

Key Matters

Opening the door to tenancy deposit protection in Scotland

ISSUE 4 - FEBRUARY 2021



NEWS - STATISTICS - ADVICE



**SafeDeposits
Scotland**

SCOTLAND'S LEADING TENANCY DEPOSIT SCHEME



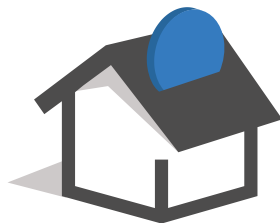
**The only not-for-profit tenancy deposit scheme
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- Training
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**SafeDeposits
Scotland**



Come on in...



WELCOME

Welcome to the first Key Matters magazine of 2021. It has been a chilly start to the year, but despite the continuing lockdown restrictions the housing sector has not quite frozen. With house moves still permitted, and letting agents now well adapted to home and remote working, we continue to see deposits protected on a daily basis. At the click of a button or a quick phone call, deposits are being safely protected, while the depositors stay safe...

We continue to work from home but are fully staffed and here to assist with any enquiries you may have, including training needs – drop us a line on info@safedepositsscotland.com if you are looking for any kind of support in using our system.

We hope you enjoy this latest issue of Key Matters, which includes a host of interesting statistics from our friends at Citylets, as well as the results of our landlord, agent and tenant satisfaction surveys conducted before Christmas.

Until the next issue, take care and we hope to see you before long.

Mike Smith
Operations Manager
SafeDeposits Scotland

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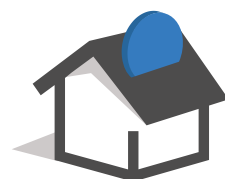
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SafeDeposits
Scotland



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Service Matters

The latest statistics from SafeDeposits Scotland

DEPOSITS PROTECTED

141,839

COMBINED VALUE

£108,600,948

AVERAGE DEPOSIT VALUE

£765

Figures at 31st January 2021

TELEPHONE CALLS ANSWERED

7,732

(7 seconds average wait time for call to be answered)

EMAILS HANDLED

5,961

(10 minutes average response time)

Figures 1st November 2020 – 31st January 2021

See page 11 for the latest statistics on Disputes and Negotiations

Have You Heard?

The latest news from SafeDeposits Scotland and the wider private rented sector

Eviction Ban Extended

On 14th January regulations were laid in the Scottish Parliament to extend the temporary ban on eviction orders.

Subject to review every three weeks to ensure it remains necessary to protect against the spread of COVID-19, the ban will now remain in force until 31st March.

The ban applies to all evictions in areas subject to level 3 or 4 restrictions, except cases of serious anti-social behaviour, including domestic abuse.

The Scottish Government stated that the move will provide renters with safe homes during the pandemic, as well as reducing the burden on local authorities – who have a duty to rehouse people made homeless through evictions – and making it easier for people to follow the guidelines during the current lockdown.

For further information visit www.gov.scot



Airdrie Citizens Advice Bureau Introducing Housing Mediation and Representation Service Following Charitable Trust Grant Award

The SafeDeposits Scotland Charitable Trust has made its second award to a Citizens Advice Bureau, with the bureau in Airdrie, North Lanarkshire, receiving a grant to deliver a Housing Mediation and Representation Service.

Vince McKeown – CEO at Airdrie Citizens Advice Bureau – said:

"We are delighted to have been awarded this funding. It will ensure that a vital bespoke service is provided across North Lanarkshire to those involved in the Private Rented Sector (PRS). I feel that during this time of uncertainty, it is particularly important that both tenants and landlords within the PRS are aware of and receive the correct information regarding their rights and responsibilities. This project will work closely with both tenants and landlords to ensure they meet their individual obligation by providing early resolution for any issues or areas of dispute."



CIH Scotland Housing Awards 2021

The virtual CIH Scotland Housing Awards 2021 – sponsored by SafeDeposits Scotland – took place on 4th February,

The online event celebrated the creativity, passion and innovation of housing organisations and individuals across the sector in Scotland.

Congratulations to all of the award winners!

See www.cih.org for a full list of winners.



SafeDeposits Scotland Charitable Trust

Do you know of a project that could qualify for funding?

About the Trust

The SafeDeposits Scotland Charitable Trust is a grant giving charity designed to promote education, training and best practice in Scotland's private rented sector.

As a not-for-profit organisation, any surpluses generated by SafeDeposits Scotland are donated to the Trust.

To date the Trust has awarded over £640,000 to projects delivered both at local and national level by charities and organisations across Scotland.

The Aims of the Trust

The key aims of the Trust are:

- To advance education, particularly in relation to best practice in the management of private rented housing; and to legal rights and obligations which are of particular relevance to those who are involved in the provision or management of private rented sector housing or who hold tenancies within the private rented housing sector.
- To advance conflict resolution through promoting the use of alternative dispute resolution processes for the more efficient resolution of disputes between landlords and tenants within the private rented housing sector.

How to Apply for Funding

An application form and bid guidance can be found at www.safedepositsscotlandtrust.com
We also welcome enquiries via info@safedepositsscotlandtrust.com

The deadline for applications ahead of the next funding round is Thursday 8th April.



**SafeDeposits Scotland
Charitable Trust**

Case Study - Scottish Mediation

Scottish Mediation is an organisation established in 1990, which seeks to promote a wider understanding of the appropriate use of mediation in conflict management and prevention.

With funding from the Trust and in partnership with Landlord Accreditation Scotland (LAS), Scottish Mediation delivered a series of Mediation Techniques workshops for letting agents during 2020.

Scottish Mediation overcame the challenge of the COVID-19 pandemic by taking the workshops online and to date has trained 89 people as part of this project.

scottish mediation



Guest Feature: CITYLETS

The Scottish rental property portal's commentary on its Q4 2020 report

Rental property search remained buoyant in Q4 2020 as Scotland moved onto a tiered approach to the coronavirus restrictions. The creeping inevitability of stronger measures grew throughout the quarter as evidence of a second wave began to build, however the property market was allowed to remain open and once again many tenants were minded to think carefully about their domestic environment and suitability for home working. Traffic to Citylets platforms outperformed seasonal norms by a material 50%.

Property to rent in Scotland, on average, rose 3.6% over the quarter to stand at £826 per month, less than the 5.4% reported in the previous quarter with material drag now exerted by falling rents in Edinburgh for the first time.



Home of Scottish Letting

The deluge of short term stock seen on the Edinburgh market from the effective closure of short term holiday rentals saw the capital record its first significant annualised fall in rents for the city as a whole, at minus 4.1%, in over ten years of Citylets reporting. The average property to rent in Edinburgh stood at £1,085 over the last quarter of 2020. Stock levels in the city remained high by classic standards and rents look set to fall further as we enter 2021. TTL lengthened significantly on last year by 11 days to 33 days. 54% of properties let within a month. The impact of Edinburgh's standing as an international capital for learning, work and tourism on the PRS seems set to be put into sharp relief through its temporary absence.

Once again Glasgow and surrounding Local Authority regions of South Lanarkshire and Renfrewshire posted the largest year on year rises as a systemic imbalance between demand and supply tightened. Rents in Glasgow rose 5.7% to stand at £848 on average with a TTL of just 20 days. 75% of properties to rent in Glasgow let within a month. The reported figures for the Greater Glasgow region add further countenance to conjecture that the pandemic was leading to widespread exodus from cities. Should the vaccine programme be delivered on schedule and to effect, Scotland's urban rental markets may emerge relatively intact.

The Aberdeen rental market has been stable in Q4 2020 recording a minor annual increase of 0.1% year on year (YOY), the first rise since Q1 2015. The average property to lease in Aberdeen sits at £709 per month giving landlords cause for optimism at the end of a difficult number of years.

Out-with challenges in the student market, Dundee posted another positive annual gain of 4.2% YOY to average £625 per month. The market in Dundee moved swiftly at just 21 days TTL, down six on the previous year.

Despite the acceleration to full lockdown at quarter end, the rental market is likely to remain buoyant throughout as the need to choose home environments to suit some degree of home working continues for many. Edinburgh however, primarily due to increased supply, will likely see rental values fall further.

Citylets publishes quarterly market reports which, now in their 11th year, are widely regarded as the most authoritative and reliable barometer of rental information for the Scottish PRS.

To read the Q4 2020 report and previous reports in detail, visit www.citylets.co.uk/research



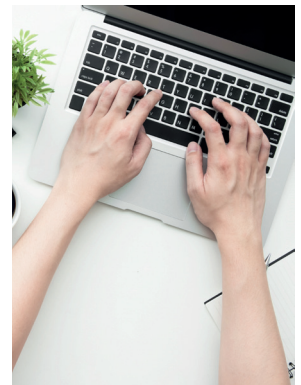
The Basics...

LODGING A DEPOSIT

Before lodging a tenant's deposit, there are certain things you will need to have to hand, namely: the tenancy address, tenant(s) name(s), tenant(s) contact details (phone number and email, if available), start date of tenancy, when you received the deposit amount, landlord registration number and landlord contact details. You should also have your tenancy agreement to hand, particularly if you want to pre-fill the Prescribed Information document – although you are able to complete that later if you wish.

When you have the above information go to www.safedepositsscotland.com, select Login Online and log in using your email/PIN and password. You will be met with a simple portal which gives you access to all tenancy deposit options and from there you can start adding tenancy deposits.

Once the deposit has been lodged we will send your tenant(s) a deposit protection certificate. Remember you must also provide the tenant with the Prescribed Information (detailed on the opposite page) within 30 working days of the tenancy start date.



DEPOSIT REPAYMENT

After your tenant moves out, you should log in to your account to enter a repayment request. The repayment request will confirm if the full deposit should be repaid to the tenant, or if any should be paid to you. You can also contact us by phone, email or post and we can enter a repayment request on your behalf.

We will send a copy to the tenant to ask if they agree or disagree with the breakdown you have entered. If the tenant agrees, we'll pay the deposit within five working days.

Tenants can also start the repayment process by logging in at www.safedepositsscotland.com/repayment and entering a repayment request. This will confirm if the tenant wants the full deposit repaid to them and any other tenants or if any should be paid to the landlord or agent. As with the process started by the other party, we will email the landlord or agent to ask if they agree or disagree and if they agree the deposit will be repaid within five working days.

ALTERNATIVE DISPUTE RESOLUTION (ADR)



In the event that a landlord or agent wants to keep some or all of the deposit for reasons which the tenant disagrees with, either party can refer the repayment to our adjudication service. This means that both parties will be asked for further information about the tenancy. An impartial person will decide what repayment is fair based on that information.

During the adjudication process both parties will be asked to provide information as evidence, and each party will be able to see what the other provides as evidence.

The adjudication service is free to use for all parties. You can find out more about this service, including the type of evidence we look for, on our website.

...what you need to know about tenancy deposit protection

THE TENANCY DEPOSIT SCHEMES (SCOTLAND) REGULATIONS 2011

Under the Tenancy Deposit Schemes (Scotland) Regulations 2011, if a landlord or agent in Scotland takes a deposit from their tenant, they must: Transfer the deposit to a government approved tenancy deposit scheme; Provide the tenant(s) with particular key information, known as Prescribed Information, detailed below.

The deposit must be transferred, and the Prescribed Information provided to all tenants on the tenancy agreement, within 30 working days of the tenancy start date.

If a landlord fails to comply with the Regulations, tenants can apply to the First-tier Tribunal for Scotland (Housing and Property Chamber) for financial sanctions. If the Chamber is satisfied that the landlord has failed to comply, they can order the landlord to pay the tenant up to three times the amount of the deposit.

How to comply...

To comply with the Regulations, you should:

- Register an account with a tenancy deposit scheme online, over the phone or by post
- Add the tenancy details (i.e. address, start date, deposit amount and tenant's name and contact details) to your account
- Transfer the deposit by online banking, debit card or cheque
- Provide the tenant(s) with a copy of the following Prescribed Information:
 - ◇ Tenancy address
 - ◇ Total deposit paid and the date you received it from the tenant
 - ◇ Your registration status with the local authority
 - ◇ Date you paid the deposit into a tenancy deposit scheme
 - ◇ Name and contact details of the tenancy deposit scheme
 - ◇ The reasons why you might keep some or all of the deposit when the tenant moves out, with reference to the tenancy agreement (e.g. rent arrears, cleaning etc).

SafeDeposits Scotland covers those tenancies to which the landlord registration provisions in the Antisocial Behaviour etc. (Scotland) Act 2004 apply. Therefore, if a landlord is required to register with a local authority, and takes a deposit from their tenant, that landlord must also comply with the Tenancy Deposit Schemes (Scotland) Regulations 2011.



Adjudication Digest

This issue's case studies have been prepared by Resolution Advisor Ewan MacQueen

In this issue's adjudication digest we look at two case studies which deal with fair wear and tear, as well as how the adjudicator approaches the principle of betterment.

Fair wear and tear is generally subjective, however it can be defined as gradual damage that you would expect to see to a property and its fixtures and fittings over time through reasonable use. Fair wear and tear is subject to a number of factors, such as:

- Length of tenancy
- Type and number of occupants
- Location and surroundings of the property
- Quality and lifespan
- Reasonable usage

The interpretation of reasonable use is not fixed. Before making a claim on the deposit at the end of the tenancy, one should consider the above factors and decide whether what you are claiming for is fair wear and tear, or if it is deliberate damage.

Another important consideration one should take into account is the principle of betterment. The general rule of thumb is that a landlord should not be put in a better position at the end of the tenancy than they were at the start at the expense of the tenant's deposit. The adjudicator will always seek to avoid this.

Case Study: A Burning Issue

This case study relates to a two-bedroom flat in Edinburgh rented out by two postgraduate students. The tenancy lasted two years, and at the end of the tenancy the landlord noticed a cigarette burn to one of the mattresses. They submitted a claim for £120 for a new mattress.

The landlord was able to provide a receipt for a replacement mattress priced at £120. The landlord also provided an inventory from the start of the tenancy noting that the mattress was used but in very good condition. There is no indication of the age of the mattress. However, the tenant provided an email thread where the landlord states it was not brand new for the tenants moving in.

The adjudicator looked at all the evidence carefully and was able to come to the following conclusion.

They found that the damage caused to the mattress was attributable to the tenant and was also beyond the realm of fair wear and tear. They also considered the fact that the mattress was not brand new at the beginning of the tenancy and given the fact that the tenancy was two years, fair wear and tear could be expected.

Addressing the principle of betterment, the adjudicator was unable to award the full amount claimed as doing so would put the landlord in a better position at the end of the tenancy than they were at the start. Recognising that the damage was beyond fair wear and tear however, they were able to award a contributory amount towards a new mattress.

An award of £60 was made to the landlord.



Case Study: Win, Lose or Draw

This second case study concerns a three-bedroom house on the outskirts of Glasgow, where a young family lived for almost eight years. At the end of the tenancy the landlord noticed that on one of the walls in a bedroom there were drawings in pen and crayon.

Unable to get the same colour of paint as the other three walls in the room, the landlord sought to claim £150 from the deposit, providing a quote from a contractor which amounted to £200. The landlord removed £50 on the basis that the walls were not freshly painted when the tenants moved in.

The landlord provided comprehensive check in and check out reports, but the tenant was only willing to agree to £30 of the landlord's claim, leaving £120 in dispute. Having studied the evidence the adjudicator made their decision as follows.

The check in report does not note the walls in the bedroom to be freshly painted, but does state that they were in very good condition. The adjudicator considered the type of occupants – two young children and two adults – and, although the presence of two young children would indicate a high allowance for fair wear and tear, drawings on the wall would amount to damage.

The adjudicator noted the length of the tenancy and combined this with the fact that the walls were not freshly painted for the tenant moving in. Given that redecoration should occur on average every two to five years (depending on the room and the type of tenancy), the adjudicator concluded that the current decor would be at the end of its lifespan and to deduct from the deposit for full redecoration would constitute betterment.

The adjudicator was unable to award any amount beyond the sum already agreed by the tenant.



Disputes and Negotiations - 2020 Q3

In the event of a dispute surrounding repayment of a tenancy deposit arising, our team will in the first instance engage with all parties to establish if the disagreement can be resolved before progressing to formal alternative dispute resolution. The below statistics show how many disputes were resolved without the need for ADR between October and December in 2020.

NEW CASES

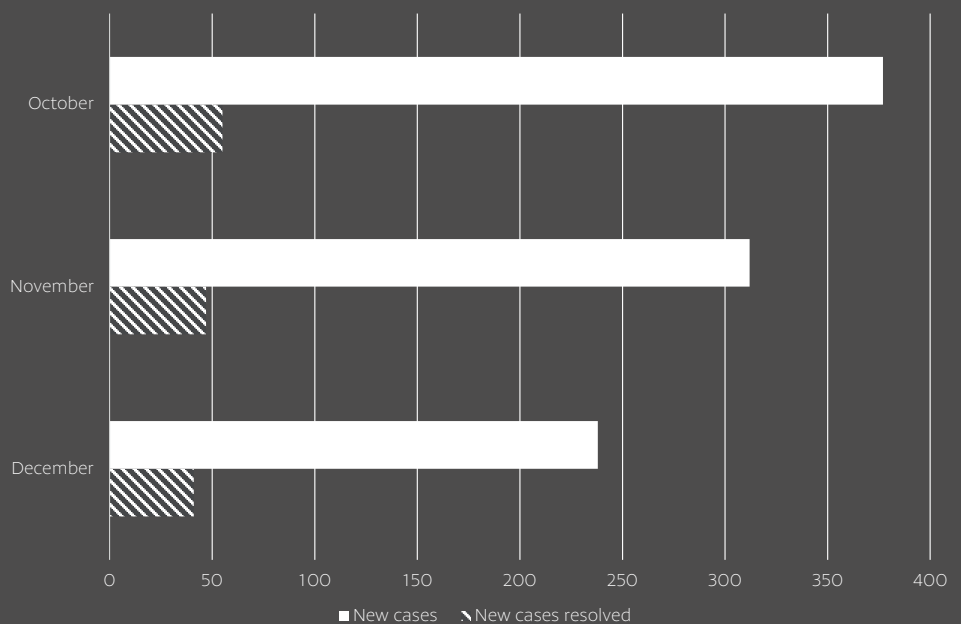
927

NEW CASES RESOLVED

143

PERCENTAGE OF NEW CASES RESOLVED

15%



As Others See Us

The Results from our 2020 Customer Satisfaction Surveys

In November and December 2020 we invited letting agents, landlords and tenants who use SafeDeposits Scotland to complete a short satisfaction survey. Over 770 people responded to the survey and we thank each and every one for taking the time to do so.

Surveys like this show us what we are doing right, so that we can continue to do so, and where we can improve. On these pages we share the results of the surveys.

Letting Agents and Landlords

Letting agents and landlords were presented with the same single question, along with the optional opportunity to provide a reason for their answer: [Are you satisfied with the service you have received from SafeDeposits Scotland in 2020?](#)

Letting Agents

We were delighted to receive this response from our letting agent customers, which echoes the fantastic feedback we have also been receiving from agents voting for SafeDeposits Scotland in the ESTAS customer service awards.

Comments provided in response to the survey included:

"Staff are always very pleasant and professional. Any time we get in touch with queries they are answered quickly and knowledgeably."

and:

"Faultless, friendly, free to use and fantastic in every way."

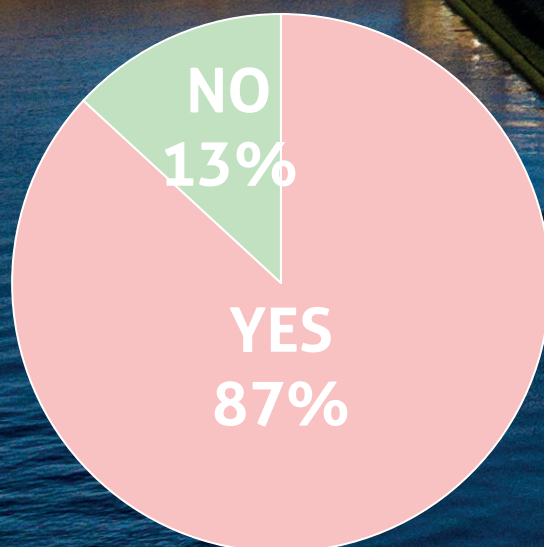
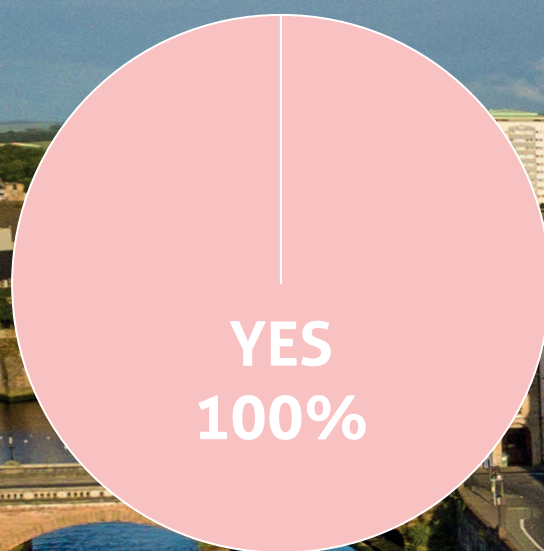
Landlords

Landlords provided an overwhelmingly positive response to the survey, but we recognise that some were not satisfied with their experience.

Of the negative comments received a handful related to one-off errors such as an individual breakdown in communication and we take all such matters seriously. If an issue is identified then we will address that through appropriate means such as training or technical alterations.

Negative comments however largely related to dispute cases and particularly dissatisfaction with specific outcomes relating to these. Disputes by their nature will more often than not result in disappointment for one party. This is why we work hard to try and educate all parties in how to avoid such scenarios arising. We can also confidently state that there is no bias shown towards either tenants or landlords, contrary to some comments.

Among the many positive comments we received was:
"I find them easy to work with. If I ever have to phone up, then they're a pleasure to talk to."



"Always friendly and helpful when contacted"

- letting agent

"I was greatly impressed with the overall service"

- tenant

"Seamless"

- landlord

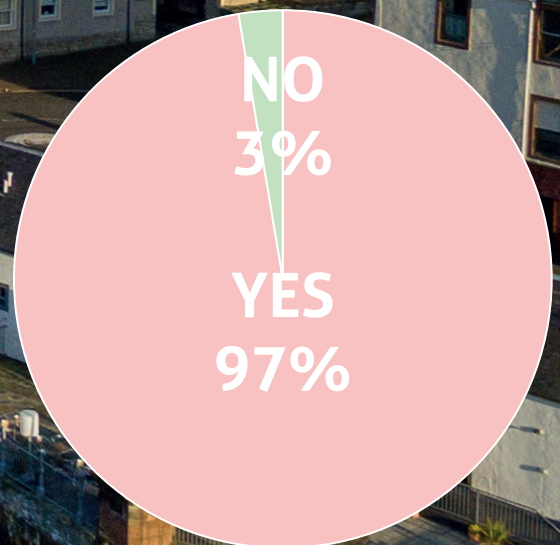
Tenants

Tenants take a slightly different journey from landlords and letting agents in that they do not select which scheme their deposit is protected with, and any correspondence they have with the scheme is likely to be limited to the beginning and end of the tenancy.

We therefore asked tenants a few additional questions about their experience, namely on communication, customer service, repayment and alternative dispute resolution (ADR). Tenants returned high scores in all of these areas and 97.36% of tenants responded that they were satisfied with the overall service they received from SafeDeposits Scotland in 2020.

Feedback comments from tenants who completed the survey included:

"The contact I have had was informative, and delivered in a friendly and efficient manner. Thanks."



Spotlight On...

ANGUS

Angus, once known as the county of Forfarshire, is often called "the birthplace of Scotland" due to the Declaration of Arbroath being signed there in 1320. Without this area on Scotland's east coast there might have been no Peter Pan and no "Highway to Hell" – author J.M. Barrie and AC/DC rocker Bon Scott both hail from Angus.

Kirriemuir in particular has been a centre of this popular culture hotspot, with Barrie having been born there and Scott moving there in childhood from Forfar. Maybe there was something in the gingerbread! Which brings us on to another thing that Angus is famous for – food.

The Arbroath Smokie and Forfar Bridie of course both carry the names of Angus towns, while the globally renowned breed of beef cattle Aberdeen Angus originates in the area and neighbouring Aberdeenshire. But what is the biggest beef between landlords and tenants when it comes to disputes surrounding tenancy deposits in the region?

Disputes in Angus accounted for just 1% of all deposits that went through our alternative dispute resolution (ADR) process during 2019–20 and likewise the number of disputes represented only 1% of the deposits held by SafeDeposits Scotland for tenancies in the local authority area. Dispute claims categorised as "other" – which can cover anything from replacing keys to unpaid utility bills – were the most common, appearing in 60% of Angus' claims; this is higher than the national average of 41% for that type of claim. Cleaning was next at 52% of claims, although conversely lower than the national average of 63%. Percentages of claims relating to redecoration and gardening were higher than the national average, whereas damage claims were just slightly lower and the percentage of claims involving rent arrears was the same as the Scotland-wide picture.

Away from disputes and looking at deposits held by the scheme overall for the region, the average deposit of £535 for Angus is somewhat lower than the current national figure of £735.



Meet Our Partners

SafeDeposits Scotland is an innovative partnership in the private sector. We're governed by people who understand and have a wealth of experience in the Scottish private rented sector. Our partners are:



The over-arching aim of ARLA Propertymark is to promote the highest standards of professionalism and integrity among those working within the property industry and to encourage members of the public to proactively seek out their members when involved in any kind of property transaction. ARLA Propertymark also runs some 250 short courses each year covering a wide range of property and industry related subjects, as well as holding a number of specialist conferences and forums throughout the year.



The Royal Institution of Chartered Surveyors (RICS) provides the world's leading professional qualification in land, property, construction and the associated environmental issues. An independent organisation, RICS acts in the public interest: setting and regulating the highest standards of competence and integrity among their members; and providing impartial, authoritative advice on key issues for business, society and governments worldwide.



The Scottish Association of Landlords (SAL) represents the interests of all landlords and letting agents throughout Scotland. Working with various Holyrood and Westminster government departments, plus Scotland's local authorities, SAL campaigns for recognition of their interests as a profession and provides information, training and advice to their members nationally, and through their local branch network.



SAL provides a comprehensive package of membership services, advice support and policy work for Scotland's registered letting agents via its Council of Letting Agents (CLA) membership plan. The CLA represents Scotland's leading letting agents and leads the lettings industry in Scotland.



The Dispute Service (TDS) is an independent, not-for-profit company established in 2003 to resolve tenancy deposit disputes in the private rented sector in England and Wales. The company has achieved the UK Government Standard for Customer Service Excellence.



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