



Key Documents



Who should read this?



Tenants



Agents



Landlords

Insured

A guide to the Let Only scheme

TDS Insured scheme for Letting Agents registered under our 'Let Only' option

(customers are still required to hold the tenancy deposit amount that they register in a ring fenced client account)

Why Let Only?

Following consultation, customers told us that they wanted TDS Insured to better accommodate deposits for Let Only tenancies. Often, these tenancies result in disputes where the letting agent has no involvement in the end of tenancy process and these disputes can affect a customer's [annual subscription fee](#).

Let Only offers customers deposit protection for the fixed term tenancy agreement and where a tenancy continues on a statutory periodic tenancy with the same terms as the original tenancy. If there is a change or a new fixed term tenancy agreement is entered into, the TDS Insured database must be updated to reflect this and a new fee will be payable. Tenancies marked as Let Only do not form part of the customer's annual subscription snapshot.

What is a Let Only tenancy?

We define this as any tenancy that is not managed by the agent customer. It will cover situations where an agent customer has registered a deposit on the TDS Insured database for a tenancy where the customer agent offers services such as:

- tenant find only/finders fee;
- tenant referencing;
- drawing up a tenancy agreement;
- rent collection only.

These arrangements are defined as Let Only for the purposes of the Scheme. However, agent customer can **only** register tenancy deposits under this Scheme where the tenancy is genuinely a Let Only tenancy.

How does the Scheme work?

Using the Let Only scheme is entirely optional and customers are not obligated to use it in anyway.

Where a customer chooses to designate a registered deposit as Let Only, the deposit is protected by TDS for the fixed term tenancy detailed in the tenancy agreement.

From 1 April 2013, when the end of the fixed term tenancy agreement arrives, TDS will assume that the tenancy has continued on a 'same terms' statutory periodic tenancy and will continue to be protected.

If there is a change, or a new fixed term tenancy agreement has been drawn up, you must update the TDS Insured database accordingly. This will trigger a further charge.

Please note all amendments and edits attract an additional registration fee.

This means that:

- Where a tenancy continues on a statutory periodic tenancy with the same terms as the original tenancy, protection of the deposit continues and no additional deposit protection charge needs to be paid.
- Where there is a change to the registered tenancy, or it continues in any way other than as a statutory periodic tenancy, customers must update the TDS Insured database to record this. This will mean that an additional deposit protection charge needs to be paid.
- If a dispute arises from a tenancy designated as Let Only, this will not affect the customer's discount score for their annual subscription.

How much does it cost?

Propertymark/RICS members
£17.00 plus VAT

Safeagent/The Law Society members
£20.00 plus VAT

How do I mark a tenancy as Let Only?

Manual registration of brand new tenancies:

- To use the Let Only scheme, please email info@tenancydepositscheme.com to request access to this product. Once this product has been activated in your account, when you add a new tenancy onto your TDS Insured dashboard, you will be able to see a small box within the 'Tenancy Details' section which will allow you to mark that tenancy as a Let Only as shown in the image below.

- For brand new tenancies (i.e. tenancies not already registered on the TDS Insured database) customers are able to designate them as Let Only when they first register them.
- Where a customer chooses not to designate a tenancy as Let Only when they first register it, they can re-designate it at a later date but not later than two months from the date that the tenancy was first registered.
- Customers who upload their tenancy deposits via a third party software supplier (or via any form of automated upload) will need to login into the TDS Insured database and manually re-designate tenancies as Let Only.

This must be done no later than **two months** from the date that the tenancy was first registered.

Once a tenancy deposit has been registered on the TDS Insured database, it can then be designated as Let Only by ticking the 'non-managed' box.

Customers must make sure that they provide accurate details for all the tenancy information asked for including the start and end date of the tenancy agreement.

Full contact details must be provided for the landlord and each tenant in order to register the deposit as Let Only.

Changes to the terms of a Let Only tenancy

An additional deposit protection charge needs to be paid whenever a new fixed term tenancy is created or if there are **any** changes in the terms of the original tenancy agreement or changes to the details of the parties related to the tenancy. For example, this will mean a change in:

- tenant or landlord name or contact details (if a name change is required, this will need to be emailed to deposits@tenancydepositscheme.com with an explanation for the reason for the name change and will be considered on a case by case basis);
- rent;
- the deposit amount.

Customers are able to edit the details of a registered Let Only tenancy. If customers make any amends to the details of a registered Let Only tenancy, this will attract a further deposit protection charge. Where a deposit protection charge becomes payable, the customer will be notified and the opportunity will be given for the customer to agree this before the change is confirmed and the charge applied.

Incorrect registrations

If a dispute arises and TDS discover that a further deposit protection charge should have been paid, or details for the registered tenancy have changed but have not been recorded on the TDS Insured database the disputed deposit may be awarded to the tenant, without adjudication.

Customers must make sure that the TDS Insured database reflects the tenancy agreement precisely.

How will Let Only tenancies be charged for?

Tenancies marked as Let Only on the TDS Insured database will not be included in the [annual subscription calculation or snapshot](#). Any disputes attributed to Let Only tenancies will be excluded from the risk calculation carried out annually to determine the annual subscription.

Each month, TDS will review the tenancy database and identify:

- how many new tenancy deposits have been marked as Let Only, and;
- where Let Only tenancies registered with TDS Insured have been altered on the database.

The appropriate deposit protection charges will then be invoiced to the customer at the published rate.

Deadline for re-designating tenancies already registered on the TDS Insured Database

Customers have two months from the date of registering a deposit, to re-designate any current tenancies as Let Only. After this point, registered tenancies cannot be re-designated as Let Only and will become part of the annual subscription.

Can a tenancy be changed from a Let Only to a managed tenancy?

Yes, customers can make changes to the TDS Insured database to show that a tenancy has changed from a Let Only to a managed tenancy.

Where this happens, TDS is unable to refund any deposit protection charge already paid to the Scheme and the tenancy will be included in future snapshots and annual subscriptions.

My landlord has disinstructed me from managing their property. I'd like to be able to re-designate this tenancy as Let Only, but the database won't allow me to.

Tenancy deposits can only be registered as Let Only when first registered and for up to two months from the date they were first registered.

If after this period, customers change the service being offered to their landlord and wish to take advantage of the Let Only service, they should explain this to us by emailing:

deposits@tenancydepositscheme.com and attaching supporting evidence. We will review the position on a case by case basis.

My landlord never tells me when their tenancy renews. I'm worried that that a deposit will be unprotected at the end of the fixed term.

We appreciate that for Let Only tenancies, customers may not know what is happening with the tenancy when the fixed term ends. To cater for this we have set up the scheme so that it operates in the following way:

- At the end of the fixed term, protection of a Let Only deposit will continue on an assumed 'same terms' statutory periodic basis, so protection will not end.
- If there is a change to the registered tenancy, customers must update the TDS Insured database which will incur a further charge.
- TDS has provided some suggested clauses below for inclusion within customer's Terms of Business with their clients to help with this.

Let-only service – deposit protection for continuing tenancies

[Note: We = the agent; You = the landlord]

When a fixed-term tenancy is due to come to an end, it is your responsibility to check with the tenant whether they intend to stay at the property after the fixed term expires.

If the tenant intends to leave, you must notify us and the protection of the deposit will cease at the end of the fixed term. At the same time, you can let us know if you want us to readvertise your property.

If the tenant intends to stay on, under a statutory periodic tenancy (on the same terms as the fixed-term tenancy) you do not need to do anything at the end of the fixed term. The deposit will continue to be protected until you either (a) give the tenant a new fixed-term tenancy or (b) agree a change in the terms of a periodic tenancy (e.g increase the rent).

Protection of the deposit will end if there is a renewal tenancy, or a variation in the terms of a periodic tenancy. If you want us to arrange for the deposit to be re-protected in these circumstances, you must notify us of the change(s) within 7 days of the change(s) taking place.

We will not arrange for the continuing protection of the deposit unless and until you instruct us to do so. If there is a new fixed-term tenancy or a variation in the terms of a periodic tenancy, you will have to pay a further deposit protection charge to have the deposit re-protected. The tenant could take legal action against you and claim between one and three times the value of the deposit in compensation, if you leave the deposit unprotected. We will not be liable to you for any deposit protection charges, court fees, legal fees and/or compensation if you do not instruct us to re-protect the deposit when there is a new fixed term or a change in the terms of a periodic tenancy, or if your instruction is given late. If you do not instruct us to re-protect the deposit, you must reimburse us for any deposit protection charges, court fees, legal fees and/or compensation which we have to pay as a result. We may deduct these sums from any rent that we receive on your behalf.

tenancydeposits



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