

# Scheme Rules 4th Edition Significant changes



Dear Member

The my|deposits tenancy deposit protection scheme is now entering into a fourth year. Our intention is to provide the best possible tenancy deposit protection scheme to our Members. Each year we have amended our Scheme Rules and this year is no exception. Each year we look at our Scheme Rules and analyse each clause. We believe every clause is important and the Scheme Rules should be read as a complete document.

The legislation is complex and relatively recent so new problems and challenges need to be dealt with and plenty of warnings given to guide Members and users of the Scheme.

As Members of my|deposits you confirm that you have read and agree to abide by the Scheme Rules. This is a very brief summary of some of the changes made to the Scheme Rules 4th Edition:

## New Definitions

“Actual End Date of Tenancy, Earliest Contractual End Date, Interested Party, Joint Tenancy Agreement, Joint Tenancy Information Form, Joint Tenant, Protect/Protected Deposit/Deposit Protection and Un-Protect/Un-Protection/Un-Protection (of the Deposit)”.

## Section A - Membership

We have not made any significant changes other than moving ‘cancellation of Membership’ into its own section. Some of the clauses have been reworded to make them easier to understand.

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## Section B – Audit, Breach of Contract and Cancellation of Membership

This is a new section of the Scheme Rules. Please read this section carefully as it contains important provisions regarding your Membership and how Membership can be ended either by us or you. If you are an Agent Member we may arrange for our Relationship Manager to conduct an audit visit at your business premises and meet with you in person.

## Section C – Deposit Protection

This section has been reworded to inform the Member about his obligations as to Protecting Deposits, Joint Tenancy Agreements, and Un-Protecting the Deposit. Please see in particular:

C1.7 – We require a new Protection to be purchased if the Member issues a new fixed term agreement to the same Tenant(s) even with the same Deposit. A Tenant could issue Court proceedings against a Member for non-Protection following such a fixed term renewal if the Deposit is not re-protected. The Member might then face the same penalties as if the Deposit had never been Protected.

## Section D – Disputes between Member and Tenant over the return of the Deposit

We have made some very important changes to how a Deposit Dispute can be raised and the responsibilities of both Members and Tenants during a Deposit Dispute. Some of these changes include:

D1.1 – Joint Tenancy Agreements. We will now allow any Joint Tenant to raise a Deposit Dispute. This Tenant does not now need to be the Lead Tenant but only one Joint Tenant may raise the Deposit Dispute for each Protected Deposit.

D1.2 – Tenants now have three months from the date he or she leaves the Residential Property to raise a Deposit Dispute.

D1.2.1 – There is now a new authority to allow “an Interested Party” or ‘authorised representative’ to take conduct of a Deposit Dispute on behalf of a Tenant.

D1.2.3 – A party who instructs a solicitor or other representative to assist in their Deposit Dispute will be responsible for the costs. No award of costs will be made at ADR.

D2.2 – Contains an important note regarding our plan to assist Tenants to access the Court if a Member does not initiate Court proceedings when they have said they would. We may also allow a Deposit Dispute to be resolved by ADR if a Court has subsequently suggested ADR is the best method to settle the Deposit Dispute.

## Section E – Alternative Dispute Resolution

This section is now called Alternative Dispute Resolution rather than Dispute Resolution. Some changes we have made include:

E1.6 – ADR cannot be used when a party has already commenced Court proceedings or the matter has been dealt with by previous litigation (subject to D1.4 and D2.2).

E2.1 – Reference is made to the online Deposit Dispute system

E2.2.4 Members must now send us a copy of the AST agreement.

E4.7 – Members must inform us if they do not want their evidence shredded after an Adjudication decision has been reached.

## Section F - Miscellaneous Rules and Provisions

Please see newly worded F2 and F7.

Yours sincerely,



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Chief Executive Officer  
my|deposits

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