
STATUTORY RULES OF NORTHERN IRELAND

2012 No. 373

The Tenancy Deposit Schemes
Regulations (Northern Ireland) 2012

PART 3

Description of Schemes

Types of schemes

6. A tenancy deposit scheme shall be either:—
- (a) a custodial scheme, as specified in regulation 7; or
 - (b) an insurance scheme, as specified in regulation 8.

Custodial scheme

7. A custodial scheme is a scheme under which:—
- (a) no fee is payable by the landlord to the scheme administrator in respect of participation in, or otherwise in connection with, the scheme;
 - (b) the tenancy deposit is paid by the landlord to the scheme administrator;
 - (c) the scheme administrator pays the tenancy deposit into an account, known as a designated account, which is maintained for the purpose of holding accounts; and
 - (d) the tenancy deposit is held in a designated account until it falls to be repaid in accordance with these Regulations.

Insurance scheme

8. An insurance scheme is a scheme under which:—
- (a) the tenancy deposit is retained by the landlord and a fee and any contribution towards insurance is payable by the landlord to the scheme administrator in respect of participation in the scheme on the basis that, at the end of the tenancy:—
 - (i) such amount in respect of the deposit as may be agreed between the tenant and the landlord shall be repaid by the landlord to the tenant; and
 - (ii) any disputed amount which is not so repaid shall, in accordance with directions given by the scheme administrator, be paid by the landlord into a designated account held by the scheme administrator;
 - (b) amounts paid into a designated account under regulation 8(a)(ii) are kept by the scheme administrator in the account until such time as, in accordance with the scheme, it falls to be paid (wholly or in part) to the landlord or tenant;
 - (c) the landlord undertakes to reimburse the scheme administrator, in accordance with directions given to the landlord by the scheme administrator, such amounts of the deposit

paid to the tenant by the scheme administrator, other than amounts paid to the tenant as mentioned in paragraph 8(a)(ii); and

- (d) insurance is maintained by the scheme administrator in respect of failure by a landlord to comply with directions under regulation 8(a)(ii).