

Agent member renewal process

Questions and answers

Over the past year our call centre has taken many calls from letting agents regarding the mydeposits membership renewal process. With the membership renewal period beginning in April, please take a moment to read this Q&A leaflet before contacting our call centre.

Please be aware that our staff cannot agree variations to the agent member renewal rules and processes. With mydeposits:

Q: What is the agent member renewal process?

A: Membership renewal is a four stage process:

- Stage 1** Completion and return by you of all renewal documentation (Statement of Facts) and supporting evidence that we have sent to you in your renewal pack.
- Stage 2** Completion of a 'risk assessment' by us based upon the information that you have returned to us.
- Stage 3** Notification to you of renewal terms by us.
- Stage 4** Acceptance by you of our renewal terms by accessing your online account.

PLEASE NOTE: that your renewal documentation **MUST** be returned to mydeposits at least 14 days prior to your renewal date.

When returning your renewal documentation, we recommend that you use recorded delivery with the appropriate postage to ensure delivery and add a return address as a further precaution.

Q: What is mydeposits agent renewal acceptance criteria?

A: Agents must hold tenant's deposits on behalf of their private residential landlord clients.

Agents must hold tenant's deposits in a segregated client money account which has no right of set-off, lien or charges by the issuing bank, guarantor or other creditors and is used purely for the purpose of holding client monies.

Agents will be required to provide proof of this segregated client money account in the form of a bank statement which details the last month's transactions.

Failure to hold a client money account and provide proof will result in membership being expired with immediate effect.

Non accredited agents must 'pass' a mydeposits risk assessment.

Q: What is a risk assessment?

A: The risk assessment undertaken by mydeposits is a combination of credit scoring and the application of our internal policy rules from the information you return to us. We use this in order to reach a decision on the suitability of agents for membership of the scheme.

Q: Why do you carry out a credit check?

A: mydeposits use a credit referencing agency, to obtain an independent assessment of the 'financial risk' that each agent member presents to the scheme. We carry this out because agent members are able to hold onto tenant's deposits.

Q: Why have you made a distinction between members of ARLA, NAEA, RICS, NALS, The Law Society and all other agents?

A: Members of these organisations represent a lower risk to mydeposits because of the existence of client money protection insurance. They provide mydeposits and the tenant with an alternative route to the recovery of misappropriated funds if an agent member becomes insolvent. It is therefore right to recognise this difference in risk with lower protection fees.

Q: I am in the process of becoming accredited, but I have not yet received confirmation. Can I renew as an accredited agent?

A: No, we can only accept you as an accredited member once your membership of the accreditation body has been confirmed. Once you do receive confirmation, send us proof of your membership and we will be able to then reduce your future protection fees.

Q: I am a member of your scheme, have always paid my invoices on time and support mydeposits fully when a dispute is brought against me. Why are you not concentrating your efforts on dealing with the 'bad' agents and leaving the 'good' agents alone?

A: mydeposits understands your frustrations. However, in this uncertain financial climate it is right that mydeposits does everything to safeguard tenant's deposits. It is also right to recognise, by way of lower fees, agents that voluntarily join accreditation bodies that monitor business performance, seek to raise standards and provide additional financial security to their tenants and landlord clients. Our processes are not difficult to comply with and by removing the risk of those agents who do not adhere to our rules, it will ultimately lead to a better service and cheaper prices for all.

Q: Why do you need to see the latest bank statement for my client money account?

A: Agent members must hold tenant's deposits in a ring-fenced client money account. To ensure this is happening, mydeposits needs to check that the money in that account is at least equal to the total of all your current protected deposits. A copy of last month's statement for that account should confirm that the account is being used correctly.

Q: Why do you need a letter from my bank?

A: Some accounts cannot be clearly identified as a client money account from the account name only. Sometimes we will need to seek further clarification that the account is not a current or business account but a designated client money account.

Q: What happens to my membership if I refuse to maintain a segregated client money account and/or provide evidence of the existence of such an account?

A: The creation and maintenance of a segregated client money account is already a condition of your existing membership of mydeposits. If you do not comply with this request and supply the relevant evidence then your membership will be cancelled. You will not be able to protect new deposits with our scheme.

Q: What happens to deposits already protected if my membership is cancelled?

A: Our rules are clear when a membership is cancelled. We provide three months run-off protection for any existing protected deposits after which the protection is cancelled. Your landlords and tenants will be informed of the rules at the time of your membership cancellation. Deposit disputes will still be accepted by mydeposits during this three month period so long as the tenancy is at its contractual end date. You will still be obliged to assist us with deposit disputes.

Q: Can I pay my renewal fee by cheque?

A: No, mydeposits have not accepted cheque payments since 6 April 2009. Other payment options are available:

- Online via debit or credit card
- Direct Debit (a form is provided within the Statement of Facts sent to you with your renewal documentation)

Q: I am not happy to set up a direct debit to take fees for the protections I have made? Why are you insisting on this requirement?

A: Our monthly payment option requires settlement by monthly direct debit which is easy, fast and reduces credit control costs. We recognise that this is not suitable for all agents, and have other payment options available:

- Pay as you go by credit/debit card

Q: Can I pay my fees by Direct Debit from my client money account?

A: No, mydeposits understands that all monies held in your client money account is money that you are holding in trust and does not form part of the assets of your business. If you are re-charging the costs of deposit protection on to your landlord clients or tenants these transactions should be processed through your office account.

Q: Can you accept my renewal terms on my behalf?

A: No, our agent members must agree to the revised mydeposits Scheme Rules. These can be found on the mydeposits website. You should read and confirm your acceptance by ticking the box after you have read the revised Scheme Rules.

Q: Why is my online account 'Read-Only'?

A: This is because your renewal date has passed and either: you have not returned all of your documentation within the timescales set out, or we have invited you to renew but you have not accepted our terms and paid your renewal fee.

Q: What happens if I don't complete my renewal documents in time?

A: If we do not receive all of the required documentation back from you at least 14 days prior to your renewal date we will issue another letter. You may also be contacted by phone and email. On the renewal date of your membership mydeposits will issue letters to all of your landlord clients and tenants, advising them that all protections will cease three months from your expiry date. You will need to ensure that all deposits are re-protected with another tenancy deposit protection scheme before that run-off date. This process is undertaken to ensure we comply with the legislation.

Q: My membership has expired, can you reinstate it?

A: No, once membership has expired we are not able to reactivate the membership. You will need to re-apply for membership by completing a new agent application form, providing the required documentation and then paying the appropriate membership fee. Any deposit protections on your expired membership will need to be re-protected and the usual fee will apply. Deposit protections are not transferable.

Q: My membership has expired, what happens to all the deposit protections?

A: All protections will enter a three month run-off period as required by the Housing Act 2004 after formal notification of expiry.

Q: Why at renewal does mydeposits require the full details of all directors, principals, partners, shareholders and business owners?

A: To confirm the current directors and business owners and enable you to update us of any changes of ownership. mydeposits reserves the right to check the financial suitability of these persons with credit and fraud verification organisations and request personal guarantees if applicable.

Q: What other options for tenancy deposit protection do I have?

A: mydeposits offers a free to use custodial based deposit protection scheme that requires you to transfer the deposit to mydeposits to safeguard.



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