



# **How TDS calculates your membership subscription**

# Why renew with TDS?

## EASY TO USE

- ✓ Protecting your deposits with TDS is easy, fast, and online.
- ✓ Over 70% of letting agent members said that being easy to use is one of the biggest benefits of TDS.
- ✓ Our database works with all the main property management software packages, and because you hold the deposit money you only need to involve us if you have a dispute.

## OUTSTANDING VALUE FOR MONEY

- ✓ We offer market leading rates and this year **100% of members** received discounts for loyalty and fewer disputes.
- ✓ We are also the only not for profit scheme. Our top priority is giving you outstanding value for money, not giving money to shareholders. We keep our surpluses in the scheme and invest it in;
  - Low rates and large discounts for members
  - Top quality systems
  - Maintaining our long term viability
- ✓ To find out more about how we invest in TDS, read our latest Annual Review on the TDS website.

## AWARD WINNING SERVICE

If you need anything from TDS we're here at the touch of a button, at the end of the phone, or in person;

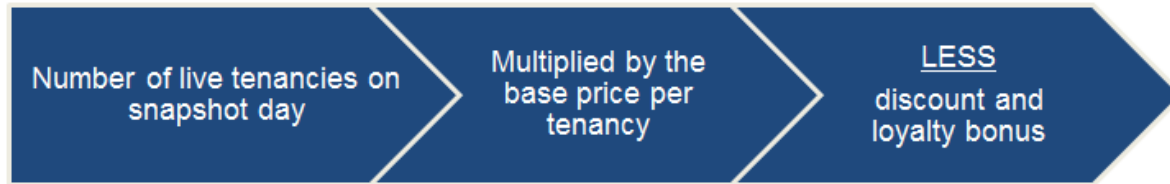
- ✓ **Helping** you through our award winning helpline, online Live Chat service, and wealth of downloadable resources
- ✓ **Visiting** your offices with help, advice and bespoke training
- ✓ **Listening** to your views at the Member User Forum and E-Consultation Network
- ✓ **Updating** you with the monthly newsletter and social media

When it comes to answering your calls, resolving your disputes, and paying back your disputed money – government figures confirm that **TDS does it the fastest**.

Of course, speed doesn't compromise on quality! TDS has been awarded the Government Standard for Customer Service Excellence and the BSi Customer Satisfaction Management Standard. Over **90%** of our members rate our service as 'good' or 'excellent'.

# How your 2017-2018 TDS membership subscription is calculated

This document explains how TDS has calculated your annual invoice for the 2017-18 membership subscription. The basic formula is:



## **Number of live tenancies (Snapshot day)**

TDS bases its subscriptions on the number of tenancies registered as “Live” on our database on a **single specified day** at midnight, so it is important you keep your account up to date and end protection when tenancies end. For 2017 - 2018, the subscriptions snapshot was taken at midnight on Sunday 22<sup>nd</sup> January 2017.

**For 2016-17 there is again only one snapshot day. Where a Member’s registered deposits are more than 15% higher during the subscription year TDS reserves the right to recalculate the subscription. Any changes will be made pro rata for the remainder of the subscription year.**

Where a member acquires another business and transfers tenancies to their existing membership number during the year they will be charged for those tenancies pro rata for the remainder of the subscription year.

## **Base price per tenancy (before loyalty bonus)**

**ARLA, NAEA and RICS Members** will pay £9.25 + VAT per tenancy registered on the day of snapshot, subject to a minimum of fee of £300 +VAT.

**NALS and Law Society Members** will pay £10.75 + VAT per tenancy registered on the day of snapshot, subject to a minimum of fee of £300+ VAT.

**UKALA, and unaffiliated members** will pay £12.50 +VAT per tenancy registered on the day of the snapshot, subject to a minimum fee of £300 + VAT.

NALS, UKALA and Law Society Members are subject to higher headline rates, as our insurers are unable to pursue claims against these bodies’ own Client Money Protection Insurance policies.

## **LOYALTY BONUS**

**We are delighted to announce that TDS Members who have been with us for greater than a full membership year at 1 April 2017 will receive a loyalty bonus of 50 pence per tenancy (plus VAT) registered at the snapshot.**

**This is our way of saying thank you for being a loyal TDS customer. This bonus will be credited against your annual invoice.**

# Discounts & Risk Factors

## Discounts

TDS offers a number of discounts on the base fee which is based on the risks that an individual Member poses for TDS. We calculate the discounts and risks based on four individual risk factors. Each of these factors attracts a risk points score and the total points score leads to a discount on the base membership fee.

## Risk Factors

### RISK 1 - Disputes received which are adjudicated

TDS measures the risk to its business caused by differing levels of disputes referred to it for consideration through the allocation of risk points. The calculation includes all disputes referred, **except** for those cases where the Member resolves a dispute before TDS reaches a decision.

The figure below shows how the rate of disputes received which are adjudicated (expressed as a ratio of tenancy deposits registered) generate different risk points. The calculation takes the risk ratio multiplied by 40 to calculate the risk points.

**Fig 1: Risk points attached to the disputes adjudicated ratios**

$$\text{Risk ratio} \times 40 = \text{dispute risk points}$$

#### **Example:**

A Member with 350 registered tenancy deposits and with 4 adjudicated disputes would mean a disputes ratio of 1.14 and 45.60 risk points (1.14 X 40).

These should be added to the other three risk categories below.

### RISK 2: Disputed deposits not received when cases are sent to adjudication

When a Member lodges a dispute with TDS we expect the disputed deposit to be submitted with the Dispute Application Form. If a dispute is lodged by the tenant or landlord we will write to the Member asking for their comments. The disputed amount must be submitted within 10 days.

TDS records the number of such cases per Member where payment of the disputed deposit was received after the case was passed for review by the adjudication team. Chasing disputed deposits from Members incurs costs and increases the risk to TDS.

The best performing 95% of the members will receive 8 risk points, with additional risk points being levied for the remainder.

**Table 1: Risk points attached to non-receipt of disputed deposits**

Deposits not received as a % of all disputes adjudicated.	Risk Points
Remaining Members	12
Best 95% of Members	8

**RISK 3: Disputes referred by Members where TDS has to return the papers because of insufficient information**

In the event a Member refers a dispute, and it cannot be accepted on the first submission because vital information is missing [such as the tenancy agreement] we may return the dispute papers to the Member and ask that they are re-submitted when complete.

This does not happen in many cases and the best performing 95% of the members will receive 6 risk points, with additional risk points being levied for the remainder of members.

**Table 2: Risk points attached to return of papers to Members**

Cases where papers submitted by Members are returned to due to errors (as a % of all adjudicated disputes).	Risk Points
Remaining Members	9
Best 95% of Members	6

**RISK 4: Disputes where the tenancy agreement does not comply with TDS rules and/or Prescribed information does not meet TDS requirements**

In the event a dispute is referred where the tenancy agreement is non-compliant with TDS rules – e.g. does not contain the required Prescribed Information, we may award the disputed amount automatically to the tenant.

This does not happen in many cases and the best performing 95% of members will receive 6 risk points, with additional risk points being levied for the remainder of members.

**Table 3: Risk points attached to non-compliant tenancy agreements or non-supply of prescribed information**

Cases where tenancy agreements are non-compliant as a % of all disputes adjudicated.	Risk Points
Worst 5% of Members	9
All other Members	6

## Summary Calculation

TDS totals the points accumulated by Members against all four factors to calculate the total risk points. The discount is then calculated by reference to the discount table.

Total risk factor	Discount % applied*	Total risk factor	Discount % applied*	Total risk factor	Discount % applied*	Total risk factor	Discount % applied*
<b>20</b>	<b>55.68%</b>	39.1	38.68%	60.1	20.83%	81.1	2.98%
20.1	54.83%	40.1	37.83%	61.1	19.98%	82.1	2.13%
21.1	53.98%	41.1	36.98%	62.1	19.13%	83.1	1.28%
22.1	53.13%	42.1	36.13%	63.1	18.28%	84.1	0.43%
<b>1 Dispute</b>	<b>52.50%</b>	43.1	35.28%	64.1	17.43%	85.1	0.00%
23.1	52.28%	44.1	34.43%	65.1	16.58%	86.1	0.00%
24.1	51.43%	45.1	33.58%	66.1	15.73%	87.1	0.00%
25.1	50.58%	46.1	32.73%	67.1	14.88%	88.1	0.00%
26.1	49.73%	47.1	31.88%	68.1	14.03%	89.1	0.00%
27.1	48.88%	48.1	31.03%	69.1	13.18%	90.1	0.00%
28.1	48.03%	49.1	30.18%	70.1	12.33%	91.1	0.00%
29.1	47.18%	50.1	29.33%	71.1	11.48%	92.1	0.00%
30.1	46.33%	51.1	28.48%	72.1	10.63%	93.1	0.00%
31.1	45.48%	52.1	27.63%	73.1	9.78%	94.1	0.00%
32.1	44.63%	53.1	26.78%	74.1	8.93%	95.1	0.00%
33.1	43.78%	54.1	25.93%	75.1	8.08%	96.1	0.00%
34.1	42.93%	55.1	25.08%	76.1	7.23%	97.1	0.00%
35.1	42.08%	56.1	24.23%	77.1	6.38%	98.1	0.00%
36.1	41.23%	57.1	23.38%	78.1	5.53%	99.1	0.00%
37.1	40.38%	58.1	22.53%	79.1	4.68%	100.1	0.00%
38.1	39.53%	59.1	21.68%	80.1	3.83%	*Rounded to 2 decimal places	

- Where a Member has no disputes then they will be awarded 20 points and will receive the maximum 55.68% discount.
- Where a Member has one dispute during the previous year, a special 52.5% discount will apply, subject to satisfactory performance in the remaining three risk areas, **therefore, if you have one dispute only your discount will not be less than 52.5%.**
- If your dispute rate is 2% or over, this will not attract a discount.

### Example calculations

Set out below are example scenarios for you to see the effects on your firm's circumstances. An **online calculator** can be found by logging in to your Member's page and clicking the link to 'Subscriptions Data'.

#### Example 1

A Member has a dispute rate of 1.35% but performs well against the three other risk factors and is in the best performing category for each of the risk areas. This Member will attract a 9.78% discount as shown below, by following the calculation on page 6:

Risk	Performance	Risk points
Disputes	1.35%	54
Deposit not submitted	Satisfactory	8
Papers returned to Agents	Satisfactory	6
Non-compliant TA and or no PI	Satisfactory	6
<b>Total points</b>		<b>74</b>
<b>Discount applied</b>		<b>9.78%</b>

#### Example 2:

A Member has a disputes rate of 0.75% but performs badly in two of the three other risk factors where it is not in the best performing 95% of Members. This Member will attract a 24.33% discount.

Risk	Performance	Risk points
Disputes	0.75%	30
Deposit not submitted	Poor	12
Papers returned to Agents	Poor	9
Non-compliant TA and or no PI	Satisfactory	6
<b>Total points</b>		<b>57</b>
<b>Discount applied</b>		<b>24.23%</b>

## **Finding information about your invoice**

Information about your membership subscription, including the invoice, is available from the Member's main login. (Individual branches will not have access to this information.)

You will be able to see details of:

- ✓ the number of live tenancies registered at the snapshot date;
- ✓ the disputes adjudicated;
- ✓ disputes where the deposit had not been received by the time the dispute was sent for adjudication;
- ✓ disputes received from a Member, where the papers were returned back to them;
- ✓ disputes that were rejected due to a non-compliant tenancy agreement .

## **Unhappy with your invoice?**

If you have any issues with your invoice, please contact our Customer Service team via email: [customer.service@tenancydepositscheme.com](mailto:customer.service@tenancydepositscheme.com).

TDS membership is an annual commitment. It should be noted that Members are responsible for the full year's subscription should they choose to leave the scheme before the membership year end.

## **Paying your subscription**

Payment details are on your invoice and your subscription can be paid in total or in 10 monthly payments or quarterly instalments both by standing order.

### **Paying quarterly via standing order**

Invoices will be payable by 1st April 2017.

If paying quarterly by standing order the payments should be received by 1<sup>st</sup> April 2017; 1 July 2017; 1 October 2017 and 2 January 2018.

The 10 "Monthly" payments should be received by the first of each month from 1 April 2017 to 2 January 2018.

BACS remittances can be forwarded by email to [bacs@tenancydepositscheme.com](mailto:bacs@tenancydepositscheme.com).

### **Paying monthly by standing order**

If you have an existing Standing Order in place to pay monthly **this will need to be amended**.

### **Standing order forms**

Standing Order forms are available from the **Subscription Data** page within the member area of our website. Please login, download and complete either the Monthly or Quarterly form and send to your bank for processing.

In order to have continuity of membership, the first standing order payment for 2017/18 must be received no later than 1 April 2017.