

# Ascend

Managed Service Agency Agreement

## MULTI-PROPERTY MANAGED SERVICE AGREEMENT

This agreement is made between the Landlord and Ascend Estates Ltd T/A Ascend Properties; Company number 08892998, who agree to act as Agent for the Landlord, and are hereinafter referred to as "the Agent".

By signing these terms and conditions, the owner is confirming that they are the owner of the properties that have been instructed to be managed by the Agent and has the power and authority to enter into this agreement. The owner is also confirming that they have obtained all necessary consents from any mortgagee or other lender, individual or organisation that has an interest in or security on the properties. The owner also confirms that there are no arrears on any mortgage or loan on the properties.

### MANAGEMENT SERVICE

The Agent provides a property management service to owners (and superior landlords) wishing to let out their property. A fee for the management service is taken as a percentage of the gross rent for the period of the tenancy. Our minimum fee is £54 including VAT per calendar month. A letting fee will be levied at the outset for the tenant find and arranging the tenancy as listed on page 9 of this agreement.

The Standard Management Service includes:

1. Advising as to the likely rental income and any action required to make the property suitable for letting.
2. Advertising and marketing the property.
3. All viewings, accompanied by a member of staff from the Agent or where applicable, Sub-agent.
4. Referencing prospective Tenants, undertaking credit checks, ID verification and right to rent checks.
5. Preparing the tenancy agreement necessary for the Landlord to gain protection of the relevant Rent and Housing Acts, and renewing the agreement where necessary at the end of the Term.
6. Liaising with a Landlord's mortgagees where necessary, regarding references and the Tenancy agreement.
7. Taking a deposit from the Tenant to be held by the Agent until the end of the tenancy and, in some cases, taking rent in advance from the Tenant to be held by the Agent until it falls due.
8. Preparation of an Inventory and Schedule of Condition at the commencement of any new tenancy (excluding renewal tenancy agreements)/
9. Collecting the rent and paying over to the Landlord on a monthly basis (sent within 7 days of collection) less any fees or expenses due or incurred for the period. Payments will be made by direct bank transfer and a detailed rent statement will be forwarded to the Landlord.
10. Arranging with service companies (principally electricity, gas, water and council tax) for meter readings and advising them of the transfer of service contracts to the Tenant at the beginning of each new tenancy agreement. This service will be given where the Landlord has provided the Agent access to the meters.
11. Regular inspection of the property. Responsibility for the management of an empty property is not normally included, but will be carried out by special arrangement.

12. Co-ordination of repair or maintenance, including arranging for tradesmen to attend the property and obtain estimates where necessary, as well as supervising works and settling accounts from rent received.
13. Making payments on behalf of the Landlord, from rent received, for costs in managing the property.
14. Carrying out a full property inspection and inventory check at the end of the tenancy and dealing with matters relating to unfair wear and tear, before releasing the Tenant's deposit.
15. Forwarding any of the Landlord's mail passed to the Agent by the Tenant or collected by the Agent during routine visits.

## GENERAL AUTHORITY

The Landlord confirms that they are the sole or joint owner of the properties and has the right to rent out the properties under the terms of the mortgage or head lease. Where necessary, the Landlord confirms that permission to let has been granted by the mortgagee, joint owners, superior Landlord and freeholders. The Landlord confirms that they have permission to sign on behalf of any co-owners. The Landlord authorises the Agent to carry out the various duties of property management as detailed 1-15 previously. The Landlord also agrees that the Agent may take and hold deposits.

In the event of any instructed property being repossessed, the owner hereby indemnifies the Agent against any liability or claim against the Agent by the Tenant or mortgagee.

## REASONABLE COSTS AND EXPENSES

The Landlord agrees to repay the Agent for any reasonable costs, expenses or liability incurred or imposed on the Agent provided that they were incurred on behalf of the Landlord in pursuit of the Agent's normal duties. To assist the Agent in carrying out its duties effectively, the Landlord agrees to respond promptly to any correspondence or requests from the Agent.

## ENERGY PERFORMANCE CERTIFICATES

As from 1<sup>st</sup> October 2008, all rental properties with a new tenancy in England and Wales are required to have an Energy Performance Certificate (EPC). The owner accepts that this is a legal requirement. An EPC is valid for 10 years. The Agent will instruct and charge for these where required/expired. The cost is as per the Scale of Fees.

<https://www.gov.uk/buy-sell-your-home/energy-performance-certificates>

## TENANCY AGREEMENT

A tenancy agreement is a legally binding contract between you, the Landlord, and the Tenant of the property. The agreement contains the conditions and responsibilities of the Landlord and the Tenant, including the term of the tenancy and the conditions that will apply if you want to take possession.

At Ascend, our tenancy agreements are written to meet the needs of each owner, after taking account of the Housing Act 1988. Our tenancy agreements are regularly updated to include changes in the law and

to take account of our own experiences, and can include any additional clauses that you request, in accordance with the Housing Act. If the Landlord or the Tenant does not follow the terms of the agreement, the other person has the right to take legal action.

The Standard Management Service includes the preparation of a tenancy agreement in the Agent's standard form(s). Should the Landlord require an amendment of the contract, they must advise the Agent in writing. It is agreed that the Agent may sign the tenancy agreement(s) on behalf of the Landlord and that the Landlord accepts to be bound by the conditions that such an agreement imposes.

## MAINTENANCE

The Landlord agrees to provide any instructed property in good condition and that in each property, beds, sofas and all other soft furnishings conform to The Regulatory Reform (Fire Safety) Order 2005. The Landlord agrees to make the Agent aware of any ongoing maintenance problems.

Subject to a retained maximum expenditure limit of £120.00 including VAT on any single item of repair, and any other requirements or limits specified by the Landlord, the Agent will administer any miscellaneous maintenance work that needs to be carried out on any of the instructed properties (although the administration of major works or refurbishment will incur an additional charge – see Scale of Fees on pages 10 and 11). "Retained maximum expenditure limit" means that the Agent has authority to spend up to this amount (or other amount as individually agreed) on reasonable improvements or repairs, in any single monthly accounting period without prior reference to the Landlord.

For expenditure in excess of the retained maximum expenditure limit, the Agent would normally request authorisation in advance, although it is agreed that in an emergency or for the reasons of contractual necessity, where reasonable endeavours have been made to contact the Landlord, the Agent may reasonably exceed the limits specified.

The Agent operates an out-of-hours, 24-hour, 365-day emergency maintenance service for managed properties. The emergency maintenance service covers the cost of any initial out-of-hours contractor call-out charges and labour needed to rectify the initial emergency but not replacement parts or return visits.

By law, it is necessary to carry out an annual inspection and service for the central heating and any gas appliances. The Agent will carry this out on the Landlord's behalf and expense, and administer the necessary inspection and maintenance records. The Landlord will be charged according to the Scale of Fees.

## OVERSEAS CLIENTS

When letting property and collecting rents for Landlords overseas, the Agent is obliged by the Taxes Management Act (TMA) 1970 and the Taxation of Income from Land (Non-Residents) Regulations 1995 to deduct tax (at the basic tax rate) to cover any tax liability, unless the Landlord has been authorised in writing by Inland Revenue to receive rent gross. A standard quarterly charge will be made for this work, and reasonable administration expenses may be charged by the Agent for further work requested by the Landlord, the Landlord's accountant or the Inland Revenue in connection with such tax liabilities. Please see the Scale of Fees section.

## COUNCIL TAX/UTILITIES

Payment of Council Tax will be the responsibility of the Tenant while the property is occupied. The owner understands that during vacant periods, utility charges and council tax remain the responsibility of the Landlord, and the Agent will settle any charges due, on the owner's behalf.

## SELECTIVE LICENCE SCHEMES

The Landlord confirms that they are responsible for advising the agent if they wish for them to apply for their property license to the relevant council if applicable.

It is agreed that the Landlord shall ensure that the property has the relevant certificates and is in compliance with the terms of the license. The Landlord agrees to repay the Agent costs incurred for any reasonable expenses or penalties that may be suffered as a result of non-compliance with the relevant license scheme. The agent accepts no liability relating to any charges or costs for breach or administration of the license in any way.

## SERVICE CHARGES AND GROUND RENTS

The Agent provides service charge invoicing management and ground rent invoicing management, which upon request, can be paid via the Agent from the rental income. The Landlord understands that these payments are made where funds are available through the property, and remain the responsibility of the Landlord. The Landlord also agrees they will not hold the Agent liable for any fees incurred via the third party. A fee may be involved with this service as per the Scale of Fees.

## SERVICES

The Agent will take meter readings wherever possible at each change of occupation of the property, only where the Landlord has specifically provided access to the electricity, gas and water meters. The Agent will inform the service companies of these readings and the change of occupation. In many cases, the service companies (e.g. BT) require that the new occupiers formally request and authorise the service, and it is not possible for the Agent to do this on the Tenant's or Landlord's behalf. Regarding mail, Landlords should take care to inform all parties (e.g. banks, clubs, societies etc.) of their new address; it is not always possible to rely on Tenants to forward mail.

## DISCLOSURE OF LANDLORD'S DETAILS TO SPARK ENERGY

When any of the instructed properties are let, gas and electricity will be provided, or will be in the process of being provided by Spark Energy Supply Limited ("Spark Energy"). However, this will not prevent the Landlord from changing to a different energy provider if desired.

The Landlord agrees that the Agent may pass the Landlord's name and contact details to Spark Energy for the purposes of:

- a. registering the gas and electricity meters at the property in the Landlord's name with Spark Energy, providing gas and electricity to the Landlord and administering the Landlord's account with Spark Energy;

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- b. registering the Landlord with the relevant local authority for the payment of Council Tax; and
- c. registering the Landlord with the incumbent water supplier to the property. The water supplier may contact the Tenant to provide further information about its services and products, and conclude an agreement with the Tenant for those services and products.

Spark Energy will use the Landlord's details only for the purposes set out above and not in any other way. Spark Energy will comply with its obligations as a data controller in the Data Protection Act 1998 and will handle Landlord's data in the manner set out in Spark Energy's standard terms and conditions and/or privacy notice. If the Landlord has any questions regarding details or use of the Landlord's data held by Spark Energy, the Landlord may contact Spark Energy at Ettrick Riverside, Dunsdale Road, Selkirk TD7 5EB or [partners@sparkenergy.co.uk](mailto:partners@sparkenergy.co.uk) or 0345 034 7474.

## INVENTORY

At the start of each new tenancy, except for renewal agreements, the Agent will prepare a photographic Inventory and Schedule of Condition for the property. The Landlord confirms that they have been made aware of the necessity and importance of preparing a full Inventory and Schedule of Condition.

## INSPECTIONS

Under the Standard Management Service, the Agent will normally carry out inspections on a regular basis. It is not the intention to check every item of the inventory at this stage; the inspection is concerned with verifying the good order of the tenancy (the general condition of the property). This would normally include inspecting the main items (carpets, walls, cooker, main living areas and gardens.) Where these were felt to be unsatisfactory, a more detailed inspection would generally be made.

Following the departure of the Tenant, a final inspection of the property is carried out by the Agent. The testing of all electrical appliances as well as the heating system and plumbing is not feasible during this inspection; a qualified contractor should be appointed for this purpose should it be required by the Landlord. Any deficiencies or dilapidations would normally be submitted to the Landlord, together with any recommended deductions or replacement values.

## HOLDING FUNDS & DEPOSITS

The Agent will protect the tenancy deposit via the TDS or DPS. The Landlord agrees to the terms of the TDS and the DPS found at the end of this document.

## TERMINATION & COMPLAINTS

This agreement may be terminated by either party by way of written notice. Where the current Tenant was introduced by the Agent, such notice may not expire until the current Tenant vacates the property. Where the current Tenant was not introduced by Ascend, at least 3 months' notice in writing is required.

The Landlord shall provide the Agent with any requirements for return and repossession of the property at the earliest opportunity. Landlords should be aware that any tenancy agreement entered into on the Landlord's behalf is a binding legal agreement for the agreed period. Details of any tenancy agreement being entered into will be communicated to the Landlord as soon as possible. Landlords should be aware that the legal minimum notice period to Tenants under assured shorthold tenancies is generally two

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months (should the contract allow for early termination), and this needs to be given even in the case of a fixed term tenancy which is due to expire.

The Agent can terminate this contract with no notice on the grounds of any illegal or immoral activity.

A copy of the company complaints procedure is available upon request.

## SAFETY REGULATIONS

*PLEASE NOTE: You should read and understand these obligations before signing overleaf.*

The letting of property is now closely regulated with respect to consumer safety. The law makes particular demands regarding the safety, servicing and inspection of gas and electric appliances and installations within a property, and with respect to the safety of furniture and soft furnishings provided. The following regulations apply:

- The Furniture and Furnishings (Fire Safety) Regulations 1988 (as amended in 1989, 1993 and 2010)
- General Product Safety Regulations 2005
- Gas Safety (Installation and Use) Regulations 1998
- Electrical Equipment (Safety) Regulations 1994
- Plugs and Sockets (Safety) Regulations 1994

The Landlord confirms that they are aware of these obligations. It is agreed that the Landlord shall ensure that the property is made available for letting in a safe condition and in compliance with above regulations. The Landlord agrees to repay the Agent costs incurred for any reasonable expenses or penalties that may be suffered as a result of non-compliance of the property to safety standards.

## GAS SAFETY

There are gas appliance regulations because of the large number of cases of carbon monoxide poisoning, which occur every year. The poisoning is caused by faulty gas appliances or flues, which are not installed correctly. The regulations have been introduced to improve the design of gas appliances and to make sure that flue gases are removed from the property in a safe way. Landlords and letting agents must make sure that all gas appliances in a rented property are checked for safety at least once a year, and they must keep a record of the checks, dates of inspection and any problems found. A copy of the safety certificate must be given to the Tenant. The Landlord understands that this is a legal requirement and the Agent has the authority to instruct and charge for these, where required.

## INSURANCE

The Landlord confirms that they are responsible for each instructed property being adequately insured for the building(s) and contents (where applicable) and that the insurance policy provides cover when each instructed property is let. The Agent would normally be responsible for the administration of any claims arising during the period of management where the property in question is being managed (i.e. this only applies to properties under the full "Standard Management Service")

## HOUSING BENEFIT

The Landlord undertakes to reimburse the Agent for any claims arising from overpayment which may be made by the local authority in respect of housing benefits, or other benefit schemes, paid to or on behalf of the Tenant(s) as rent. This undertaking shall remain in force during the tenancy and up to six years thereafter, whether or not the Agent continues to be engaged to, let, or manage the property under this agreement.

## LEGAL PROCEEDINGS

Any delay of payment or other defaults will be acted on by the Agent in the first instance. Where the Agent has been unsuccessful in these initial actions, or where there are significant rent arrears or breaches of the tenancy agreement, the Landlord will be advised accordingly. A solicitor may then be appointed and instructed by the Landlord (except where the Agent is unable, after taking reasonable efforts, to contact the Landlord. In that event, the Agent is authorised to instruct a solicitor on the Landlord's behalf). The Landlord is responsible for payment of all legal fees and any related costs.

## TENANCY RENEWALS

Where possible (unless the Landlord has previously notified the Agent in writing that they do not wish to renew), the tenancy will be renewed or extended to the same Tenant introduced by the Agent. The Agent shall prepare the tenancy agreement, if required, for the new or extended tenancy and the terms of this agreement shall continue until the Tenant leaves, or this agreement is terminated. A tenancy renewal fee shall be payable for this service, as detailed in Scale of Fees.

## LEGAL EXPENSES AND RENT GUARANTEE COVER *(Optional, as per Scale of Fees)*

Landlords can purchase a *legal expenses and rent guarantee policy* through a 3rd party insurer. For further information please contact your Portfolio Manager.



## THE PROPERTY OMBUDSMAN

Ascend Estates Ltd registered address for the property ombudsman is Stafford Court, 145 Washway Road, Sale, M33 7PE

TPO Address- Milford House, 43 - 55 Milford Street, Salisbury, Wiltshire, SP1 2BP

<https://www.tpos.co.uk>

## SCALE OF FEES

DISCOUNTED MANAGEMENT FEE:		11% (excl VAT) 13.2% (including VAT) OF COLLECTED RENT
Letting Fee (Including Marketing, Advertising, Referencing, Tenancy Agreements, New Tenant Documentation & Inventory):		£474.00 including VAT
Tenancy Renewal:		£150.00 including VAT

OPTIONAL ADDITIONAL SERVICES:	
Legal Expenses and Rent Guarantee:	£180.00 per tenancy including VAT 12 months £120.00 per tenancy including VAT 6 months
24-Hour Emergency Maintenance Contract:	£114.00 pa including VAT
Registration of Deposits with Government Scheme	£30.00 per tenancy including VAT
Key & Fob Cutting	£18.00 + cost of keys including VAT
Gas Safety Certificate	£102.00 including VAT
Electrical Safety Certificate	£144.00 including VAT
EPC Charge	£102.00 including VAT
Electrical Safety Test/PAT	£144.00 including VAT
Service Charge/Ground Rent Payment & Allocation	£90.00 pa including VAT
Income/Expenditure Report	£90.00 including VAT
Non-Resident Landlord Tax Administration Charge	£114.00 per quarter including VAT
Service of notices (Section 8, 13 and 21)	£30.00 including VAT
Possession Application Through the Courts	£180.00 including VAT plus Court Fee
Preparing Documentation for a Possession Court Hearing	£60.00 including VAT
Court Representation	Cost available on request



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Clients should carefully read and understand the above terms of business before signing.

Signed on behalf of Ascend Estates Ltd

c/o Ascend, Stafford Court, 145 Washway Road, Sale, M33 7PE

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Signature

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Print name

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Date

Signed by the Client

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Signature

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Print name

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Date

Initial Here

## PROPERTY INFORMATION FORM

Landlord's Full Name (For Tenancy Agreement)	
Landlord's Full Address	
Bank Name	
Sort Code	
Bank Account Number	
Alternative Email Address	
Telephone Contact Numbers	
Are you a UK resident? If not, please include your Non-resident Landlord No.	

## WHAT IS TDS?

The Tenancy Deposit Scheme (TDS) is run by The Dispute Service Ltd. It is an insurance-backed tenancy deposit protection scheme authorised by the government.

TDS has two main roles:

- To protect deposits.
- To help resolve disputes about deposits.

## WHAT IS TENANCY DEPOSIT PROTECTION?

Tenancy deposit protection applies to all deposits for assured shorthold tenancies that started in England or Wales on or after 6 April 2007. By law, a landlord or agent who receives a deposit for such a tenancy must protect the deposit.

Most residential tenancies in the private rented sector are assured shorthold tenancies, with some exceptions. For example, a tenancy cannot be an assured shorthold tenancy if:

- the tenant is a company;
- the rent is more than £100,000 a year;
- the tenancy is for a holiday let; or
- a university or college rents the accommodation to its students.

Tenancy deposit protection means:

- protecting a tenant's deposit with a government-authorised scheme such as TDS;
- providing the tenant with prescribed information about where their deposit is being protected and how it will be managed.

Tenancy deposit protection schemes can be one of two kinds:

- Custodial – this is where the scheme itself holds the deposit during the tenancy.
- Insurance backed – this is where the landlord or agent holds the deposit during the tenancy, but must give it to the scheme at the end of the tenancy if there is a dispute. The scheme is insured because this guarantees that tenants will always get back the money to which they are entitled. TDS is an insurance-backed scheme.

Each tenancy deposit scheme has its own rules setting out in detail how it operates. The TDS Rules are available from the TDS website and on request.

What are the legal requirements?

These are contained in sections 212–215 of, and Schedule 10 of, the Housing Act 2004 (as amended). Tenancy deposit protection applies to money received by a landlord or agent that is meant to be held as security in case a tenant does not comply with their obligations.

The landlord or agent must comply with the initial requirements of an authorised tenancy deposit protection scheme within 30 days of receiving the deposit. To protect a deposit with TDS, the landlord or agent needs to belong to the scheme, register the deposit on the TDS tenancy database, and pay a membership subscription or deposit protection charge.

A TDS member (landlord or agent) must also give the tenant 'prescribed information'. This information is set out in the Housing Tenancy Deposits (Prescribed Information) Order 2007. It must also be given to anyone who paid the deposit on the tenant's behalf.

The prescribed information includes the contact details of the landlord and tenant, the rented

property's address, the deposit amount and this leaflet. The landlord or agent must also specify which tenancy agreement clauses say how the deposit can be used.

Tenants must be given the opportunity to:

- check any document the landlord provides containing prescribed information; and
- sign it to confirm the information is accurate.

What if the landlord or agent does not comply?

A landlord or agent should protect the deposit in an authorised scheme and provide the tenant (and any sponsor) with the prescribed information within 30 days of receiving the deposit. If they don't do so, then the tenant (or the person who paid the deposit) can take the landlord or agent to court. The court can order the landlord or agent to protect the deposit or repay it to the tenant. The court can also order the landlord or agent to pay the tenant compensation of between one and three times the deposit's value.

A landlord who has not correctly protected a deposit cannot serve a notice to end the tenancy and regain possession of it under section 21 of the Housing Act 1988. The landlord can only serve such a 'section 21 notice' after the deposit has been repaid or after any court case about the deposit has ended.

A landlord who has not given the tenant prescribed information within 30 days must not issue a section 21 notice until the prescribed information has been given. If this takes place more than 30 days after the landlord or agent received the deposit, the tenant can still apply to court for compensation of between one and three times the deposit's value.

TDS cannot award compensation to tenants if a landlord or agent fails to comply with the law relating to tenancy deposit protection. This can only be dealt with by the courts.

Is my deposit protected?

Tenants can check if their deposit is registered with TDS by visiting [www.tenancydepositscheme.com](http://www.tenancydepositscheme.com). If tenants have received a Tenancy Deposit Protection Certificate, they should enter the code number from that certificate. Alternatively, they can enter their surname, the deposit amount, the tenancy postcode, and the date their tenancy started.

If a member informs TDS that the protection of a deposit should be ended, TDS will make reasonable efforts to inform the tenant before ending the protection.

If the tenancy has not ended, the tenant (or one of the joint tenants) can object to the ending of deposit protection by phoning the TDS customer contact centre.

If the tenancy has ended and the tenant is not satisfied with the proposed split of the deposit, then the tenant can ask TDS to resolve the dispute within three months after the end of the tenancy.

What happens to the deposit after the landlord or agent receives it?

The landlord or the agent will hold the deposit during the tenancy. The tenancy agreement should state who receives any interest it makes.

What happens to the deposit at the end of the tenancy?

If there is no dispute about the return of the deposit at the end of the tenancy, the landlord or agent must pay the deposit to the tenant without delay, minus any deductions that the tenant has agreed.

If there is a dispute about the return of the deposit or about proposed deductions, the parties should try to reach agreement without delay. Most disputes are resolved informally in this way. But if

the deposit has not been returned to the tenant within 10 days of the tenant asking for it, any of the parties can ask TDS to resolve the dispute.

If there is a dispute, what happens to the deposit?

The landlord or agent can make a payment from the deposit if:

- both landlord and tenant have agreed; or
- the court has ordered the deposit to be paid; or
- TDS directs them to send the money to TDS.

Once TDS has been asked to resolve a deposit dispute, the landlord or the agent must send the disputed amount to TDS. By this time, the landlord or agent should have paid the tenant any part of the deposit that is not an agreed deduction or in dispute.

If whoever is holding the deposit does not send the disputed deposit amount to TDS, TDS will take legal action to recover it. This will not delay TDS in resolving the dispute. If the deposit holder cannot pay the disputed amount, for example because it has become insolvent, TDS will arrange the adjudication, pay the tenant the amount awarded by the adjudicator and make a claim to its insurers. The law requires TDS to guarantee only that the tenant receives the amount they are entitled to.

How are disputes resolved?

The person who wishes to send the dispute to TDS can do so online or by completing a Dispute Application Form giving details of the dispute, and any relevant supporting documents.

The deposit holder must then send the disputed amount to TDS. It will copy the dispute details to the other parties and give them 10 working days to consent to TDS resolving the dispute, respond to the claim, and send in their evidence.

If all the parties agree to TDS resolving the dispute, TDS will appoint an impartial adjudicator to make a binding decision, normally within 28 days of receiving the parties' consent to resolving the dispute. If landlords and agents do not reply, they are treated as consenting. In all these cases, the adjudicator will normally make a decision within 28 days after the deadline for giving evidence.

Within a further 10 days of the adjudicator's decision, TDS will pay the amount due to each party.

The adjudicator's decision will be based only on the evidence sent to TDS – there will be no hearing or visit to the property.

The adjudicator's decision is final. There is no right of appeal to TDS or to the government department in charge of the tenancy deposit protection schemes.

Further details are set out in The Tenancy Deposit Scheme Rules for the Independent Resolution of Tenancy Deposit Disputes at [www.tenancydepositscheme.com](http://www.tenancydepositscheme.com).

What if the landlord or tenant can't be contacted at the end of the tenancy?

TDS cannot resolve a dispute if it cannot contact the parties to get their consent to TDS being involved. In these circumstances, the deposit holder must do the following:

- Make every practical effort – over a reasonable period of time but not for longer than it would take TDS to resolve a dispute – to contact the (ex)-tenant/landlord using information readily available.
- Assess any damage, rent arrears and any other likely deductions from the deposit as they would normally do.

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- Split the deposit, pay the party who is present the appropriate amount, and transfer the amount due to the absent tenant/landlord to a suitably chosen 'Client suspense (bank) account'.

The deposit holder should make a formal record of these activities and support it with suitable documents.

After enough time (usually at least six years) has passed from the last contact with the absent tenant/landlord, the deposit holder may then donate the absent party's share to a suitable registered charity – subject to a binding promise from the deposit holder that it would immediately pay from its own pocket any valid claim it later received from the beneficial or legal owner.

If the absent tenant/landlord returns within that time and seeks to dispute the allocation of the deposit, TDS may offer to adjudicate.

Is adjudication better than going to court?

Deposit disputes need to be resolved quickly and cheaply. Tenants usually need the money as a deposit on their next property, and landlords need to know how much will be available to spend on things like redecoration, damage or repairs. Going to court takes time and can be expensive and stressful.

If TDS protects a deposit and the dispute goes to court, the disputed amount must be sent to TDS. TDS will distribute the deposit once it receives a final court order showing what is to happen to the deposit.

TDS can only resolve a dispute if the deposit has been registered with TDS. If a deposit has not been registered, the parties will have to go to court if they cannot agree a settlement.

Sometimes landlords or tenants prefer to go to court. It might be better for a landlord to go to court if they have a large claim that is well above the deposit. It might be better for a tenant to go to court if they have a counterclaim – say if they had to pay for boiler repairs because the heating did not work for several weeks. TDS cannot deal with counterclaims.

Where TDS cannot accept a dispute for adjudication, TDS will notify any other party to the dispute that this has happened. The other party to the dispute may then choose to go to court or rely on the agent's judgment if the agent is holding the deposit.

What can TDS deal with?

Using the TDS dispute resolution service is not compulsory. If either the landlord or tenant does not agree to use the service, one of them could choose to go to court.

TDS can only deal with disputes about the deposit itself, and cannot make awards that are for more than the disputed deposit. If a larger amount is disputed, you may need to go to court. TDS cannot deal with counterclaims by tenants – such as a claim for disrepair. If you are a tenant and you wish to bring a counterclaim against your landlord, you will need to go to court.

TDS cannot deal with disputes between individual tenants, or between landlords and their agents. TDS does not act as a regulator and cannot order changes in trading practices, close down businesses, or prosecute landlords or agents. However, it does try to raise standards in the private rented sector by educating tenants, landlords and agents about the cause of disputes and how to avoid them.

How much does it cost?

TDS is funded by the membership subscriptions and deposit protection charges that letting agents and landlords pay. All these fees are on the TDS website.

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TDS makes no charge to tenants for protecting the deposit – although landlords or agents may pass on their subscriptions to their tenants as part of the tenancy costs. There is no charge to landlords, tenants or agents for having a dispute resolved.

## Who can join the Tenancy Deposit Scheme?

The Tenancy Deposit Scheme is open to landlords and letting agents offering residential property for rent. They will be asked to provide relevant information – as set out in the TDS Rules – to TDS before it decides whether they can be accepted as a member, and what their subscription will be.

## Our guarantee of impartiality

TDS is overseen by a Board, which is responsible for operating and financing the business. The Board, and the TDS management, have no role in resolving disputes and cannot intervene in decisions about disputes. The scheme's Head of Adjudication is responsible for resolving disputes. The most usual method for resolving a dispute through TDS is to use adjudication, but the scheme may suggest negotiation, mediation or other methods.

Adjudicators work fairly and impartially. All TDS adjudicators belong to the Chartered Institute of Arbitrators and comply with our Adjudicator Code of Conduct, which is available on the TDS website. The adjudicators make decisions without favour, based on the issues in dispute and the evidence provided.

TDS publishes breakdowns of awards in its Annual Reports. These give an overview of how awards are split between tenants, landlords and agents. You can see the adjudicators' decision-making guidelines and some example case studies at [www.tenancydepositscheme.com](http://www.tenancydepositscheme.com).

## Data Protection

TDS will not use landlords' or tenants' personal data for any purpose except to operate the scheme (this includes compiling statistical data) and resolve disputes. From time to time, TDS may invite landlords or tenants to participate in surveys. If you do not wish to be contacted for survey purposes, please inform TDS by letter or email to the contact details given in this leaflet.

## Contact details:

Tenancy Deposit Scheme operated by  
The Dispute Service Limited  
PO Box 1255  
Hemel Hempstead  
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\*The below content has been extracted from the DPS document 'A guide for landlords and letting agents'\*

## A GUIDE FOR LANDLORDS AND LETTING AGENTS

How our schemes work...

This is a guide for landlords and letting agents to explain how our deposit protection schemes work.

If you are setting up Assured Shorthold Tenancies (ASTs) in England and Wales, you are required to protect deposits with a government-authorized tenancy deposit protection scheme. As the home of deposit protection, we're here to make it easy for you.

### 01 - Register with us

If you want to manage deposits via an online account, please register with us at [www.depositprotection.com](http://www.depositprotection.com). If you want to manage your account via the post, please register by calling us on 0330 303 0030.

Either way, registration is easy. We'll just need a couple of details from you in order to issue a unique ID number so you can get started.

#### Online

If you register online, we will send you a confirmation email.

You'll need to respond to this email in order to activate your registration.

You can then register and manage deposits online.

#### Post

If you register over the phone, we'll ask you to choose from the Custodial scheme or the Insured scheme.

We'll send you a confirmation letter in the post, and include either a Custodial or an Insured registration pack.

You can add online access to your account at any time via our website.

### 02 - Manage deposits

Once you have registered, you can:

- Submit/register new deposits
- View details of all deposits you have protected with us
- Submit deposit payments online
- Make enquiries
- Manage the repayment of deposits

Once a tenant's deposit is protected, they can:

- Access information about deposits online or by phone
- Update their contact details
- Request repayment when they move out
- Make enquiries

If you choose to protect a tenant's deposit with the Custodial scheme, we will send both parties a unique deposit Repayment ID. This must be kept safe in order to allow us to repay the deposit at the end of the tenancy. Repayment IDs are not required for the Insured scheme.

### 03 - Repaying a deposit

At the end of the tenancy, both you and the tenant need to agree how the deposit will be repaid.

Custodial:

The landlord/letting agent and tenant can both request the repayment of a deposit at the end of a tenancy. This can be done online or jointly by paper form. Both parties will need their unique Repayment ID to complete the process.

If one party requests a repayment, the other needs to confirm whether they agree with the reasons and amount to be repaid. Landlord/letting agents can do this by accessing the deposit through their online account and Tenants can also do this online by logging in as a lead tenant. This process can also be completed through the use of a paper form.

Once both parties have submitted their repayment instructions, the deposit will be released within two business days.

If there is a dispute over the amount of deposit to be returned, both parties can agree to use our Alternative Dispute Resolution process to resolve the dispute.

Insured:

The landlord/letting agent and tenant need to agree on the amount to be returned to the tenant at the end of the tenancy. The landlord/letting agent must then pay the tenant directly.

Once an agreement is reached, the landlord/letting agent needs to contact us to close the deposit. This can be done by accessing the deposit through the landlord/letting agent's account.

If there is a dispute over the amount of deposit to be returned to the tenant, the tenant needs to notify us. We'll then contact all parties to resolve the dispute. Any monies agreed to be repaid to the tenant must be completed by the landlord/letting agent.

04 - Find out more

If you are a landlord, letting agent or organisation please visit [www.depositprotection.com](http://www.depositprotection.com), where you can:

- Read more about complying with the legislation
- Learn more about how we work
- Register with us to receive regular news updates and information on upcoming events
- Start to submit/register deposits.

If your tenant needs more information, they can visit the site to:

- Learn more about the legislation
- Understand what they need to do at the end of their tenancy
- Review or amend their details.

\*This document is provided by The DPS by way of information only. The DPS accepts no liability for its contents\*