both remain popular. The findings also show that the market is remaining stable with growth in both schemes continuing.

As the only not-for-profit government-approved tenancy deposit scheme, we will continue to monitor the numbers to give our industry a factual view on the market.

**TDS Custodial has grown by 34% outperforming all other Custodial schemes (by number of deposits protected)**

**Average number of days for TDS to return deposits from confirmation of release 1 day**

**Average number of days for TDS to resolve custodial scheme disputes 7 days**

**Number of days the industry resolves custodial scheme disputes 29-29 days**

**Average deduction for gardening across regions**

*MHCLG Data Sharing Report April to September 2019*
Thyming matters

Perhaps the most frequent gardening dispute concerns weeding and overgrown gardens.

In this particular case, the landlord claimed £200 for general gardening work at the end of the tenancy, which was overgrown at the time of maintenance because the gardens claimed £200 for general gardening work at the end of the tenancy because the gardens were not kept in good condition.

The adjudicator was satisfied that the tenancy agreement required the tenants to maintain the gardens in good condition, and the evidence showed that the gardens were in reasonable condition at the start of the tenancy. However, the landlord did not receive the full amount claimed due to growth that had occurred over the two weeks after the garden was paid for, which was considered a reasonable sum for the cost of making good.

Top Tip: Tenants may change the condition of a garden if it is not in good condition at the time of the check-out report taken. In this case, the landlord was entitled to compensation for the cost of removing the paving, which was awarded £100.

Paving the way for a dispute

In this case, the landlord claimed for the cost of removing flagstones that were laid over the lawn by the tenant. Although the check-in report showed that the garden had long weeds and was not in good condition, the tenant didn’t request permission to pave the lawn. In the view of the landlord, the garden was worse at the time of check-out.

The adjudicator agreed that the landlord was entitled to compensation for the cost of removing the paving, but the landlord couldn’t produce an estimate for the cost of the work. The adjudicator awarded £100, which was reasonable in good faith.

Top Tip: Tenants may change the condition of a property during the tenancy. If unauthorised changes leave the property in a worse condition, the landlord is entitled to compensation. An Agile Business Analyst (BA) and Scrum Master, to find out more about life in the technology department at TDS.

WHAT DOES A TYPICAL DAY LOOK LIKE FOR YOU?

I spend a lot of time with different people in the business, compiling a list of user stories, which then allows me to refine requirements, write test scripts and plan communications. An initial sprint planning session takes place to discuss what we’ll build. This allows customers of the business to prioritise what they believe will be best for the business and its customers.

Following that, we have regular meetings (scrum ceremonies) and showcases where we present what we’ve done on the project so far. Retrospective meetings are key too, as this allows us to review what worked well – and where we need to improve in the next round of development.

“I ask the questions that seek to understand what users need.”

WHAT CAN WE LOOK FORWARD TO IN THE FUTURE WITH TDS?

Our focus this year is to ensure that everything we develop is user-centred to make lives easier. Whether we’re supporting our colleagues or customers with technological solutions, we’re stripping it all back to develop intuitive, streamlined innovations that allow all of our customers to enjoy even easier tenancy deposit protection.

TDS is still open to change. It’s great to see so many people at TDS giving up their time to be involved in these innovative new projects. 2020 is going to be an exciting time for technological advancements. Watch this space!
WHAT’S ON?
Events, workshops and other resources

ARLA PROPERTYMARK CONFERENCE LONDON | 2020
Join us on 2nd September at the ARLA Propertymark Conference at ExCeL London where TDS will be co-sponsoring the event.
ARLA Propertymark aims to raise standards so that letting agents, landlords and tenants can enjoy a better experience when finding and managing a property.
The conference is a great opportunity to network and find out more about some of the excellent work being done in the PRS network and find out more about some of the professionals with vital knowledge about tenancy deposit protection legislation, how to ensure a business remains compliant and the entire deposit protection process.

Come and meet the TDS team at stand C11.

STEVE HARRIOTT
Group Chief Executive

NICK HANKEY
Deputy Chief Executive | Resources
Group MD Scotland

REBECCA JOHNSTON
Managing Director | TDS Custodial
Director of Business Development | Tenancy Deposit Scheme

ALISON MACDONAGH
Director of Dispute Operations
Managing Director | TDS Northern Ireland

JOHN KING
Head of Member Services

DEBBIE DAVIES
Head of Sales and Marketing

KELLY WALLACE
Sales Manager

MICHAEL HILL
Executive Assistant

The dispute resolution process & TDS Northern Ireland

Joining or switching to TDS from an alternative deposit protection scheme

Joining or switching to TDS from an alternative deposit protection scheme

The dispute resolution process and deposit disputes

ARLA PROPERTYMARK CONFERENCE LONDON | 2nd September 2020
TDS ACADEMY FOUNDATION COURSE LONDON | 16th September 2020
DISPUTES & DAMAGES THE TDS WAY MANCHESTER | 8th September 2020
DISPUTES & DAMAGES THE TDS WAY LONDON | 21st September 2020
DISPUTES & DAMAGES THE TDS WAY HAMPSTEAD | 30th September 2020
DISPUTES & DAMAGES THE TDS WAY LONDON | 21st September 2020
DISPUTES & DAMAGES THE TDS WAY LONDON | 21st September 2020
DISPUTES & DAMAGES THE TDS WAY BIRMINGHAM | 5th November 2020
DISPUTES & DAMAGES THE TDS WAY LONDON | 12th November 2020
DISPUTES & DAMAGES THE TDS WAY LONDON | 12th November 2020
DISPUTES & DAMAGES THE TDS WAY LONDON | 12th November 2020
DISPUTES & DAMAGES THE TDS WAY LONDON | 12th November 2020
DISPUTES & DAMAGES THE TDS WAY LONDON | 12th November 2020
DISPUTES & DAMAGES THE TDS WAY LONDON | 12th November 2020

RESOURCES AT A GLANCE

TDS ACADEMY
In-depth training covering everything you need to know about tenancy deposit protection, dispute resolution and adjudication, ensuring you are well-prepared with the knowledge you need to comply with the current legislation.

FOUNDATION COURSE
This half-day course covers best practice for tenancy deposits, including complying with the legislation, and top tips for tenancy agreements, check-in and check-out reports. It also covers the tenant fees ban legislation.

TDS ADJUDICATION WORKSHOP
This half-day course looks at claiming deposit deductions with top tips for negotiating with tenants. It examines the key issues that an adjudicator looks for in a dispute and gives delegates the chance to adjudicate on some dispute case studies.

LEVEL 3 PROPERTYMARK AWARD IN RESIDENTIAL TENANCY DEPOSITS
Developed in partnership with ARLA Propertymark and MOL to give you and your team a recognised tenancy deposit protection (TDP) qualification and a way to stand out in a competitive market.

DISPUTES & DAMAGES THE TDS WAY
TDS delivers the Disputes & Damages course in association with ARLA Propertymark and provides property professionals with vital knowledge about tenancy deposit protection legislation, how to ensure a business remains compliant and the entire deposit protection process.

CONFERENCES AND EVENT PRESENTATIONS
We regularly appear at ARLA Propertymark and NAEA meetings in addition to wider regional conferences held by numerous industry leaders, including TPO and RLA, with the aim of providing advice and raising standards in the PRS for agents, landlords and tenants.

TDS GUIDES AND PUBLICATIONS
We produce a wealth of free information on our website covering topics such as TDP legislation, adjudications and TDS top tips.

TDS CHARITABLE FOUNDATION
Projects funded by our TDS Charitable Foundation produce guides, training resources and reports, all designed to raise standards in the private rented sector.

VISIT
TDS Events

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