Deposit Handling Policy

(Mid- Market Rent)

Policy Manual Section:	Water Row Company
Policy Number:	WR06
Date Approved by WRC Board:	February 2025
Next Review Date:	February 2028

The Water Row Company can provide this document on request, in different languages and formats, including Braille and audio formats.

1 Purpose of Policy

1.1 The Water Row Company manages Govan Housing Association's homes for mid-market rent and offers a high quality affordable lettings service. The Water Row Company is a subsidiary of the Govan Housing Group.

1.2 Mid-market rent is a tenure aimed at providing quality, affordable rented homes for people on low to moderate incomes. Mid-market rent is designed to help people who have difficulty accessing social rented housing, buying their own home or renting privately.

Tenants generally pay a lower rent than market rent level, but more than local social housing tenants. The rent levels are set at a point between those for similar home for social rent and private market rent.

1.3 Our homes for mid-market rent offer high quality, safe and accessible living that is sustainable, energy efficient and easily maintained.

2 Policy Aims & Objectives

2.1 The purpose of the Deposit Handling Policy is to provide guidance on how The Water Row Company will manage deposits from tenants of the mid-market rental properties at Water Row.

2.2 The principal aims and objectives of this policy are to:

- Have an open and transparent policy for managing tenant deposits;
- Set out how we will collect and manage tenant deposits;
- Provide guidance on when we will make deductions from deposits;
- Confirm how we will adhere to the Tenancy Deposit Schemes (Scotland) Regulations 2011.

3 Deposit Purpose

3.1 The Water Row Company require tenants to pay a deposit at the start of their tenancy. Deductions can be made from the deposit at the end of the tenancy where tenants owe the landlord money for:

- Rent;
- Unpaid supplier bills (although usually the tenant has a direct contract with the supplier for these and any unpaid bills are not the landlord's responsibility);
- Damage to the dwelling-house or contents;
- Cleaning, if the property is left in a lower standard of cleanliness than at the start of the tenancy.

4 Payment of Deposit

4.1 Deposits which are equal to the value of one months' rent are normally required to be paid 48 hours in advance of the tenancy start date. Payment should be made by bank transfer or debit / credit card payment. Cash will not be accepted under any circumstances.

5 Tenancy Deposit Scheme

5.1 In line with the Tenancy Deposit Schemes (Scotland) Regulations 2011, once a deposit is paid and the tenancy agreement is signed, we will complete the following within 30 working days of the tenancy start date:

- Lodge the deposit with a government approved tenancy deposit scheme. (There are three schemes to choose from: Letting Protection Service Scotland, Safe Deposits Scotland and My Deposits Scotland). Currently, the Water Row Company use Safe Deposits Scotland. There is no charge for using any of the schemes;
- Provide the tenant with specific information about the deposit, where it is lodged and the circumstances in which it may be retained at the end of the tenancy.

5,2 In line with Regulation 42 of the Tenancy Deposit Schemes (Scotland) Regulations 2011, the prescribed information document, located at the end of this policy titled '**appendix 1**' is fully completed and provided to customers within 30 working days of the tenancy start date.

5.3 From 11 November 2019 landlords are no longer required to lodge deposits with a scheme if the tenancy is ended and the deposit returned to the tenant, in full, within 30 working days of the tenancy commencing. This avoids the need to lodge deposits for very short tenancies.

5.4 If The Water Row Company requires to make deductions from a tenancy lasting 30 working days or less, it will be required to lodge the deposit as normal.

6 Failure to Comply with Regulations

6.1 Where a tenant believes that The Water Row Company has not fulfilled one or both of the requirements set out in item 5.1, they can make an application to the First-tier Tribunal for Scotland (Housing & Property Chamber) during the tenancy or up to 3 months after the tenancy has ended.

6.2 If the tribunal is satisfied that the landlord did not comply with one or both of the requirements it must order the landlord to pay the tenant an amount of up to three times the amount of the deposit.

7 Tenancy Changes

7.1 In the event of one tenant moving out of the property and being replaced by another, or one tenant moving out and others remaining without a replacement moving in, The Water Row Company will contact the deposit scheme.

7.2 The Water Row Company will confirm to the deposit scheme which tenant is moving out and how much of the deposit is due to them. Safe Deposits Scotland will then contact the other party to ask if they agree with the amount specified and, where required, the repayment details for the outgoing tenant. If all parties agree to the tenant changeover request, Safe Deposits Scotland will repay the outgoing tenant their portion of the deposit and the remainder of the deposit will automatically be moved into a new deposit account. The Water Row Company will be able to add any new tenants to the deposit.

8 Making Deposit Deductions

8.1 At the start of each tenancy, an inventory will be agreed between The Water Row Company and the new tenant and will be signed by both parties. The inventory document will thoroughly detail the condition of the property including any fixtures, fittings and appliances agreed by both parties.

8.2 Once the tenancy has ended The Water Row Company will assess the property, work out what (if any) deductions we require and attempt to agree with the tenant, in writing what deposit deductions will be made. We will then start the deposit return process. The tenant can also initiate the deposit return process.

8.3 In most cases the landlord and tenant will agree on how the deposit should be returned. However, if the parties don't agree then the scheme will ask them to both submit evidence to support their position. An adjudicator will then be appointed by the scheme to decide on how much of the deposit should be returned to each party. There is no charge to either party for using the adjudication process.

8.4 Details of circumstances in which all or part of the tenancy deposit may be retained at the end of the tenancy are contained in the tenancy agreement as well as on the prescribed information document located at the end of this

policy, titled '**appendix 1.**

8.5 If the deposit isn't sufficient to cover the amount owed by the tenant for cleaning/damages, then The Water Row Company can apply for a payment order from the First-tier Tribunal Housing & Property Chamber.

9 Calculating Deposit Deductions

9.1 If an item deteriorates due to wear and tear then the landlord is responsible for the repair/replacement cost. If it has deteriorated due to damage then the landlord can pursue the tenant for reimbursement of the cost or repair/replacement.

9.2 Wear & tear is defined in case law as follows:

"Reasonable wear and tear means the reasonable use of the house by the tenant and the ordinary operation of natural forces".

9.3 Some typical examples are as follows:

Item	Wear & Tear	Damage
Carpet	Worn, compacted and discoloured from footfall	A burn mark, red wine stain or tear
Paint Work	Scuffs and light scratches on walls	Pen marks, stains from spillages, a hole or deep gouge
Appliances	A part needing to be replaced because it has suffered mechanical failure due to age/normal use	A crack in a salad drawer in a fridge, a bra wire becoming stuck in the mechanism of a washing machine

9.4 The Water Row Company will be able to provide invoices for repairs and replacements where required as a result of damage as oppose to wear and tear.

10 Policy Review

10.1 This Policy is scheduled for review after one year and thereafter it will be reviewed every three years.

This policy may only be changed or varied with the specific authority of Govan Housing Group Board. Following the first year, we will review this policy every three years. More regular reviews will be considered where, for example, there is a need to respond to new legislation or policy guidance. Reviews will consider legislation, performance standards and good practice.

We will publish this policy on our website. A hard copy is available on request. Customers can also get a copy of the policy on tape, in Braille, in large print or in translation on request.

11 Contact Us

11.1 If you have any questions about this policy, you can contact us in the following ways;

- Telephone: 0141 440 0308
- Email: lettings@waterrow.co.uk
- In writing: The Water Row Company, 246 Edmiston Drive, Glasgow, G51 2YU
- Website: www.govanha.org.uk

APPENDIX 1

Key information about your tenancy deposit
in accordance with
Regulation 42 of the Tenancy Deposit Schemes (Scotland) Regulations 2011

From (landlord)	
Landlord's registration status (register maintained by the local authority under Section 82 (registers) of the Antisocial Behaviour etc (Scotland) Act 2004.	☐ Is registered ☐ Has applied to be registered
To (tenant)	
Concerning your tenancy deposit paid in connection with the following property:	
Deposit paid *For joint tenancies, this is the combined amount paid by all tenants*	£
Date received by the landlord (or their representative):	/ /

Date paid by the landlord (or their representative) to **[*enter deposit scheme name*]**	/ /
The circumstances in which all or part of the tenancy deposit may be retained at the end of the tenancy are contained in the following section of your tenancy agreement:	Clauses _____ and _____

The circumstances are:

1. Damage has been caused, to the property, fixtures and fittings or any furniture provided as part of the tenancy with the exception of fair wear and tear.
2. The landlord has incurred costs in replacing any items detailed on the inventory which have been lost or broken, or have disappeared during tenancy.
3. The landlord has incurred costs in redecorating the property due to damage caused by the tenant or the tenant redecorating the property without consent.
4. The landlord has incurred costs in bring the garden back to an acceptable standard at the termination of the tenancy
5. Rent is unpaid or paid late, resulting in interest accruing or administrative or bank charges being incurred by cheques not being met.
6. Unpaid bills are outstanding including bills for utility services and local authority taxes.
7. The landlord has incurred cleaning charges as a result of the property not being properly maintained.
8. Rent remains unpaid.
9. The landlord has incurred costs arising from the tenant's failure to fulfil the conditions of the tenancy agreement

[*enter deposit scheme name*] *can be contacted through their website,* **[*enter deposit scheme website*]***, in writing to* **[*enter deposit scheme address*]** *or by calling* **[*enter deposit scheme phone number*]***.*