



Deposit Cap E-Book



FOR LETTING AGENTS



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INTRODUCTION

WHAT IS THE DEPOSIT CAP?

The deposit cap limits the amount of deposit letting agents can take for most residential tenancies. This legislation comes as part of the Tenant Fees Act 2019 which was introduced on 1st June 2019 in England. Letting agents will be limited to taking the equivalent of five week's rent for tenancies with annual rent of up to £50,000, or the equivalent of six weeks' rent for annual rent above £50,000 up to £100,000. If you are holding a deposit above this limit on 1st June 2019 you do not need to take any action to reduce the deposit unless the tenancy is renewed by way of a new fixed term agreement.

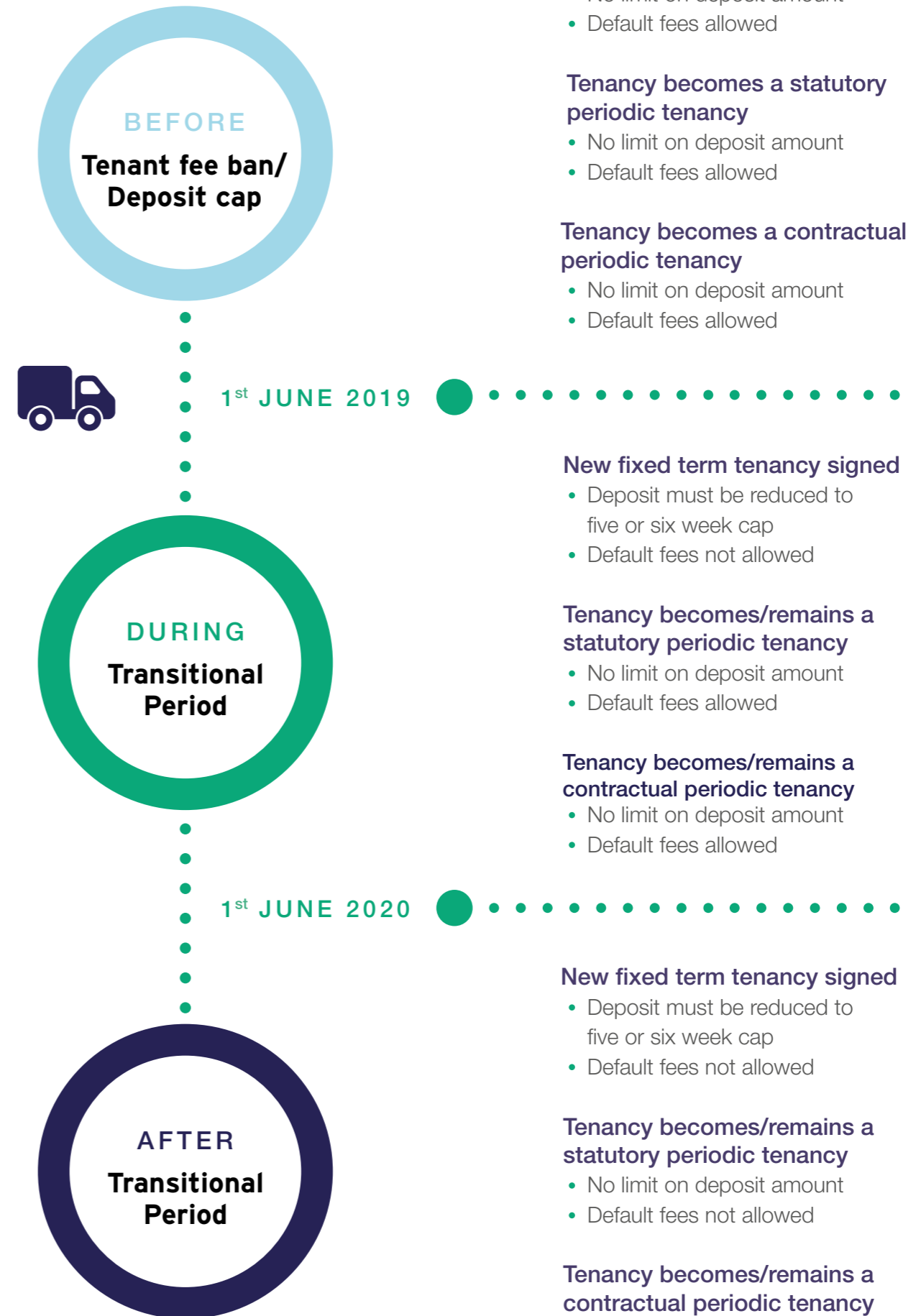
- • • • •
- ✗ If the tenancy continues after 1st June 2019 as a statutory periodic tenancy or a contractual periodic tenancy then **you do not** need to take any action to reduce the deposit.
- ✓ But if the tenancy is renewed and this means that the deposit is now above the five or six week cap, you will need to refund to the tenant the balance of the deposit you are holding above the new cap.

RATES FOR LETTING AGENTS

TDS Insured letting agent membership is on an annual subscription basis. After your first year of membership you are eligible for substantial performance discounts – last year 90% of TDS members received discounts of up to 60%.

Member of RICS, Propertymark or Housing Association	£9.25
Member of Safeagent (previously NALS), or LAW Society	£10.75
Letting agent with Client Money Protection	£12.50

or use [TDS Custodial](#) for free.



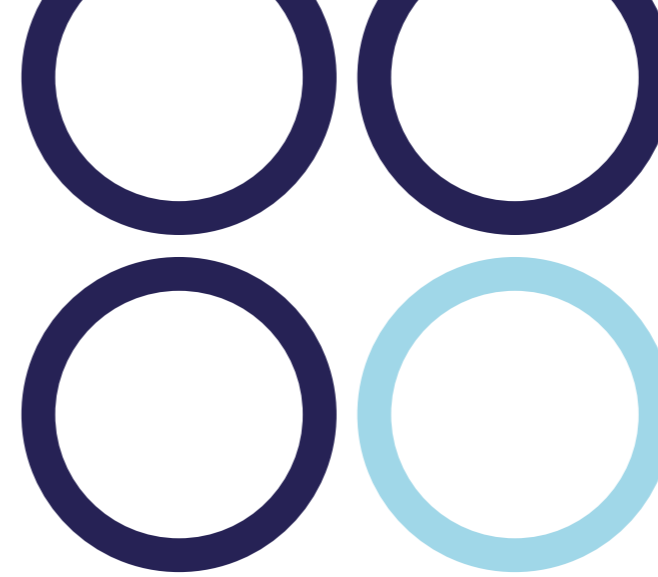
TDS CUSTODIAL SOLUTION TO THE DEPOSIT CAP

Members of TDS Custodial have access to our unique solution to the deposit cap. This feature enables members to easily increase or decrease their deposit amounts themselves without the need to contact TDS directly. So, if a new fixed term tenancy is created, letting agents can simply reduce the deposit amount down to the new five or six week limit.

TDS will return the excess deposit amount to the tenant(s), taking instruction from them how they would like to be repaid and how to split the excess deposit between multiple tenants if it is a joint tenancy.

When the deposit has been reduced, a new Deposit Protection Certificate in the new amount will be available in the agents' and tenants' online accounts. In this circumstance, the Prescribed Information is not required to the re-served.

**TO PROTECT
YOUR DEPOSIT
TODAY**



DEPOSIT CAP CALCULATOR

Visit depositcap.com to use our deposit cap calculator. The tool was created to help letting agents ensure they fully comply with the legislation by correctly calculating five weeks' or six weeks' rent.

TO VISIT [DEPOSITCAP.COM](https://depositcap.com)

REQUEST A DEMO

Not a TDS member? Learn more about TDS' service and systems with our free demo, with no obligation. In addition to our deposit cap solution, we'd love to show you some other time-saving functionality unique to TDS. This can be at your offices, or we can arrange a remote meeting using our screen-sharing application.

TO REQUEST A DEMO

From 1st June 2019 agents in England will be limited to the equivalent of 5 weeks' deposit for new and renewed tenancies (or 6 weeks if the annual rent is £50,000 or more).

Get the deposit cap right with our handy calculator.

Monthly rent

£

Weekly rent

£ 0.00

Maximum deposit

£ 0.00

TDS INSURED

As a member of TDS Insured, you hold the deposit.

TENANCIES ENDING AFTER THE 1st JUNE 2019 ...

●●● where the tenancy is renewed with a new fixed term tenancy

If the new deposit is above the five/six week cap, you will need to refund the balance of the deposit back to the tenants. Use our free deposit calculator to ensure you are returning the correct amount. We recommend this is paid according to the tenancy agreement, i.e. to the lead tenant or split equally between joint tenants.

Once complete, you simply need to log in to your TDS online account and edit the deposit protection to show the new deposit value.

●●● where the tenancy becomes a statutory or contractual periodic tenancy

You do not need to refund any deposit above the five or six week cap. Therefore, you should simply log in to your TDS online account and mark the tenancy as having become a “statutory periodic tenancy” or “contractual periodic tenancy”. To do this, follow these steps:

- 1 Log in to your online account.
- 2 Go to Tenancy Summary.
- 3 Select “End Tenancy” in the Quicklinks section on the right.
- 4 Select “Periodic” and then “Submit”.

PROTECTING NEW DEPOSITS AFTER 1ST JUNE 2019

Protect a new tenancy deposit with [TDS Insured here](#) and be sure to only take the five or six week equivalent of rent. The deposit must be registered within 30 days of receipt, and the Prescribed Information and TDS Insured scheme leaflet must also be issued to the tenants within the same timeframe.

TDS CUSTODIAL

As a member of TDS Custodial, TDS holds the deposit.

TENANCIES ENDING ON OR AFTER 1st JUNE 2019 ...

●●● where the tenancy is renewed with a new fixed term tenancy

If the new deposit is above the five/six week cap, you will need to refund the balance of the deposit back to the tenants by following these steps:

- 1 Log in to your TDS Custodial online account.
- 2 Go to the Deposit Summary page.
- 3 Select “change deposit amount”.
- 4 Reduce the deposit amount. Use our free deposit calculator to ensure the remaining deposit is, at most, equivalent to the five or six week cap.

●●● where the tenancy becomes a statutory or contractual periodic tenancy

You do not need to refund any deposit above the five or six week cap. You also do not need to inform TDS Custodial.

Protecting new deposits after 1st June 2019

Protect a new tenancy deposit with [TDS Custodial here](#), and be sure to only take the five or six week equivalent of rent. The deposit must be registered within 30 days of receipt, and the Prescribed Information and TDS Custodial scheme leaflet must also be issued to the tenants within the same timeframe.



Click the buttons below to join or learn more

[PROTECT A DEPOSIT TODAY](#)



[TO LEARN MORE ABOUT HOW THE TDS SYSTEM WORKS](#)

[TO LEARN MORE ABOUT HOW THE DEPOSIT CAP MAY AFFECT YOU, AND USE OUR FREE CALCULATOR, VISIT](#)