

Tenancy Deposit Schemes Explained

From 6th April 2007, all deposits taken by landlords using an Assured Shorthold Tenancy (AST) in England and Wales must be covered by a tenancy deposit protection scheme.

There are two types of tenancy deposit protection schemes available for landlords and letting agents; Insurance Based Schemes and Custodial Schemes. All schemes provide a free dispute resolution service.

The schemes allow tenants to get all or part of their deposit back when they are entitled to it and encourage tenants and landlords to make a clear agreement from the start on the condition of the property.

The three companies currently available for use are as follows:

- The Deposit Protection Service
- My Deposits
- Tenancy Deposit Scheme (TDS)

For more information on Tenancy Deposit Schemes please visit the Government website at; <http://www.direct.gov.uk/en/tenancydeposit/index.htm>

You must ensure that you inform your tenants of the scheme you are using at the start of your tenancy.