



mydeposits

# scheme rules

custodial based tenancy deposit  
protection - for landlords

First edition - Effective from April 2016

# A word from our Chief Executive Officer



“An introduction to custodial based deposit protection designed for landlords”

Dear member,

Thank you for choosing mydeposits custodial to protect your tenant’s deposit.

mydeposits is a government authorised tenancy deposit protection scheme. We have been protecting deposits since April 2007 when the legislation was first introduced in England & Wales. Over 150,000 landlords and 3,500 letting agents trust mydeposits to protect their tenants’ deposits quickly, easily and in accordance with their legal obligations.

Please take a moment to read these mydeposits scheme rules. They have been designed to ensure that you comply with the law and form a legally binding contract between mydeposits and you, the member. You have joined mydeposits as a landlord member so any instance that uses the term member in these scheme rules means landlord member of mydeposits. When the word tenant is used, it includes any joint tenants that are listed on the tenancy agreement for the deposit protection.

## Your landlord membership

As a landlord member of mydeposits you are classified as a private individual who owns residential property which you let to tenants. If you own and manage your property as a company or limited liability partnership, or you manage properties on behalf of other landlords, then please join mydeposits as a business member.

## Protecting deposits using our custodial service

You have chosen to protect your deposits using our free custodial based deposit protection service, which requires you to transfer the deposit to mydeposits by BACS, debit card or cheque. We will hold the deposit money throughout the tenancy in a safe and secure segregated client money bank account. At the end of the tenancy both you and the tenant must authorise its release and agree on the amount before we return the deposit. If you and the tenant cannot agree over any proposed deductions then mydeposits offers a free and impartial alternative dispute resolution service to resolve the issue.

Deposits taken on any type of tenancy can be protected with mydeposits however it is your responsibility to check if the tenancy agreement you are offering is covered by the relevant legislation.

Please note for a deposit to be fully protected with our custodial service, we must receive cleared funds of the deposit payment.

If you have any questions or concerns about the process of protecting deposits then please contact us as soon as possible. Failure to protect a deposit or serve the prescribed information in line with your legal requirements may lead to penalties.



## Serving the prescribed information to the tenant

It is your responsibility to provide the prescribed information to all tenants on the tenancy agreement and, where relevant, to any third party that has an interest in the deposit. We assist our members by providing a prescribed information template that is produced when you protect the deposit, along with the mydeposits Information for Tenants leaflet. You must supply this information to your tenant(s) within the relevant timeframe in order to fully comply with your legal obligations.

## Timescales and communication

Timescales in these scheme rules (including those contained in the scheme information leaflets) are critical. You must ensure you provide correct up to date contact details for you and your tenants to avoid delays in confirming the protection and the release of the deposit.

Wherever possible, we will communicate with you and the tenant by email so it is important that you provide us with up to date contact information.

## Deposit disputes

We have separate rules relating to deposit disputes called conditions of deposit disputes and they are considered an addendum to these scheme rules. Any terminology contained in the scheme rules refers to both documents. Both you and the tenant must agree to abide by them when using the alternative dispute resolution service.

These scheme rules will be updated from time to time so please visit our website for the most up to date version. We will notify you by email when the rules are to be changed. mydeposits will always adopt the latest set of scheme rules (and conditions of deposit disputes) when considering a deposit dispute.

## Support and guidance

mydeposits places great importance on supporting all our members and their tenants to help raise standards and ensure a smooth tenancy.

Our website contains a large number of resources, including video guides and factsheets to help you comply with tenancy deposit protection and best practice guides on how to manage your tenancy and avoid deposit disputes. Make sure you visit our website at [www.mydeposits.co.uk](http://www.mydeposits.co.uk).

We aim to provide a friendly, knowledgeable and efficient service at all times. I would like to welcome you as a member of mydeposits and I hope that we exceed your expectations and our aspirations and aims. If we ever fall short of our promises, please do not hesitate to let us know.

Yours sincerely

Eddie Hooker  
Chief Executive Officer





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# Section A - Using the scheme

All members of mydeposits can use mydeposits custodial.

The member must have registered properly as a landlord member and selected to use the custodial scheme. Landlord members must own the residential property to which the tenant's deposit relates, be named on the tenancy agreement as landlord and have full authority to deal with all aspects of the deposit protection.

*For the purposes of these scheme rules we define the owning of the property as a freehold, leasehold or commonhold estate interest, whether sole or joint where that interest is registered at the land registry and was not for less than seven years when entered into. If a Member does not fulfil this test then they must contact the scheme before using mydeposits custodial to protect a deposit.*

# Section B - Breach of membership

The member is required to keep all their contact details up to date at all times.

If a member does not comply with any mydeposits scheme rules, then we reserve the right to investigate any breaches and we may prevent you from protecting deposits with mydeposits.

# Section C - Protecting and managing deposits

Members can use mydeposits custodial to protect deposits they receive for residential tenancies. Protecting a deposit involves the following stages.

- ✓ Recording the tenancy
- ✓ Lodging the deposit with the scheme
- ✓ Serving the prescribed information to the tenant

This section also sets out how protected deposits can be transferred between mydeposits members and alternative tenancy deposit protection (TDP) schemes.

## C1 - Recording the tenancy

The member must provide all information as requested by us to properly record the tenancy including correct contact details for the tenant(s).

A deposit taken on a joint tenancy will require one deposit protection. The member is required to nominate a lead tenant who will be required to represent the interests of all the other tenants with regards to the deposit protection.

A member can change the details of the recorded tenancy at any point before lodging the deposit with us.



## C2 - Lodging the deposit with the scheme

Deposits can only be lodged for recorded tenancies.

A deposit can be paid in instalments but only the amount confirmed as lodged with the scheme will be confirmed as protected.

Deposits can be lodged by debit card, bank transfer or cheque. The member must follow all instructions set out in their member account about how to lodge the money.

Once cleared funds are received by us and allocated to a recorded tenancy, either automatically or manually by the member, we will confirm to the member that the deposit is protected.

## C3 - Confirming protection of the deposit to the tenant

A deposit is not correctly protected until the member serves the prescribed information to the tenant including the scheme's Information for Tenant's leaflet. Confirmation of protection to the tenant, within the relevant timescales, is the responsibility of the member and failure to do so carries penalties and sanctions under the relevant tenancy deposit protection legislation.

mydeposits provides the member with a prescribed information template and an Information for Tenants leaflet when each deposit is protected by the scheme. The template is pre-populated with the information provided to us by the member during the protection process. It is the member's responsibility to ensure each section of the template is fully completed and the tenant has had an opportunity to review and sign the document.

The member can either use the prescribed information template created by us or use their own document. In both cases mydeposits takes no responsibility for the accuracy and extent of the information contained in these documents.

We also confirm to the tenant that the deposit has been received by us using the contact details provided by the member. The tenant will be able to set up their own account with us to manage their personal details and view the status of their deposit protection.

In a joint tenancy only the lead tenant will be able to set up an account and engage in the release process.

## C4 - Releasing the deposit

Both the member and the tenant must observe the timescales involved in the release process and co-operate with our instructions.

We will only process a release request if the deposit amount has been received in cleared funds. If a release request is made prior to the end date of the tenancy (as recorded by the scheme when the deposit was first protected) we may require evidence that the tenancy has actually ended.

We will not release any deposit that has been lodged with the scheme for less than 30 calendar days unless requested in writing to us with full details of the reason. We reserve the right to refuse a release within this time period if we are not satisfied with the reason provided



## Section D - Deposit disputes

We encourage our members and tenants to negotiate the amount of the deposit to be released at the end of the tenancy.

Should the parties not agree to the terms of the release of the deposit there will be a deposit dispute. We provide a free dispute resolution service to enable a decision to be made on how the deposit should be released.

The parties can choose whether to use our dispute resolution service or resolve the dispute through the courts. Both parties must be in agreement as to the dispute resolution process selected. In the absence of this agreement the scheme cannot release the deposit until we receive a court order instructing us to do so.

If our service is used then the parties submit their evidence to us. We will appoint a qualified adjudicator to analyse the evidence submitted and make a binding decision as to how the deposit should be released.

We have a separate document entitled the conditions of deposit disputes. This document sets out exactly how we deal with deposit disputes including acceptance, process and resolution. Both parties must confirm acceptance of these conditions of deposit disputes for us to resolve the dispute using our dispute negotiation service.

We will only deal with the member and the lead tenant when resolving deposit disputes unless otherwise confirmed by the scheme.

Our website provides further information on the type of evidence the adjudicator will expect to receive in support of a claim to a disputed deposit.

Tenants are informed of the procedures and timescales for raising and managing a deposit dispute at the time the deposit is protected and when a release application is made.

The member must always provide us with the most up to date contact details for the tenant(s).

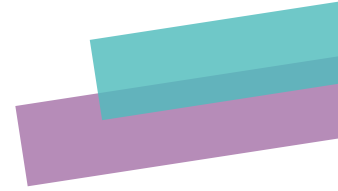
Where the contact details are incorrect, incomplete or missing the member must demonstrate the information they provided to the scheme is accurate, to the best of their knowledge.



## Section E - General conditions

1. The 'initial requirements' of the mydeposits custodial scheme are for the member to register a tenancy, lodge the correct deposit sum in cleared funds and once we have confirmed the protection, provide the tenant with the prescribed information.
2. These scheme rules, the conditions of deposit disputes and supporting scheme documentation will need to be updated from time to time. Notices of any changes will be posted on our website, in newsletters and/or by direct mail to you. The member must use the most current scheme forms and we will not be responsible for any consequences of a member or tenant not using the latest versions.
3. The member agrees to abide by the latest version of the scheme rules notwithstanding any earlier version which was in force when the deposit was protected.
4. We may delay action or make investigations if we have any concerns about a member's compliance with these scheme rules, their identity, fraud, solvency or any money laundering including sharing data with other authorised tenancy deposit protection schemes or government agencies.
5. We cannot be held responsible for intervening events beyond our control which prevent, delay or impede our ability to operate the scheme or these scheme rules. This includes (not exclusively) events such as fire, flooding, strike or terrorism.
6. These scheme rules are governed by and shall be construed in accordance with the laws of England and Wales.
7. Our previous adjudication decisions may not be relied upon as precedent or authority for deciding any following deposit dispute. Each deposit dispute is heard on its own individual merits and supporting evidence submitted by both parties.
8. Any scheme notes or information posted on the website to assist and notify members, the tenants or parties involved with the scheme is intended as general guidance and assistance, and is non-specific and does not override the requirements of any Act, Regulations or other related statutory instruments.
9. Any claim that a member may have against us is limited to the protected deposit amount plus interest at 2% above HSBC base rate from the date of the liability being proven against us.
10. There are no fees payable by members to protect deposits with mydeposits custodial.
11. Time is to be strictly interpreted and observed within all prescribed periods. The scheme may allow additional time only if suitable evidence is given as to the cause of delay. If a statutory time regulation gives no flexibility then we cannot grant any leniency.
12. If the scheme makes an incorrect payment to any party as a result of an administrative error, then that party is required to immediately return the amount upon request by the scheme. Failure to return the amount in accordance of with a request is likely to result in legal proceedings being instigated to retrieve the outstanding amount.





# Section F - Complaints

Our aim is to provide a first class service to all members and tenants and to do everything we can to ensure that you are satisfied. If you feel that we have fallen short of this standard and you wish to complain, you should first look at our complaints process on our website and submit the complaint there. You can also do so by writing to us at:

mydeposits  
Premiere House  
1st Floor  
Elstree Road  
Borehamwood  
WD6 1JH

Or by email at: [complaints.custodial@mydeposits.co.uk](mailto:complaints.custodial@mydeposits.co.uk)

On receipt of a complaint we will investigate the complaint fully and respond to you accordingly.

The timescales for dealing with a complaint are as follows:

1. If the complaint cannot be dealt with by the end of the next working day following receipt, we will provide a written acknowledgement within five working days.
2. If we are unable to resolve the matter within five working days we will advise you and give our estimate of the time we expect to require to deal with the complaint.
3. Our final decision cannot be appealed except by resort to the court where you may need independent legal advice.

This complaints procedure cannot be used to complain against or appeal an adjudication decision as agreeing to use our process to resolve a deposit dispute means agreeing to be bound by the decision of the adjudicator.

mydeposits is not regulated by the Financial Conduct Authority (FCA). The Department for Communities and Local Government have responsibility for monitoring the tenancy deposit protection schemes in England and Wales.

We may be asked to share data submitted by you to other regulatory and legislative bodies from time to time. This includes, but not exhaustively, local authorities, government departments, credit reference companies, authorised trade bodies and client money and tenancy deposit protection insurers. We will not share data outside of the European Economic Area. We will not pass your details to any commercial third party without your permission.







mydeposits

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Scheme authorised by



Ministry of Housing,  
Communities &  
Local Government

Part of the  
Hamilton Fraser family



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