

Key Matters

Opening the door to tenancy deposit protection in Scotland

ISSUE 9 - JUNE 2022



NEWS - STATISTICS - ADVICE



**SafeDeposits
Scotland**

SCOTLAND'S LEADING TENANCY DEPOSIT SCHEME



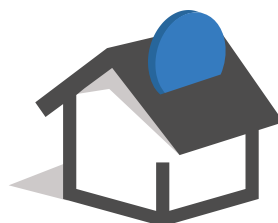
**The only not-for-profit tenancy deposit scheme
based in Scotland, offering:**

- Client Support
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- Easy-to-use System

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250 West George Street
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**SafeDeposits
Scotland**



Come on in...



WELCOME

This issue marks the second birthday of Key Matters, with our quarterly magazine first appearing in its current format in May 2020.

More significantly, we are approaching the 10th anniversary of SafeDeposits Scotland! Scotland's tenancy deposit schemes commenced operations on 2nd July 2012 and it has been our privilege to serve Scotland's private rented sector for this first decade – many of our letting agent and landlord customers have been protecting deposits with us since day one and there will also be tenants who have come on the journey with us from the very start right up to the present. We're very much looking forward to the next 10 years and beyond...

Back in the present you'll find within the following pages the latest news from SafeDeposits, including a new look for our SDS Resolve service, a new line-up for our ADR team and recent grants awarded by the SafeDeposits Scotland Charitable Trust.

Mike Smith
Head of SafeDeposits Scotland

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SafeDeposits in Numbers

A selection of statistics from the financial year ending 31st March 2022



DEPOSIT PROTECTION

Carol Bradburn, Customer Relations Manager:

SafeDeposits Scotland has maintained its position as the largest tenancy deposit scheme in Scotland. We now protect deposits for approximately 68% of the market.

At 31st March 2022 we were protecting:

- 153,341 deposits
- with a combined value of £121,865,872
- and an average deposit value of £795



CUSTOMER SERVICE

Sarahjane McKeown, Contact Team Manager:

In 2021-22 we saw a year on year increase in both the number of telephone calls and emails that we handled, yet continued to record a rapid average call answer time and in fact reduced our average email turnaround time. We also invested in an advanced new phone system which went live in July, ensuring that our team is enabled to continue delivering first class service. We:

- answered 36,261 telephone calls, with an average answer time of only 9 seconds.
- handled 27,927 emails, with an average response time of 9 minutes.



UNCLAIMED DEPOSITS

Andy Bell, Senior Client Advisor:

In 2021-22 we proactively tracked down and reunited tenants with their money for:

- 2,512 unclaimed deposits
- with a combined value of £852,813.

Unclaimed deposits are those where the landlord or letting agent has instructed repayment to the tenant, but the tenant has not provided their bank account details in order for us to release funds to them. Currently there are around 3,360 unclaimed deposits, so do get in touch if one of these might be yours!

Have You Heard?

The latest news from SafeDeposits Scotland and the wider private rented sector

The Dispute Service Awarded Ombudsman Contract



NEW HOMES
OMBUDSMAN SERVICE

The Dispute Service Ltd, SafeDeposits Scotland's parent group, has been awarded the contract to run the newly established New Homes Ombudsman Service (NHOS).

NHOS has been commissioned by the New Homes Quality Board (NHQB) and has been introduced to deal with complaints made by homeowners about new build properties.

Reflecting on the excellent service provided by Scotland's leading tenancy deposit scheme, the NHOS customer service team has been located in the SafeDeposits Scotland office meaning UK-wide enquiries will be handled by a team of specialist advisors in Glasgow.

Further information on NHOS can be found at www.nhos.org.uk

Resumption of In-Person Workshops

With the relaxing of COVID-19 restrictions, SafeDeposits Scotland is delighted to have resumed in-person training workshops and events for customers across Scotland.

In February the scheme's customer relations team travelled to Orkney, Shetland and the Western Isles to host tenancy deposit protection open days for landlords and letting agents on the islands, while the first in-person adjudication workshop since before the pandemic took place in Glasgow in March. In May further adjudication workshops were delivered in Aberdeen, Edinburgh and Inverness.

SafeDeposits will meanwhile continue to deliver online training sessions covering a variety of subjects for landlords, agents and tenants.

Details of both in-person and online training events can be found at www.safedepositsscotland.com/landlord-information/training



SafeDeposits Welcomes Second Skills Exchange Participant

For the second time, SafeDeposits Scotland has recently welcomed into the office a participant in Skills Exchange SCIO – a South Lanarkshire based training company that designs and delivers bespoke employability skills programmes for individuals aged 16+.

So impressed by the enthusiasm and capability displayed by Sam (pictured here with SafeDeposits Group Managing Director Nick Hankey) during his placement, SafeDeposits management extended his time with the scheme to make him a fully paid member of the team on a temporary basis.

You can read more about Skills Exchange SCIO at www.skillsccio.org





SafeDeposits Scotland Charitable Trust

Do you know of a project that could qualify for funding?

Latest News

The trustees of the SafeDeposits Scotland Charitable Trust met in March to consider applications submitted in the prior funding round and were delighted to award funding to two new projects.

University of Glasgow Research Associate Andrew Watson was awarded a grant to deliver a project entitled "Ready for anything – Improving resilience and financial literacy in the PRS." Using his extensive experience and research to date, Andrew will create a series of animated videos designed to improve the financial decision making, financial literacy and financial resilience of landlords operating within Scotland's private rented sector.



Andrew Watson

Independent charity Positive Action in Housing was also awarded a grant to help add PRS housing advice to each element of its New Migrants Action Project. Among the additional services Positive Action in Housing will be able to deliver with this funding will be outreach sessions offering accessible specialist advice on PRS tenancy rights and responsibilities to Romanian Roma people in Greater Glasgow, and an outreach advice and information service for landlords and letting agents to help deal with issues arising with Romanian Roma tenants.



How to Apply for Funding

An application form and bid guidance can be found at www.safedepositsscotlandtrust.com

We also welcome enquiries via info@safedepositsscotlandtrust.com

The deadline for applications ahead of the next funding round is Thursday 25th August.

The Aims of the Trust

The key aims of the Trust are:

- To advance education, particularly in relation to best practice in the management of private rented housing; and to legal rights and obligations which are of particular relevance to those who are involved in the provision or management of private rented sector housing or who hold tenancies within the private rented housing sector.
- To advance conflict resolution through promoting the use of alternative dispute resolution processes for the more efficient resolution of disputes between landlords and tenants within the private rented housing sector.



SDS Resolution is now..



SDS Resolve

In 2020, in response to the rent arrears crisis that was brewing as a result of the first COVID-19 lockdown, we introduced a new free service for landlords and tenants in the private rented sector – SDS Resolution.

Drawing on the dispute resolution experience of our ADR team, SDS Resolution was designed to mediate between parties encountering rent arrears issues to find a mutually acceptable solution, avoid the need for legal action and ultimately sustain tenancies.

Fast forward to spring 2021 and the remit of the service was expanded to assist in a wider selection of common tenancy problems, namely property standards, repairs, entry rights, threatened evictions, breaches of tenancy terms and noise and anti-social behaviour – excluding serious anti-social activity. These are all issues that can arise mid tenancy and, as with the original focus on rent arrears, the purpose of the service in these matters is to mediate and help the parties concerned bring the tenancy back on track for the benefit of all.

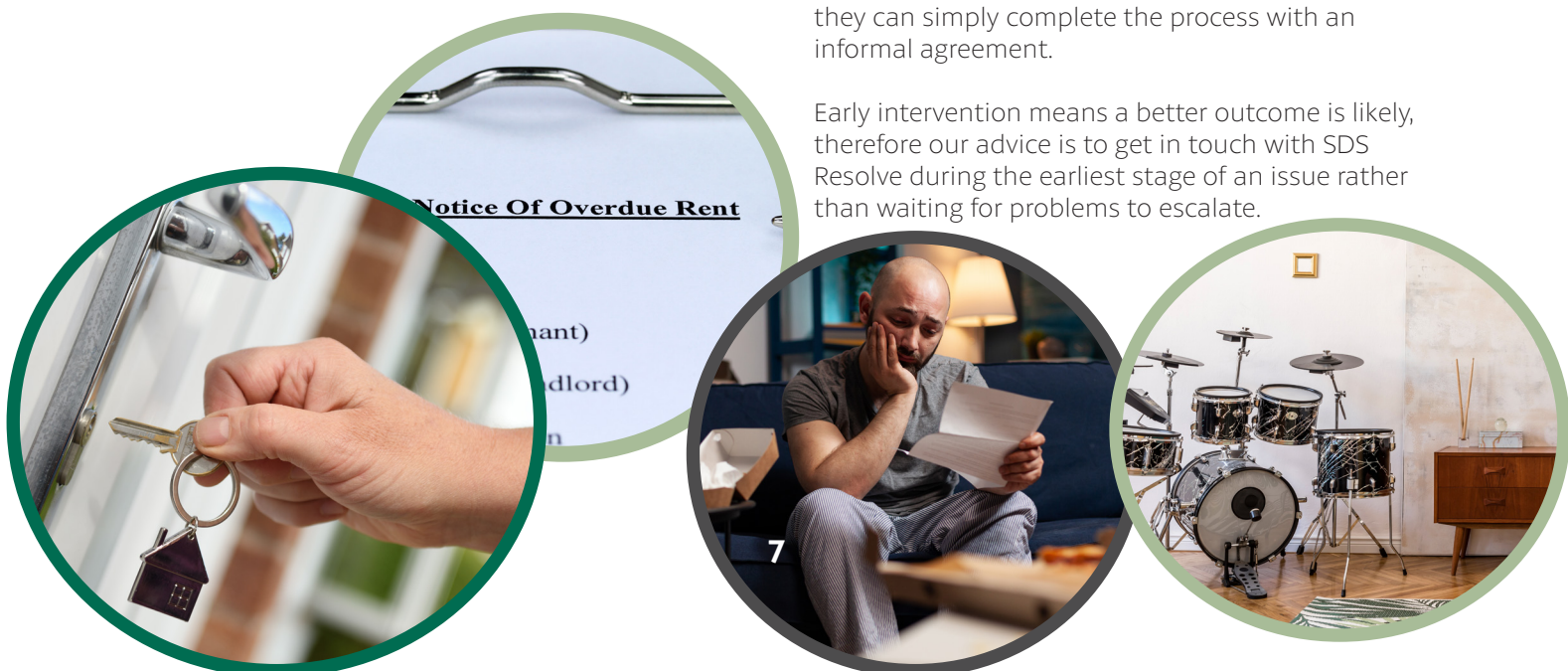
Now the service has a brand new name – SDS Resolve – but it remains available to all Scottish PRS landlords and tenants (not just those with a deposit protected by SafeDeposits Scotland). The service is free and easy to use.

The first step to take if you would like SDS Resolve to assist with your issue is to visit www.sdsresolve.com and fill in the online resolution referral form – it only takes a minute.

From there, we will contact the other party to establish if they are willing to work together to resolve the issue. If both parties are happy to engage, we will schedule an appointment at a time suitable for all and seek to secure an agreement that works for everyone. In some cases the parties may only wish to speak to SDS Resolve and if that is the case, separate conversations can be held.

If an agreement is reached, parties can either request that we draft up a formal settlement agreement, or they can simply complete the process with an informal agreement.

Early intervention means a better outcome is likely, therefore our advice is to get in touch with SDS Resolve during the earliest stage of an issue rather than waiting for problems to escalate.



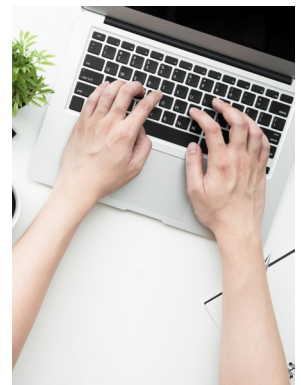
The Basics...

LODGING A DEPOSIT

Before lodging a tenant's deposit, there are certain things you will need to have to hand, namely: the tenancy address, tenant(s) name(s), tenant(s) contact details (phone number and email, if available), start date of tenancy, when you received the deposit amount, landlord registration number and landlord contact details. You should also have your tenancy agreement to hand, particularly if you want to pre-fill the Prescribed Information document – although you are able to complete that later if you wish.

When you have the above information go to www.safedepositsscotland.com, select Login Online and log in using your email/PIN and password. You will be met with a simple portal which gives you access to all tenancy deposit options and from there you can start adding tenancy deposits.

Once the deposit has been lodged we will send your tenant(s) a deposit protection certificate. Remember you must also provide the tenant with the Prescribed Information (detailed on the opposite page) within 30 working days of the tenancy start date.



DEPOSIT REPAYMENT

After your tenant moves out, you should log in to your account to enter a repayment request. The repayment request will confirm if the full deposit should be repaid to the tenant, or if any should be paid to you. You can also contact us by phone, email or post and we can enter a repayment request on your behalf.

We will send a copy to the tenant to ask if they agree or disagree with the breakdown you have entered. If the tenant agrees, we'll pay the deposit within five working days.

Tenants can also start the repayment process by logging in at www.safedepositsscotland.com/repayment and entering a repayment request. This will confirm if the tenant wants the full deposit repaid to them and any other tenants or if any should be paid to the landlord or agent. As with the process started by the other party, we will email the landlord or agent to ask if they agree or disagree and if they agree the deposit will be repaid within five working days.

ALTERNATIVE DISPUTE RESOLUTION (ADR)



In the event that a landlord or agent wants to keep some or all of the deposit for reasons which the tenant disagrees with, either party can refer the repayment to our adjudication service. This means that both parties will be asked for further information about the tenancy. An impartial person will decide what repayment is fair based on that information.

During the adjudication process both parties will be asked to provide information as evidence, and each party will be able to see what the other provides as evidence.

The adjudication service is free to use for all parties. You can find out more about this service, including the type of evidence we look for, on our website.

...what you need to know about tenancy deposit protection

THE TENANCY DEPOSIT SCHEMES (SCOTLAND) REGULATIONS 2011

Under the Tenancy Deposit Schemes (Scotland) Regulations 2011, if a landlord or agent in Scotland takes a deposit from their tenant, they must: Transfer the deposit to a government approved tenancy deposit scheme; Provide the tenant(s) with particular key information, known as Prescribed Information, detailed below.

The deposit must be transferred, and the Prescribed Information provided to all tenants on the tenancy agreement, within 30 working days of the tenancy start date.

If a landlord fails to comply with the Regulations, tenants can apply to the First-tier Tribunal for Scotland (Housing and Property Chamber) for financial sanctions. If the Chamber is satisfied that the landlord has failed to comply, they can order the landlord to pay the tenant up to three times the amount of the deposit.

How to comply...

To comply with the Regulations, you should:

- Register an account with a tenancy deposit scheme online, over the phone or by post
- Add the tenancy details (i.e. address, start date, deposit amount and tenant's name and contact details) to your account
- Transfer the deposit by online banking, debit card or cheque
- Provide the tenant(s) with a copy of the following Prescribed Information:
 - ◇ Tenancy address
 - ◇ Total deposit paid and the date you received it from the tenant
 - ◇ Your registration status with the local authority
 - ◇ Date you paid the deposit into a tenancy deposit scheme
 - ◇ Name and contact details of the tenancy deposit scheme
 - ◇ The reasons why you might keep some or all of the deposit when the tenant moves out, with reference to the tenancy agreement (e.g. rent arrears, cleaning etc).

SafeDeposits Scotland covers those tenancies to which the landlord registration provisions in the Antisocial Behaviour etc. (Scotland) Act 2004 apply. Therefore, if a landlord is required to register with a local authority, and takes a deposit from their tenant, that landlord must also comply with the Tenancy Deposit Schemes (Scotland) Regulations 2011.



Adjudication Digest

This issue's case studies have been prepared by Resolution Advisor Samantha Gardner

Case Study: Telling the Full Story

Sometimes a landlord or letting agent will find themselves in a situation where costs incurred as a result of, for example, damage or cleaning requirements at the end of a tenancy exceed the value of the tenancy deposit. Tenancy deposit schemes and their independent adjudicators can only handle the deposit amount and anything exceeding this would need to be pursued through other redress channels, however there are some important points to note when submitting a deposit deduction claim in such instances.

Where the cost of rectifying dilapidations is in excess of the deposit, it is still important to provide the same level of detailed and relevant evidence as would be expected for a smaller claim; the circumstances of a claim exceeding the deposit amount does not guarantee that the landlord would automatically be awarded the full deposit.

This case study from Glasgow is an example of such a dispute where the letting agent provided the correct level of detail and the adjudicator could examine each part of the claim, ultimately awarding the total amount of the deposit to the letting agent.

Among the multiple claims made against the £475 deposit was cleaning of the property and uplift of soiled carpets, for which the agent sought £380. Having assessed this part of the claim, the adjudicator considered an overall deduction of £240 to be proportionate.

Separate to the carpets mentioned above, damage to kitchen flooring was also listed and the agent made a claim for £181 in relation to this. The adjudicator noted that the check-in inventory described minor cosmetic damage to the tiled flooring, however there was no indication as to the nature of this cosmetic damage. Acknowledging the presence of damage to the flooring while being unable to conclude with certainty that some of this was not present at check-in, the adjudicator awarded a reduced amount of £90.50 for this part of the claim.

Satisfied from evidence that damage to a door locking mechanism happened during the tenancy, and with an invoice from a locksmith among the evidence, the adjudicator awarded the full £90 sought for the labour and materials to rectify this.

The last part of the claim studied by the adjudicator concerned damage to a kitchen worktop. The adjudicator stated that the agent was within their right to claim a compensatory award for damage, or a sum in respect of carrying out a repair, and therefore awarded the remaining £54.50 of the deposit towards this.

Having "exhausted" the deposit, the adjudicator was unable to examine any other elements of the submitted claim. When submitting such a claim however, a landlord or agent should ensure they detail everything they feel the tenant is liable for rather than trying to make the claim fit within the figure of the deposit amount – otherwise any weaker parts of the claim may result in them not being awarded the deposit in full.



Case Study: Video Killed the Deposit Claim

We can never stress enough the importance of detailed written evidence, particularly some key documents, when submitting a claim for deposit deduction. A check-in report and inventory from the start of the tenancy and a check-out report from the end are the bookends of the claim and differences between the two reports if anything in the property has deteriorated should be immediately evident. Furthermore any photographs used in the check-in and check-out reports should be timestamped to prove that they are contemporaneous – i.e. the photos are a true representation of what the property looked like immediately prior to the tenant moving in and immediately after them moving out.

In this case from Aberdeen, the landlord did not provide a written inventory or check-out report but submitted video files and photographs as evidence.

The total claim against the deposit was the full sum of £750, with deductions sought for cleaning, damage and redecoration costs. Ultimately the adjudicator was only in the position to award a figure of £36, due to evidence of a tenant's admission regarding a broken freezer drawer.

The claim was undermined by the lack of contemporaneous evidence surrounding the condition of the property at the start of the tenancy. The landlord had stated that videos provided were filmed the day before the tenancy started, however there was no proof that this was the case; the adjudicator even examined the video properties but could not ascertain from this their date of origin. The provision of a written inventory with timestamped photographs may have resulted in a very different outcome for this dispute.



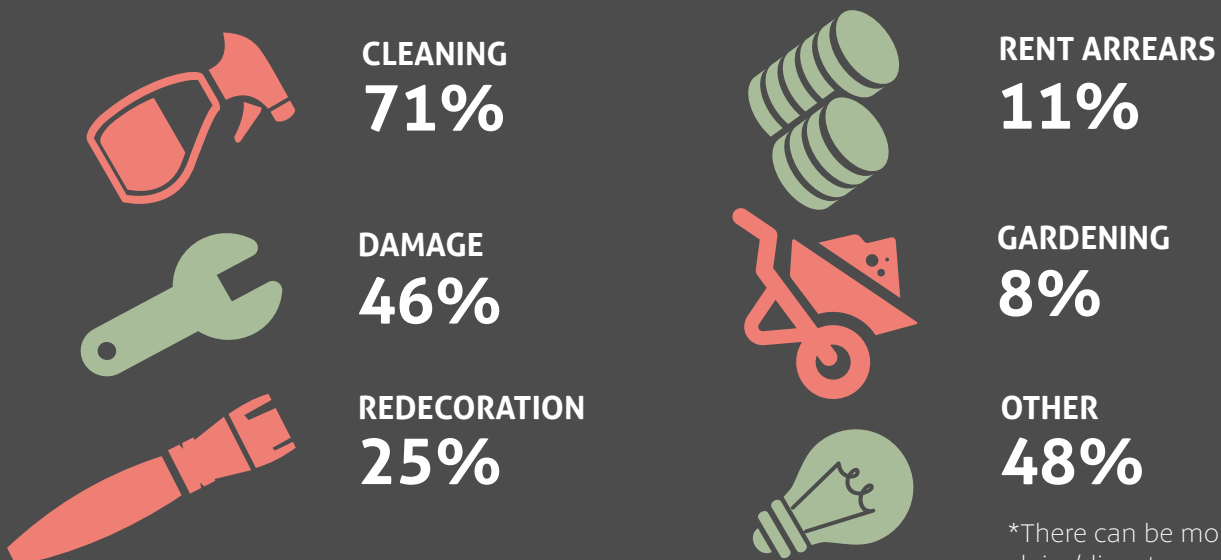
Disputes and Negotiations - 2021-22

In 2021 we increased our focus on the self-resolution stage of alternative dispute resolution, in order to encourage more landlords and tenants to engage and reach mutual agreements instead of surrendering their cases to formal adjudication. A major benefit of this approach is the significantly reduced timescale involved and therefore the ability for SafeDeposits to release disputed funds to parties as soon as they have reached an agreement.

The emphasis on self-resolution is evident in statistics for 2021-22, which showed that SafeDeposits' adjudicators handled 1,292 formal disputes – a 24% reduction from the 1,701 disputes handled in 2020-21.

Of 3,588 new cases referred to the ADR team in 2021-22, 1,182 were resolved without the need for formal adjudication – a resolution rate of 33%.

Below are the types of claims made against deposits and their percentages* of total claims made in 2021-22.



*There can be more than one claim/dispute on a tenancy.

Your New Look ADR Team

Introducing our new line-up for Alternative Dispute Resolution

We have seen some changes at SafeDeposits Scotland recently as some of our colleagues have made exciting moves into new roles within the TDS Group, and our ADR team has a new appearance.

As of 1st April, David Morgan heads the department as Resolution Manager. David joined SafeDeposits in early 2020 as a Customer Relations Executive and has become a trusted and well known face to many of our letting agent customers. Having received and delivered in-depth training in all things ADR, David brings with him a wealth of experience. A PRS tenant himself, David has an understanding of the needs of all involved in the sector – agents, landlords and tenants alike.

Also having made a move into ADR from another department is Rachel Pollock. In the last issue of Key Matters we reported that Rachel had joined us in December as a Client Advisor in our Customer Service team. A law graduate, Rachel has quickly settled in to SafeDeposits and has recently transferred to the ADR team as a Resolution Advisor.



L-R: Jamie Davidson, Samantha Gardner, Rachel Pollock, David Morgan

David and Rachel complete the team by joining two well established Resolution Advisors.

Samantha Gardner has been in ADR since joining SafeDeposits in 2019 and will be well known to Key Matters readers from her case studies on the Adjudication Digest pages. She is also a regular presenter of our online training sessions.

Jamie Davidson joined SafeDeposits in November 2021 and has become a knowledgeable advisor in a short space of time.

The whole team is here to support landlords, agents and tenants in the event of a tenancy deposit dispute, with a commitment to helping find the fairest outcome for all.

Where Are They Now?

David and Rachel have stepped in to the shoes of two familiar faces at SafeDeposits Scotland – Paula Guthrie and Cameron Smith. While we were sad to see them go, we are delighted that both remain within the TDS Group having been presented with fantastic opportunities.

Paula, our former Resolution Manager and a SafeDeposits veteran of nine years has been appointed as Casework Manager at the newly established New Homes Ombudsman Service (NHOS). You can read more about NHOS on page 5 of this magazine.

Cameron meanwhile has swapped his position as a Resolution Advisor for that of Adjudicator at TDS.

Paula and Cameron have made a huge contribution to SafeDeposits' culture and customer service and we wish them both the very best in their new roles.



Spotlight On...

NA H-EILEANAN SIAR

Comhairle nan Eileanan Siar, translated in English as Western Isles Council, is the only local authority in Scotland to have a Gaelic-only name. The geographic area – a sizeable island chain off the north west coast – is known variably as Na H-Eileanan Siar, the Western Isles and the Outer Hebrides.

The isles are famous for their Gaelic culture, framed against a backdrop of white sandy beaches, mountains, moors and "machair" – meaning fertile low lying grassy plain. The populated islands of the archipelago include Harris, North Uist, Benbecula and Barra. Lewis is the biggest of the islands and is where you will find the largest settlement and administrative centre, Stornoway, as well as landmarks such as the ancient Callanish Standing Stones and Gearrannan Blackhouse Village (pictured below).

SafeDeposits Scotland Customer Relations Executive Frankie Bishop visited Stornoway in February and met local landlords when she hosted an Open Day there. Among the insights highlighted to Frankie by attendees was that the islands are currently experiencing a shortage of rented property stock, driven both by high demand and a trend for landlords transferring their properties from the private rented sector to Airbnb.



Frankie Bishop

Deposits on Na H-Eileanan Siar are relatively low, with the average deposit protected by SafeDeposits Scotland for the islands at £489, compared to a current national average of £795.

In 2021–22 SafeDeposits Scotland was not required to handle any formal disputes relating to tenancies on Na H-Eileanan Siar.



Calendar of Events

Online and in-person events coming up in Scotland's private rented sector

On this page you will find information on a selection of PRS related events taking place in Scotland during the coming months. Please note that all events are subject to change and places are subject to availability. Booking details are provided below.

SafeDeposits Scotland Online Training Sessions - ONLINE, VARIOUS DATES

AVOIDING DISPUTES THROUGH SELF-RESOLUTION
Wednesday 15th June – 11.30am

GARDENING DISPUTES
Wednesday 29th June – 11.30am

CLEANING AND DAMAGE – THE MOST COMMON DISPUTES
Wednesday 13th July – 11.30am

ASK SAFEDEPOSITS
Wednesday 27th July – 11.30am

SDS RESOLVE
Wednesday 10th August – 11.30am

ASK AN ADJUDICATOR
Wednesday 24th August – 11.30am



Our online sessions are free to attend and we regularly update our website with details of forthcoming training.

Visit www.safedepositsscotland.com for further information.

Talking Deposits with SafeDeposits Scotland and SAL* - ONLINE, TUESDAY 14TH JUNE

Tuesday 14th June – 11.30am

Further information and booking via
www.scottishlandlords.com/events

*Available to SAL members only. Details on how to join can be found on the SAL website.



Informal online session for SAL members to ask questions or chat in general about deposits. SAL Chief Executive John Blackwood speaks to Head of SafeDeposits Scotland Mike Smith.

Propertymark Scottish National Conference - GLASGOW, THURSDAY 15TH SEPTEMBER

Thursday 15th September – 8.45am – 4.20pm

Venue: Scottish Event Campus (SEC), Exhibition Way,
Glasgow G3 8YW

Further information and booking via
www.propertymark.co.uk/careers-learning/conferences.html



National Conference with a heavy focus on the latest legal changes and a legislative overview of key areas that affect residential sales and lettings to keep you fully informed.

Meet Our Partners

SafeDeposits Scotland is an innovative partnership in the private sector. We're governed by people who understand and have a wealth of experience in the Scottish private rented sector. Our partners are:



The over-arching aim of ARLA Propertymark is to promote the highest standards of professionalism and integrity among those working within the property industry and to encourage members of the public to proactively seek out their members when involved in any kind of property transaction. ARLA Propertymark also runs some 250 short courses each year covering a wide range of property and industry related subjects, as well as holding a number of specialist conferences and forums throughout the year.



The Royal Institution of Chartered Surveyors (RICS) provides the world's leading professional qualification in land, property, construction and the associated environmental issues. An independent organisation, RICS acts in the public interest: setting and regulating the highest standards of competence and integrity among their members; and providing impartial, authoritative advice on key issues for business, society and governments worldwide.



The Scottish Association of Landlords (SAL) represents the interests of all landlords and letting agents throughout Scotland. Working with various Holyrood and Westminster government departments, plus Scotland's local authorities, SAL campaigns for recognition of their interests as a profession and provides information, training and advice to their members nationally, and through their local branch network.



SAL provides a comprehensive package of membership services, advice support and policy work for Scotland's registered letting agents via its Council of Letting Agents (CLA) membership plan. The CLA represents Scotland's leading letting agents and leads the lettings industry in Scotland.



The Dispute Service (TDS) is an independent, not-for-profit company established in 2003 to resolve tenancy deposit disputes in the private rented sector in England and Wales. The company has achieved the UK Government Standard for Customer Service Excellence.



safedepositsscotland.com

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