my deposits
FOR BUSINESS

Government authorised deposit protection



HOW IT WORKS

Alternative Dispute Resolution (ADR)

A guide for business members on using the mydeposits Insurance ADR service

ALTERNATIVE DISPUTE RESOLUTION (ADR)

This guide explains the mydeposits ADR service to you, the mydeposits business member and is to be read in conjunction with the mydeposits Conditions of Deposit Disputes.

At the end of the tenancy your tenant might feel that you have unfairly withheld all or part of the deposit. If this happens the tenant is entitled to raise a dispute with mydeposits.

This guide explains the mydeposits ADR service including:

- What is ADR?
- Steps to avoid a dispute
- Options to resolve the dispute
- Preparing your evidence

This guide is for your assistance and cannot be relied upon as legal advice. Please refer to the mydeposits Scheme Rules and Rules of Adjudication if you are unsure about any information given in this guide. Our website, www.mydeposits.co.uk also provides further assistance.

Alternatively you may wish to take legal advice.

What is ADR?

ADR is an alternative method of resolving disputes to the traditional option of going to court. mydeposits provides an ADR service and actively encourages its use as a method of deposit dispute resolution. Both you and your tenant must agree to its use. The process is completely evidence based. The parties will be given an opportunity to present their case and evidence to a qualified adjudicator. Your tenant will set out their claim and you must provide evidence to justify deductions from the deposit. The adjudicator will analyse the evidence submitted and make a binding decision as to how the deposit should be distributed. There is no obligation to use ADR but it is available to you and your tenant at no additional cost to the initial protection fee and is designed to allow easy and quicker access to a resolution of the deposit dispute than going to court.

Your tenant will generally have three months from the date they vacate the property or from the date the deposit is unprotected, whichever is sooner, in which to raise a dispute (providing they have left the property).

Avoiding disputes

mydeposits have found that most disputes are resolved simply by the agent or landlord and tenant talking through the issues. We recommend in the first instance you:

Remind yourself of your tenant's obligations under the Assured Shorthold Tenancy Agreement (AST)
Please ensure your tenant is aware of your expectations of the cleanliness of the property before the end of the tenancy.

Wherever possible, ensure your tenant attends the 'check-out' process
The purpose of the check-out is to compare the property's condition at the end of the tenancy against the condition at the start of the AST. Ensure that your tenant's comments are noted, should there be any conflict during this process.

Deductions to the deposit
Provide your tenant with a breakdown of any deductions you intend to make to the deposit within 10 days of the tenant requesting the deposit back. Also, if possible provide the tenant with evidence of the amounts you intend to deduct. We recommend that you be open to negotiation with the tenant if it will prevent a deposit dispute.

ADR timeline

The timeline highlights key dates and processes that apply for the mydeposits ADR process.

1 Requesting the deposit back

The tenant is required to request the return of the deposit from you.

The tenant must then wait **10 calendar days** from the request being made before raising a dispute with mydeposits.





2 Tenant notifies mydeposits of dispute

The Tenant can submit a dispute with mydeposits, either online or by post.

Once the dispute is submitted, the tenant has **10 working days** to submit all their evidence in support of their claim.

We always assess the tenant's submission before proceeding with the dispute.

3 mydeposits notifies you of dispute

We will send you notification of the deposit dispute explaining the methods of resolution available to you and provide you with instructions on how to view the dispute evidence submitted by your tenant.





4 Disputed deposit amount lodged with mydeposits

Within **10 working days** of our notification in Step 3 you must send us the disputed deposit amount and confirm you preferred method of resolution (ADR or court).

You must return any undisputed deposit money to the tenant.

5 Submitting counter evidence

(See preparing your evidence section)

Where both parties agree to the use of ADR you will have **20 working days** from the date of the original notification of dispute to supply your counter evidence.

It is your responsibility to ensure that we receive the evidence you submit in support of your claim to the deposit.





6 Evidence passed to adjudicator

All the submitted evidence is passed to the adjudicator to make a decision within **28 calendar days**.

7 Decision made

Once the adjudicator has made a decision, mydeposits will notify both parties of the decision, which will be available for you to view your online account.

mydeposits will distribute the awarded monies within **5 working days**.

The entire mydeposits ADR service should not exceed **60 calendar days**.



Using the courts

You do not have to use the mydeposits ADR service. You can resolve the dispute through the courts. You will have to inform us within 10 working days of the date of our original notification formally advising you of the dispute if you wish to use the courts. You must still lodge the disputed amount with us. We will distribute the disputed amount in accordance with a court order received from you or your tenant.

Your tenant may wish to resolve the dispute through the courts rather than use mydeposits ADR. If your tenant raises a dispute and wishes to resolve the matter through the courts we will inform you in the correspondence notifying you of the dispute. You must still lodge the disputed amount with us within 10 working days.

NB. The onus is on the party wishing to use the courts to issue court proceedings. If court proceedings have not been issued with a court within six months of the dispute being accepted and we have not been provided with proof of this claim, then we may pay the disputed deposit amount to the other party.

Preparing your ADR evidence

The mydeposits ADR service is evidence based; the higher the quality of the evidence that you supply, the more it will assist your case.

If not submitted by the tenant, then you must submit the signed AST agreement and everything connected to this agreement.

Some examples of other evidence you may wish to submit include:

1. Check in/check out reports, signed and dated.
2. Inventory.
3. Schedule of condition.
4. Photos/video – **see our guide on using photographic evidence.**
5. Invoices/receipts to prove work has been done – cleaning, dry cleaning, gardening etc.
6. Written correspondence.

You should ensure that all your evidence is relevant to the case. Please ensure that any written submissions are clear, easy to understand and properly presented.

The adjudicator will analyse all evidence and submissions but may not refer to every piece of evidence submitted in the adjudication report.

You must pay the cost of preparing and submitting your evidence to us, including postage if you decide to submit paper based evidence to us by post. We reserve the right only to return original documentation to you upon prior agreement and at your written request. If we do not receive any instruction at the time of receiving your evidence, we reserve the right to destroy it. If we do agree to return your evidence you may be charged an administration fee to cover our postage and packaging costs.

No paperwork or postage is required when you use the mydeposits online ADR service. The largest file size we can accept is 20mb per file upload.

Reasons we may reject a dispute

The Deposit Dispute relates to matters other than the return of the Protected Deposit;

A party has already commenced Court proceedings on any matter related to the tenancy, unless they have been withdrawn or are stayed for mediation purposes or the court has subsequently directed that the matter be dealt with by ADR;

There are allegations of fraud, criminal activities, duress or harassment by either party which we deem outside our remit;

There is clear evidence of rent arrears or we consider the Deposit Dispute is being raised frivolously or unreasonably by the Tenant.

The Tenant has not provided us with a copy of the assured shorthold tenancy agreement, proof that a request was made for the return of the deposit or that the Tenant has attempted to negotiate with the Landlord. A dispute should only be raised after the Tenant has attempted to deal with the matter directly with the Landlord.

FAQs and further information



Please see our website for a wide range of guides and support on dispute resolution and insight into specific issues.

www.mydeposits.co.uk

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