Housing Rights

https://www.housingrights.org.uk/landlords/deposits/taking-deposits

Generated: 23rd November 2026 7:02am

Taking deposits

This information is for private landlords of properties in Northern Ireland.

If you are a tenant, you can find advice here.

If you are a landlord or letting agent in Northern Ireland seeking advice, you can:

- send a message to Landlord Advice, or
- call 028 90 245 640 (Option 1)

You don’t have to ask for a tenancy deposit, but it can give extra security. If you take a deposit, you must protect it in a deposit protection scheme.

You don’t need to protect a deposit if the tenant paid it before April 2013.

Deposit amount

From 1 April 2023, you cannot ask for more than one month's rent as a deposit. If you ask for more than one month's rent, this is an offence, and you could get a fine of up to £500.

Asking for a deposit in a form other than money, such as goods or property, is an offence. If you ask your tenant for a non-monetary deposit, you could get a fine of up to £500 or be prosecuted.

What the deposit covers

The deposit is the tenant’s money. You can only keep it if you can show you have suffered a financial loss because of the tenants’ actions.

Landlords generally take a deposit to cover issues such as:

- unpaid rent or arrears
- damage to the property
- missing or broken furnishings

Your tenancy agreement should have a clear term on what the deposit covers. If it doesn't include this information, you may find that the deposit is returned to the tenant.

Make sure you have a detailed inventory to prevent deposit disputes later on.

Deposits paid in instalments

Some tenants may find it difficult to pay a month's deposit up front. You could let the tenant pay the deposit in instalments instead. You still need to protect instalments within 28 days of receiving them if you do this.

If you decide to accept a deposit in instalments, make sure to:

- get the agreement in writing
- give tenants a receipt for each payment
- protect the initial deposit and top up with further instalments

Holding deposits

Some landlords or estate agents ask for a holding deposit before a tenancy begins. In return, they agree to stop marketing the property.

A holding deposit is not a tenancy deposit and doesn't need to be protected. If you ask for a holding deposit, you should provide:

- a receipt for the amount paid
- a written description of the fee and what it can be used for
- written terms outlining if and how the deposit can be returned

A holding deposit becomes a tenancy deposit once you agree with the tenant to set up a tenancy. At this stage, you must protect the deposit.

If you decide not to go ahead with the tenancy, you should return the holding deposit.

More advice

- Setting up a tenancy
- Tenancy paperwork
- Protecting a deposit