



2011 CHAPTER 22

Private tenancies

Tenancy deposit schemes

2. After Article 5 of the Private Tenancies Order insert—

“Tenancy deposit schemes

Tenancy deposit schemes

5A.—(1) The Department may by regulations make provision for securing that one or more tenancy deposit schemes are available for the purpose of safeguarding tenancy deposits paid in connection with private tenancies.

(2) A “tenancy deposit scheme” is a scheme which is made for the purpose of safeguarding tenancy deposits paid in connection with private tenancies and facilitating the resolution of disputes arising in connection with such deposits.

(3) Regulations under paragraph (1)—

- (a) must provide for the appointment of a body or person (“the scheme administrator”) to establish and maintain a scheme of a prescribed description;
- (b) must provide that a scheme or an amendment to a scheme does not come into force unless approved by the Department;
- (c) may confer or impose on the scheme administrator such powers or duties in connection with a scheme as are prescribed;

- (d) may provide for information held by a scheme administrator to be disclosed to prescribed persons for prescribed purposes.
- (4) The Department may make payments to a scheme administrator.
- (5) In this Article and Article 5B—
 - “money” means money in the form of cash or otherwise;
 - “tenancy deposit”, in relation to a private tenancy, means any money intended to be held (by the landlord or otherwise) as security for—
 - (a) the performance of any obligations of the tenant arising under or in connection with the tenancy, or
 - (b) the discharge of any liability of the tenant so arising.
- (6) In this Article and Article 5B references to a landlord in relation to any private tenancy include references to a person acting on behalf of the landlord in relation to the tenancy.

Requirements relating to tenancy deposits

- 5B.**—(1) Any tenancy deposit paid to a person in connection with a private tenancy must, as from the time when it is received, be dealt with in accordance with an approved scheme.
- (2) A person must not require the payment of a tenancy deposit in connection with a private tenancy which is not to be subject to the requirement in paragraph (1).
- (3) Where a landlord receives a tenancy deposit in connection with a private tenancy, the initial requirements of an approved scheme must be complied with by the landlord in relation to the deposit within the period of 14 days beginning with the date on which it is received.
- (4) For the purposes of this Article “the initial requirements” of an approved scheme are such requirements imposed by the scheme as fall to be complied with by a landlord on receiving such a tenancy deposit.
- (5) A landlord who has received such a tenancy deposit must give the tenant and any relevant person such information relating to—
 - (a) the approved scheme applying to the deposit,
 - (b) compliance by the landlord with the initial requirements of the scheme in relation to the deposit, and
 - (c) the operation of this Article and Article 5A in relation to the deposit,as may be prescribed.
- (6) The information required by paragraph (5) must be given to the tenant and any relevant person—

(a) in the prescribed form or in a form substantially to the same effect,
and

(b) within the period of 28 days beginning with the date on which the
deposit is received by the landlord.

(7) A person must not, in connection with a private tenancy, require a
deposit which consists of property other than money.

(8) In paragraph (7) “deposit” means a transfer of property intended to
be held (by the landlord or otherwise) as security for—

(a) the performance of any obligations of the tenant arising under or
in connection with the tenancy, or

(b) the discharge of any liability of the tenant so arising.

(9) The provisions of this Article apply despite any agreement to the
contrary.

(10) A person who contravenes paragraph (7) is guilty of an offence and
liable on summary conviction to a fine not exceeding level 4 on the standard
scale.

(11) A person who contravenes any other provision of this Article
is guilty of an offence and liable on summary conviction to a fine not
exceeding £20,000.

(12) In this Article—

“approved scheme” means a scheme for the time being in force under
Article 5A;

“property” means moveable property;

“relevant person” means any person who, in accordance with
arrangements made with the tenant, paid the deposit on behalf of the
tenant.”.