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TENANT DEPOSITS NOW SAFER

New schemes protect almost 500,000 deposits following tightening of the law – Average of 3,400 deposits a day protected during first six months –

One in four tenants living in privately rented houses and flats now have their deposits safeguarded under the Government's tenancy deposit protection schemes, figures published today show.

Figures supplied by the three Tenancy Deposit Protection (TDP) schemes show that almost 500,000 deposits have been protected at a rate of over 3,300 deposits per day in the six months since launch.

Over £450 million worth of deposits are now protected by the schemes.

Communities Minister Baroness Andrews said:

“Tens of thousands of tenants should be able to sleep easier in their homes thanks to the new renting rights we've introduced. The new deposit protection schemes provide peace of mind for tenants and a clear process for resolving disputes, avoiding unnecessary expenses.

“It's pleasing to see that the new protections we introduced are being embraced by both landlords and tenants. We are certain take-up will continue to rise.”

Kevin Firth, Client Services Director for the Deposit Protection Service is delighted with the success so far:

“We are extremely pleased with the positive reaction from private landlords we have experienced in the six months since we launched The

Deposit Protection Service and have also been pleasantly surprised by the response from letting agents, both large and small.”

From 6 April this year, landlords and agents have, by law, had to sign up to one of three Government-backed schemes when they take a deposit for a new assured shorthold tenancy.

Landlords not protecting a deposit taken since 6 April are committing a civil offence, which could lead to them having to pay tenants three times the value of the deposit and forfeit their right to possession of their property.

There are 1.7 million assured shorthold tenancies, to which tenancy deposit protection applies, accounting for just under one in ten (8 per cent) of all households in England (2005/06). The average deposit is £889.

Notes to Editors:

1. Figures presented are the aggregates from the three scheme providers for Tenancy Deposit Protection.
2. On average there are 1.4 tenants protected per tenancy.
3. The three schemes are:
 - The Deposit Protection Service (The DPS) is a custodial scheme where landlords must hand over the deposit in full. Free to use and open to all Landlords and Letting Agents the DPS service is funded entirely from the interest earned from deposits held. If a dispute arises between the landlord and the tenant at the end of the tenancy the scheme will hold the amount until the dispute resolution service or courts decide what is fair.
 - Tenancy Deposit Solutions Ltd (TDSL) is a partnership between the National Landlords Association and Hamilton Fraser Insurance. This insurance-based tenancy deposit protection scheme enables landlords, either directly or through agents, to hold deposits.
 - The Tenancy Deposit Scheme (TDS) is an insurance-backed deposit protection and dispute resolution scheme run by The Dispute Service that builds on a scheme established in 2003 to provide dispute resolution and complaints handling for the lettings industry. The new scheme enables letting agents and landlords to hold deposits.

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