Housing Rights

https://www.housingrights.org.uk/landlords/ending-tenancy/returning-tenancy-deposits

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Returning tenancy 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)

The deposit belongs to your tenant, and it must be returned at the end of the tenancy. From 1 April 2013, deposits must be protected in a deposit protection scheme.

You may be able to keep some of the deposit. To do so, you will need to prove the tenants owe you money. This may be for:

- rent arrears
- damage to the property
- cleaning the property

You'll need to explain what charges you've made on the deposit and show that you have a right to make these charges.

Returning a custodial deposit at the end of the tenancy

When the tenancy ends, you can apply to the deposit protection scheme to return the deposit. You must specify the amount if you plan to keep some of the

deposit.

The scheme will write to the tenant to explain how you think the deposit should be returned. Your tenant must respond to confirm whether they agree with your decision.

Your tenant can also apply to the scheme to have the deposit refunded. The full deposit will be returned to the tenant if you do not respond.

If there is no dispute

The scheme should return the agreed amount(s) within five working days.

If your tenant disputes the deductions

The scheme will hold on to the disputed amount until the dispute is resolved. Each scheme has a dispute-resolution mechanism to address disagreements over deposits.

If your tenant does not respond within 30 days

The scheme will pay you the money you requested. The deposit protection scheme will continue to hold any amount owed to the tenant.

Returning an insured deposit at the end of the tenancy

Your tenant should ask you to return the deposit at the end of the tenancy. You must return this within five working days of receiving the tenant’s request.

Keep a record of the transaction and get the tenant to confirm in writing that they received the money.

Your tenant can raise a dispute with the deposit protection scheme if:

- you do not respond within five days or
- you do not return the full deposit, and your tenant disagrees with this

The scheme will ask you to pay the disputed amount into a designated account. You must do this within five days. The scheme will also ask you to explain why you think this money should be paid to you.

Proposing deductions from deposits

You can only keep the deposit if you can prove that your tenant owes you money. For example:

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

Your tenancy agreement should explain when you're able to propose deposit deductions.

Talk to your tenant about your reasons for proposing deductions. If you cannot agree, contact the deposit protection scheme.

Deposit schemes offer a dispute-resolution service to help resolve disputes. If the deposit is not protected, you can go to court to recover the disputed amount.

Deciding how much to deduct

Your deductions must be reasonable and reflect the financial loss you'll have to deal with.

The deductions you propose should:

- be the most affordable solution, such as cleaning or repair, rather than a replacement
- reflect the loss you've sustained rather than the full value of a new item
- be fair and not leave you in a better position financially

For example, you may have a washing machine you bought eight years ago. The tenant may have broken this.

In this example, you cannot claim for the cost of a new machine. You may only claim for the value of an eight year old washing machine.

You'll also need to allow for reasonable wear and tear and will need to consider the:

- length of the tenancy
- number of occupants
- quality and condition of furnishings
- age and lifespan of items

For example, at the end of a 6-year tenancy, the carpet is lifting on some steps and is threadbare in places. It is a 10-year-old budget carpet, and you were told it might last eight years.

In this case, you cannot charge the tenants for a replacement carpet or repair. This is because it is normal wear and tear.

TDS NI have a help section with information on deposit disputes.

Disputes with tenants over deductions

If you and your tenant cannot agree on who should receive the deposit, either of you can ask the scheme to decide. Each scheme has a free dispute resolution mechanism.

A scheme adjudicator will review the evidence and decide how to refund the deposit. The starting point is that the deposit is the tenant's money. If you want to keep some of it, you need to show why.

If you cannot prove that you're owed money, the scheme will return the deposit to your tenant.

Evidence to support deductions from deposits

You'll need to provide evidence to show that:

- your tenant has breached the tenancy terms, and
- you are financially worse off as a result

Depending on the type of deductions you're making, your evidence should include:

- a copy of your tenancy agreement

- copies of bank, rent statements or utility bills
- correspondence between you and your tenant about the issue
- inventories from the start and end of the tenancy
- photos showing damage to the disputed item
- receipts to evidence the age or quality of an item
- written quotes from a qualified tradesperson(s) to fix the issue

Please make sure you submit all your evidence, as you won't be able to send further evidence later.

Going to court over a tenancy deposit

Your tenants may want to go to court if they think you've unfairly kept their deposit and:

- they paid the deposit before April 2013, or
- you didn't protect the deposit, or
- you didn't renew the deposit protection

If the deposit does not cover all arrears or the full cost of repairing damage, you can go to court.

Small claims court can deal with a disputed deposit if the amount is up to £5,000. The court will expect you to provide evidence to show you have a right to keep the tenant's money.

More advice

- Disputes over tenancy deposits
- Deposits in joint tenancies
- Protecting a deposit