

TDS Annual Review

2016 – 2017



The Dispute Service launched in 2003 as a voluntary tenancy deposit scheme working with letting agents. TDS now operates statutory deposit schemes across the United Kingdom.

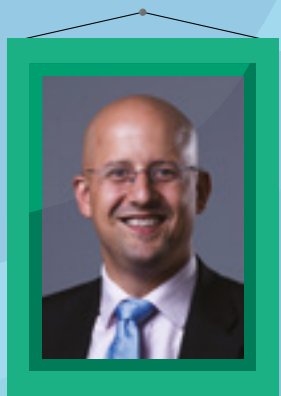
TDS is owned by the key industry bodies working in the private rented sector:

The Royal Institution of Chartered Surveyors (RICS), Association of Residential Letting Agents (ARLA), National Association of Estate Agents (NAEA), and is supported by the Residential Landlords Association (RLA).

All of these organisations appoint Directors to the TDS Board.



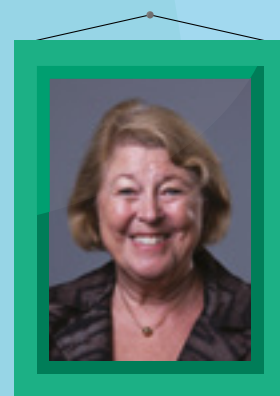
Martin Partington
Chair (Independent)



Luay Al-Khatib
RICS



Mark Allan
Independent



Jodi Berg
Independent



Mark Hayward
Propertymark



Alan Ward
RLA



Steve Harriott
Chief Executive



Nick Hankey
Deputy Group
Chief Executive

David Cox, Chief Executive of ARLA PropertyMark joined the Board in September 2017.



SafeDeposits Scotland

SafeDeposits is a subsidiary of TDS and launched in July 2012. SafeDeposits operates the largest deposit scheme in Scotland, with a 60% market share. Scotland only has the Custodial scheme model, where the scheme holds the deposit. SafeDeposits is the only Scottish deposit scheme based in Scotland.



Tenancy Deposit Scheme

Insured / Custodial

TDS operates both Insured and Custodial schemes in England and Wales. TDS has operated its Insured scheme since 2007, when deposit protection became a legal requirement in England in Wales. In April 2016, it launched a Custodial scheme, giving landlords and agents a choice of Custodial provider for the first time and offering a one-stop shop for all deposit protection needs.

Custodial only

Custodial and Insured

Custodial and Insured



TDS Northern Ireland

Launched in 2013, TDS Northern Ireland holds an 80% market share. Offering both Custodial and Insured deposit protection, TDS Northern Ireland is the only scheme based in Northern Ireland, with a team operating out of our Belfast office.

Deposits

TDS operates two types of deposit protection scheme: Insured and Custodial. TDS Insured started as a voluntary scheme in 2003 and is the biggest Insured scheme in the UK. TDS Custodial was launched in April 2016, giving landlords and agents a choice of Custodial scheme for the first time. (All of the figures are at 31 March 2017.)

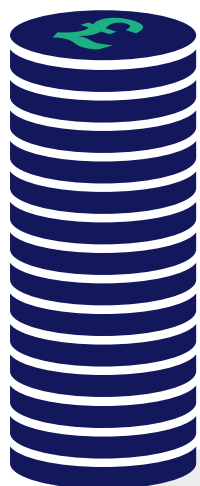
Deposits protected

Insured

1,220,946

Custodial

16,278



Value of
deposits
protected

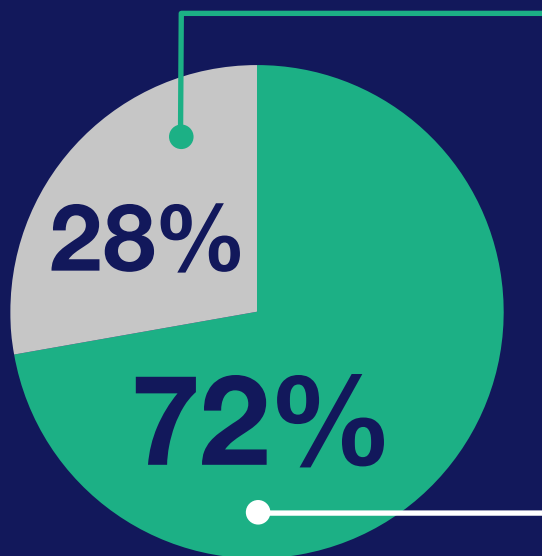
Insured
£1,661,186,294

Custodial
£16,226,575

Average deposit value



Smallest deduction from a custodial deposit for rent arrears



Custodial deposits held, split between **landlord** and **agent**

Disputes

Number of Insured disputes

13,592

Value of total disputed amount

£13,856,364

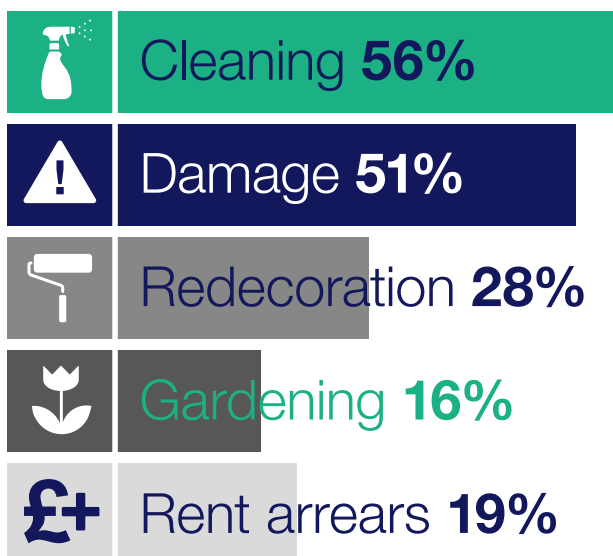
Number of Custodial disputes

18

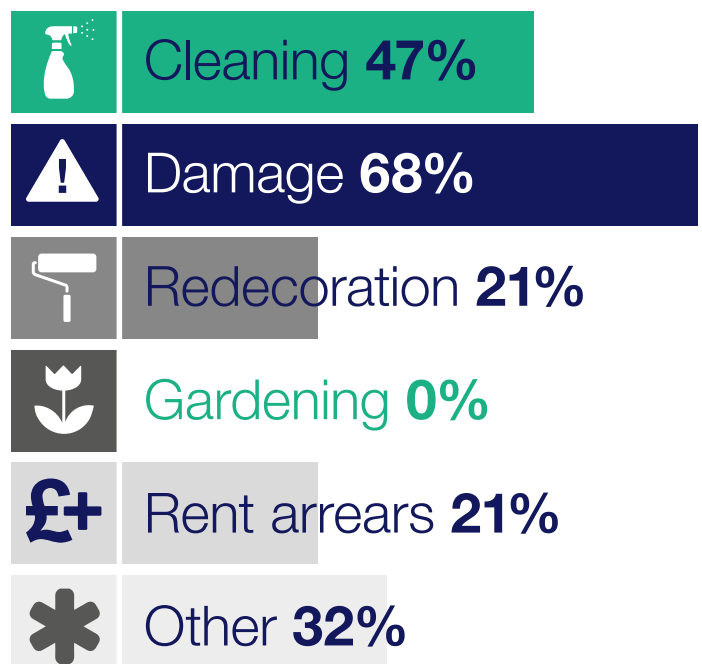
Value of total disputed amount

£8,170

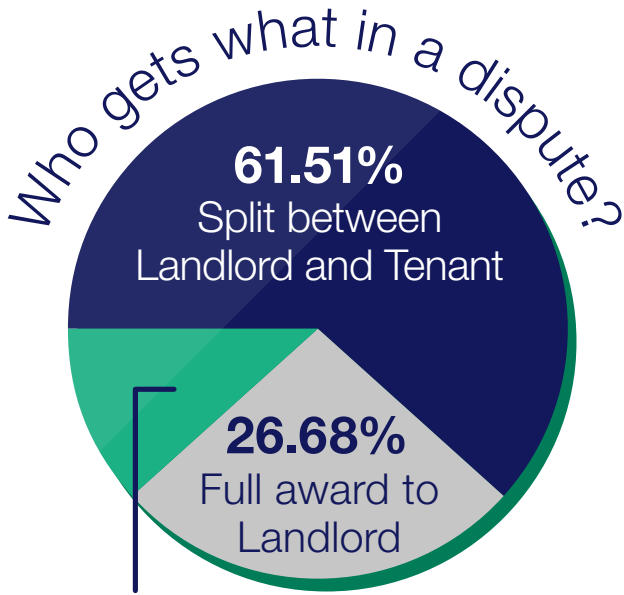
Reasons for Insured disputes



Reasons for Custodial disputes

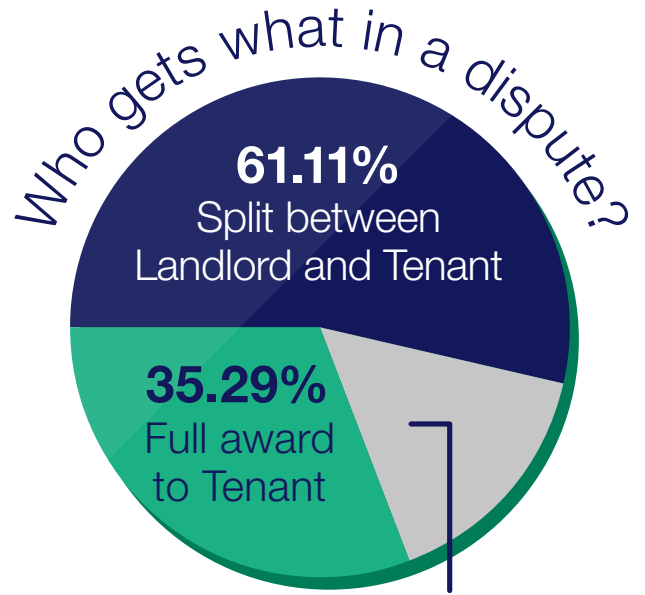


TDS Insured

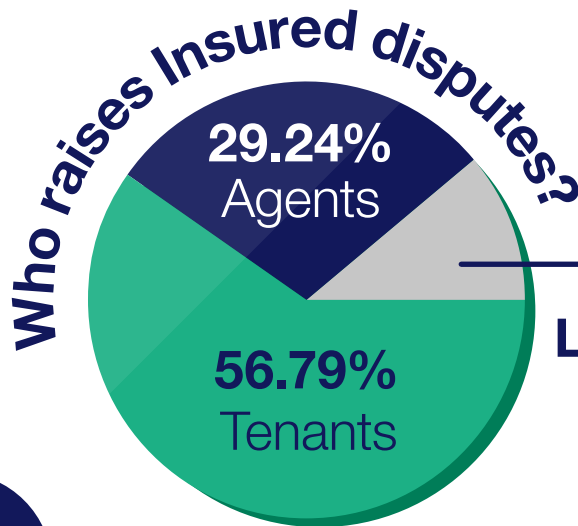


11.81%
Full award
to Tenant

TDS Custodial



17.65%
Full award
to Landlord



Landlords
10.97%



Postcode with highest
average deposits registered in
the month of March 2017

London EC
£3,266



Postcode with lowest average
deposits registered in the
month of March 2017

Ribble Valley
£498

Performance



Calls

Number received
in year for
Insured scheme
122,226

Number received
in year for
Custodial scheme
10,078

Cups of
tea drunk
11,500





Number of hours
(in years) colleagues
have worked in a year

864,500

**98 years, 7 months
and 17 days**



Increase in colleague
numbers
in a year **+10**

10,010

Number of live chats
received in a year for
Insured scheme

1,107

Number of live chats
received in a year for
Custodial scheme



Number of emails
received in a year
for Insured scheme

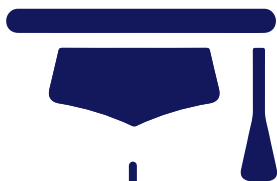
25,046

Number of emails
received in a year for
Custodial scheme

3,942

Events
40

Number
of events
attended



TDS Academy
courses run

12 (Academy
and Workshop)



Total time spent
on calls (schemes
combined)

105 days

36 mins

26 seconds

Visits to our website

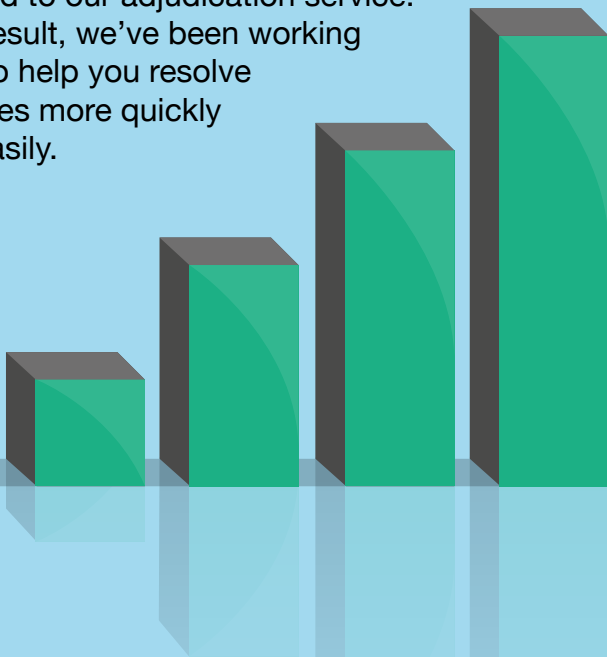
1,735,427

between 1st April 2016
– 31st March 2017

Dispute Reduction

On the up...

In the last year we have seen a continuing increase in the number of disputes referred to our adjudication service. As a result, we've been working hard to help you resolve disputes more quickly and easily.



- Remember that time is on your side
 - You have 3 months from the end of the tenancy to raise a dispute in our insured scheme.
 - In the custodial scheme, there is no time limit.
- Use this time to try to reach agreement with the tenant – it's much easier to reach an agreement before a dispute is sent to us.
- The adjudication service is free to access and easy to use – but it can take up to 8 weeks to complete and can be time consuming to gather and submit evidence to deadlines.
- We've developed a range of tools to help you communicate and negotiate more effectively when a tenancy ends.

Did you know?

- Tenants raising disputes with us are often unaware why their deposit has been withheld.
- When they see the agent/landlord's viewpoint and evidence during the adjudication process, they sometimes withdraw from the dispute or – more often – decide not to respond to defend the claim.
- Using our new **Deposit Deductions Template** helps you to set out the reasons for proposed deposit deductions in the same transparent and structured way – but much earlier on.
- We've received great feedback from members and tenants about the template as a tool to encourage informed negotiation and promote earlier agreement about deductions.



Some top tips

- Get things right from the outset – you need high quality documentation, particularly the tenancy agreement and inventory.
- Remind the tenants towards the end of the tenancy about how you expect the property to be returned, and any other steps they need to take to ensure they get their deposit back. Recap what the property was like when they first moved in.
- Encourage your landlords to be realistic about what they claim from a tenancy deposit. Items have a natural lifespan and will need to be replaced at some point!
- In the TDS insured scheme, you don't have to raise a dispute with us if a tenant does not respond to you. Use the Deposit Deductions Template to document your case and follow the process for dealing with absconded tenants, making sure that you ask your landlord for a disclaimer before releasing any of the deposit to them.

If you would like more help to explain to landlords and tenants how an adjudicator will approach a dispute, ask us for a copy of our tailored guidance – this can even be jointly branded with your logo and ours.

Our new custodial scheme

- Our online repayment process for custodial deposits includes a tool for negotiating deductions. This makes sure that you spend time to try and reach a mutually acceptable solution before rushing into adjudication.
- It works – over 70% of unresolved balances are settled during this process, so that payment of the deposit can be made as soon as agreement is reached.

It's good to talk!

- We've seen that the best time to focus on avoiding a dispute is at the start of the tenancy. Getting it right here avoids problems later on.
- Where disputes do arise, communication is the key. Tenants are more likely to agree where they can see the reasons for deductions and the evidence to support them.

Charitable Foundation



TDS is unique among deposit protection providers in that we are not-for-profit, which means that we reinvest our surpluses in our company, giving our customers a better system and service.

We also gift-aid some of our surpluses to our Charitable Trust. For more information about the Trust and funded projects, please see its annual report.

For more information, please see our Charitable Foundation Annual Review, which is available from www.tdsfoundation.org.uk



0300 037 1000



www.tenancydepositscheme.com



**Tenancy Deposit Scheme
1 The Progression Centre,
42 Mark Road, Hemel Hempstead,
Herts, HP2 7DW**