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Article

Title: Landlords beware!

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'A scheme designed to protect tenants' deposits, as well as provide impartial help in resolving conflicts between them and their landlords has still not been taken up by every landlord' says Ann Corrigan. 'If you are one of those not complying with this Tenancy Deposit Scheme, you could face a serious dispute and even litigation.'

The new law applies to all deposits taken after 6 April 2007 relating to Assured Short Hold Tenancy. The law makes sure that tenants get back all or part of their deposit when they are entitled to it, and it also aims to make any disputes between tenants and landlords easier to resolve. Tenants of course are encouraged to look after the property they are renting.

But if you are NOT protecting your tenant's deposit in a recognised scheme, you could be in for a rude shock as tenancies come to an end. A third party is supposed to hold your tenant's deposit in order to protect you, the landlord, and your tenant. If there is a dispute over unpaid bills or damage and you have not placed your deposit in a recognised scheme, any application to the Court by your tenant will cost you dearly. The Court has no discretion and failure to comply with the scheme means you can be liable to pay your tenant up to three times the cost of their deposit and you may also forfeit possession of your property.

Clearly the implications of not using this scheme are great and landlords need to be aware of the new provisions and the options available to them. If you would like specialist advice on any aspect of housing law, give Phillips a call and one of our specialist landlord and tenant lawyers will be happy to advise you. 01256 460830 www.phillips-law.co.uk

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