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## Rental Properties and the Implications of the Deposit Protection Scheme (DPS)

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### Legislation

As part of the **Housing Act 2004** the Government introduced tenancy deposit protection for all assured shorthold tenancies (ASTs) in England and Wales where a deposit is taken.

From **April 6th 2007**, all deposits received by landlords should be lodged in one of four Government approved schemes, within **30 days** of receipt. Failure to do so means a landlord may be taken to court and fines between **two** and **three** times the sum of the deposit.

The Deposit Schemes are open to landlords and letting agents offering residential property for rent and makes no charge to the tenants for protecting their deposit.

### Exceptions

There are some exceptions. The following do not need to register with the DPS:

- resident landlords (those living in the property)
- landlords of tenancies with rent of over £100,000 a year
- company lets
- student accommodation let directly by universities or colleges.
- Deposits taken before 6 April 2007 – except where a tenancy is renewed, then the initial deposit must be lodged with the scheme.

### Deposits

Tenants know their deposit has been protected once they receive a certificate to that effect from the scheme. Then, when the tenancy ends, the deposit has to be returned in full and the tenant sent another certificate - unless mutually agreed deductions are made. Otherwise, the dispute resolution service automatically comes in to play.

Where there is a difference of opinion, the landlord has to provide robust evidence of dirt or disrepair, otherwise the deposit goes straight back to the tenant.

### How we can help

Should you require any clarification on the above, please do not hesitate to contact us.

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