

my
deposits

DEPOSIT PROTECTION

Annual Report

April 2017 - March 2018



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Message from the CEO



Eddie Hooker

Chief Executive Officer

In 2007 Eddie became CEO of Tenancy Deposit Solutions Limited trading as mydeposits. This joint venture between HFIS plc and the National Landlords Association has successfully procured government approval to operate tenancy deposit protection schemes in England and Wales, Scotland, Northern Ireland and Jersey.

The past 12 months or so have seen many legislative changes to the lettings world that have, or will, impact landlords and letting agents with the over-arching aim to put more power into the hands of the consumer, especially the tenant.

Many of these changes are welcomed by the industry as they will provide more transparency and professionalism to the sector. Housing, in particular renting, has become a priority for all political parties and for the country as a whole. Younger voters, who are the largest demographic that are faced with long term renting requirements, are leading the change focusing on longer term security of tenure, affordability and transparency of the process. Whilst the country tries to catch up with house building demand, the rental sector needs to continue to grow and flourish.

The taking of security deposits from a tenant to help ensure that the terms of the tenancy agreement are adhered to

is an integral part of the lettings process. It is therefore right and proper that these substantial amounts of money are safeguarded securely by tenancy deposit protection schemes, whether the deposit is held by the scheme or its members. Deposits should always be returned to the tenant at the end of the tenancy if they have followed the terms of tenancy agreement as the money is always the property of the tenant. mydeposits will always take our role in the lettings process seriously, ensuring that deposits are securely held and disputes between the parties are dealt with fairly and as quickly as possible. The business employs more than 120 individuals spread across multiple disciplines who are dedicated to making the job of deposit protection and dispute management as painless as we possibly can.

This annual report highlights the work our people do on a daily basis and will hopefully give you a small insight into the world of tenancy deposits. ●

mydeposits Overview



Kate Mutter-Bowen

Head of Tenancy Deposit Protection

In her role as Head of mydeposits, Kate is responsible for overseeing the Business Development and Customer Service teams across all regions. Kate also heads up the newly established Innovation Hub, tasked with investigating and implementing new and bespoke customer initiatives.

After spending more years than I care to remember working in the world of Insurance and Customer Service I was delighted to take on a new challenge and join mydeposits in November 2017 as Associate Director.

In my first few months, I have been impressed with the team and set up here and I'm focused on building on the great foundations already laid. Excellent customer service is at the forefront in running a successful business and this is certainly crucial for a tenancy deposit scheme - it's the keystone of what we do and our staff are highly trained, experienced and take great pride in the service they deliver. Quality and consistency are paramount for our landlord, agent and tenant customers, and it's all credit to the mydeposits team that we receive so many positive comments from our customers recognising the service level, support and advice they receive. We don't intend to rest on our laurels though, we constantly strive to improve and ensure that mydeposits' customers receive a best in class service and more.

Knowledge and education is at the core of what we do; Suzy Hershman, Head of Dispute Resolution, travels the length and breadth of the UK running and delivering our education workshops. Our Business Development Team who are out in the field across the territories - England, Wales, Scotland, Northern Ireland and Jersey - specialise in the specific nuances of the regional legislation and with their expertise are able to grow our customer portfolio.

We are continually investing in our technology with more improvements and enhancements in the year to come, ensuring our customer journey is smooth and efficient.

It's an exciting time to be involved with mydeposits and I'm looking forward to another successful year ahead.

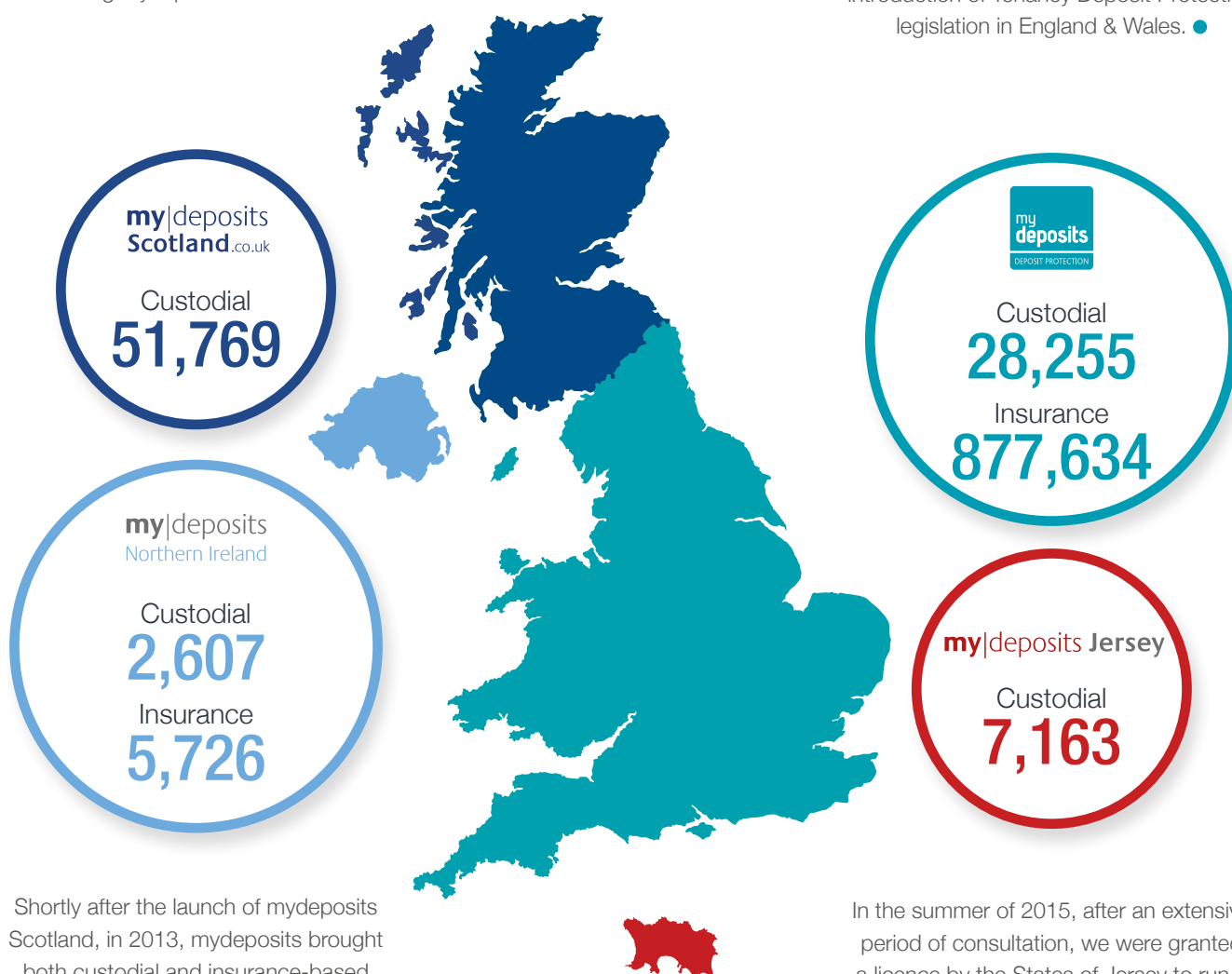
I am always interested in your views and comments so please feel free to contact me. ●

Number of Deposits Protected

Up to 31 March 2018

In 2012, mydeposits were granted a licence to bring deposit protection to Scottish landlords, agents and tenants, forming mydeposits Scotland. ●

Launched on 6 April 2007, mydeposits became the first insurance-based deposit protection scheme for landlords after the introduction of Tenancy Deposit Protection legislation in England & Wales. ●



Shortly after the launch of mydeposits Scotland, in 2013, mydeposits brought both custodial and insurance-based deposit protection to Northern Ireland. ●

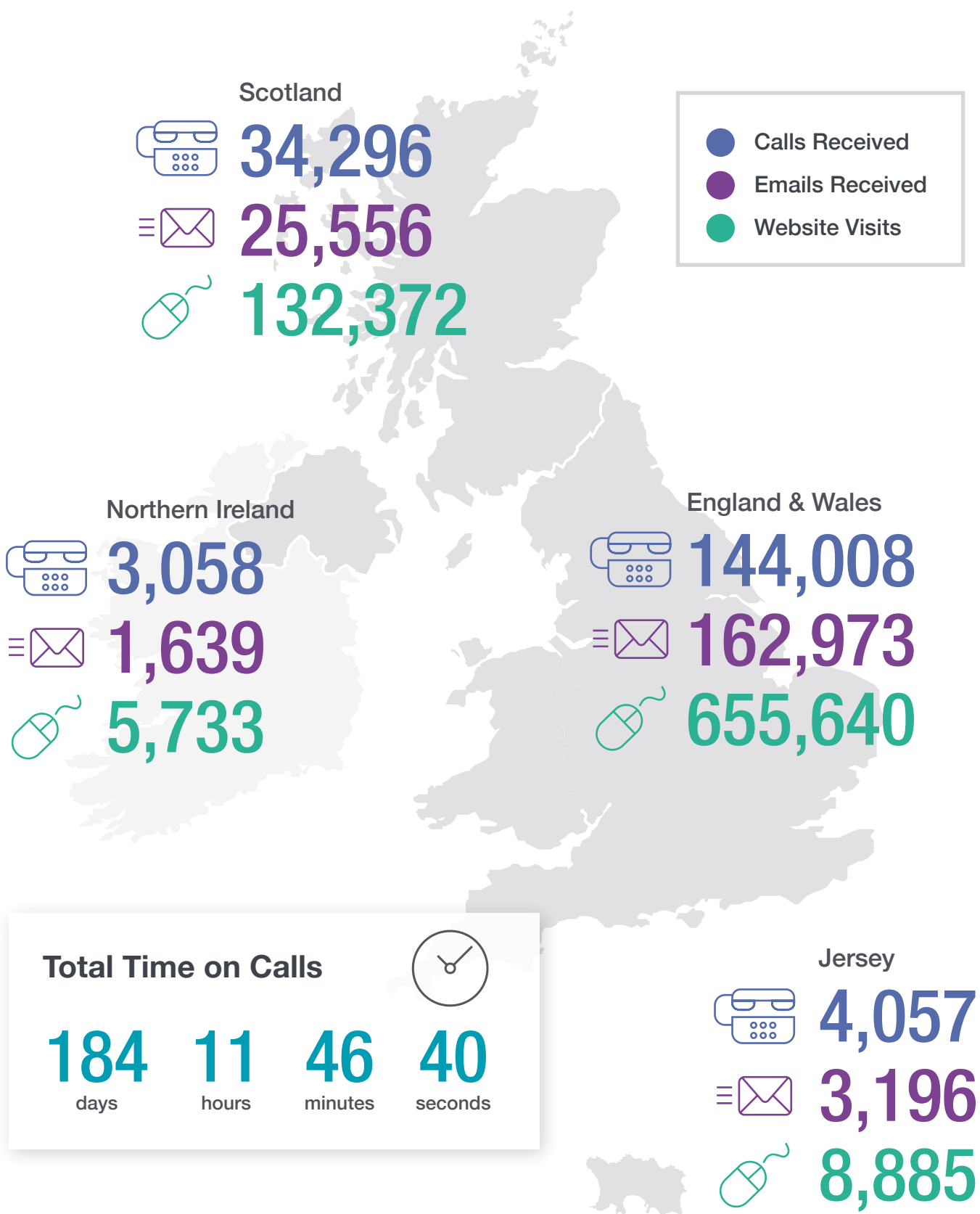
In the summer of 2015, after an extensive period of consultation, we were granted a licence by the States of Jersey to run a Tenancy Deposit Scheme. ●

Total Value of Deposits Protected

Up to 31 March 2018

£63.2m Custodial **£990.5m** Insurance

Regional Overview



Business Development Team

Arezu Khoshnevisan

Business Development Team Manager



Arezu has worked for mydeposits for a number of years within our Business Development division. Having supported countless letting agents across the country, ranging from small independent offices, to nationwide chains, Arezu is well-equipped to offer members extensive advice where required.

Marc Christodoulou

Business Development Executive



Marc joined the mydeposits team in October 2008 as Business Development Executive with a wealth of experience gained through working as an estate agent in sales and lettings. Since joining, he has been influential in forging relationships with high profile letting agents and promoting the benefits of mydeposits to agents across the country.

Simon Lacey

Business Development Executive



Simon joined mydeposits in February 2009 after establishing his career within the property sector, working in both sales and lettings for corporate and independent agents. As part of the business development team, Simon works to advise agent clients on the process of protecting tenancy deposits with mydeposits and offering support with joining or transferring over to the scheme.

Christian Louka

Business Development Consultant



Having worked within a number of departments across the company since 2008, including Disputes and Customer Service, Christian has obtained a wealth of knowledge in regards to tenancy deposit protection and has recently joined Arezu with a focus on Jersey.

Makhel Leigertwood-Gibson

Business Development Co-ordinator



Makhel has extensive knowledge in the property industry, he is the newest member of the team and specialises in new members and import deposit protections in bulk.



2,500

Face-to-face Agents visits
that the Business Development team have accomplished between them.

Disputes (all regions)

Number of Disputes

Fiscal Year 17-18

1771 | **8846**

Custodial | Insurance

Average Disputed Amount

Fiscal Year 17-18

£581.09 | **£757.99**

Custodial | Insurance

Disputes Sent to ADR

Fiscal Year 17-18

1216 | **5835**

Custodial | Insurance

Reasons for Disputes (As at 31 March 2018)

England,
Wales
& Scotland



Cleaning
27%



Damages
19%



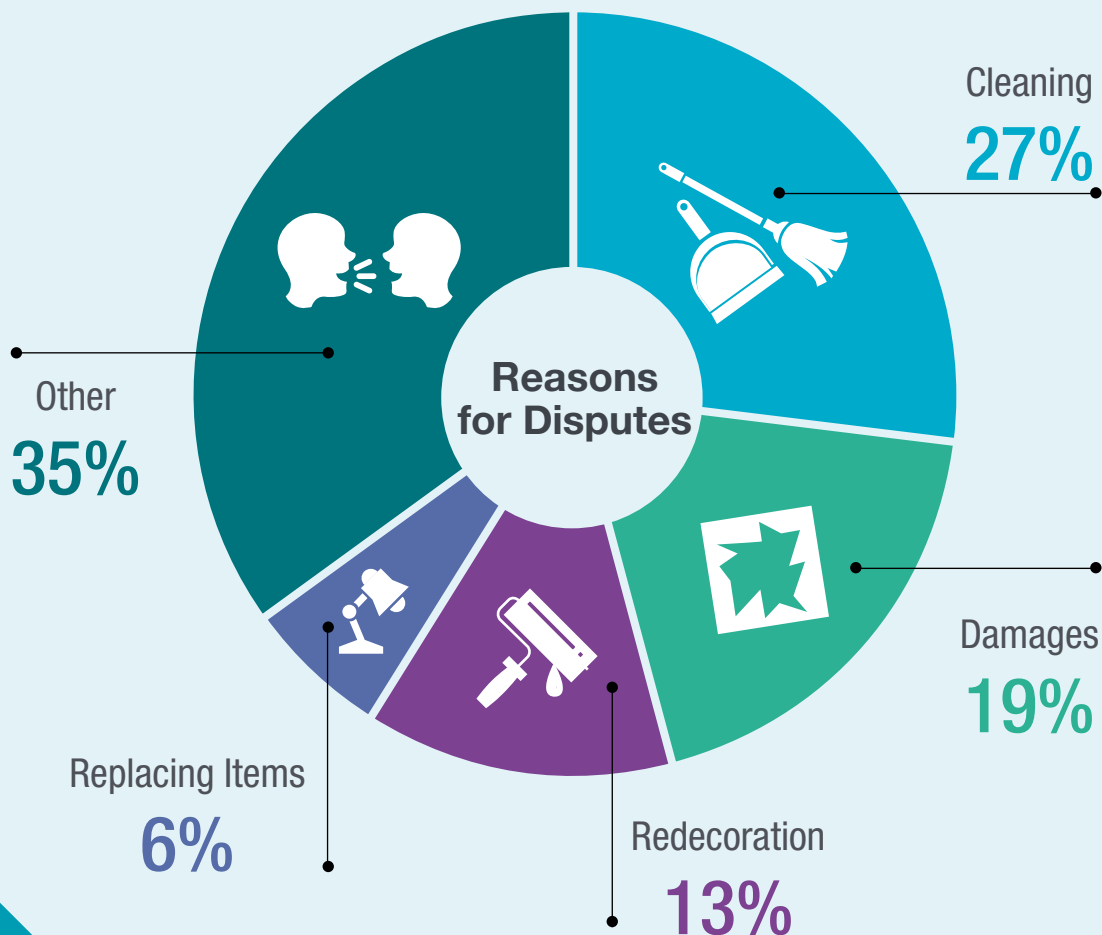
Redecoration
13%



Replacing Items
6%



Other
35%



Industry Education



Suzy Hershman

Head of Dispute Resolution

Suzy has over nine years' experience with mydeposits, has a legal background and is a fully qualified adjudicator, trained by the Chartered Institute of Arbitration. She currently oversees training and education internally and externally in relation to Alternative Dispute Resolution and Complaints for mydeposits and the Property Redress Scheme.

Education and knowledge are key to running a successful business and this is recognised by the increasing number of interactive training sessions being requested by our members. In the past year I have delivered over 40 separate evidence and dispute workshops and been asked to talk at several events on issues surrounding the end of tenancy.

Our most popular training session explains how to resolve deposit related problems before they turn into a formal deposit dispute which then requires our adjudication. Being efficient in gathering evidence right from the start can save both time and money and good negotiation skills are invaluable.

This half day session involves the delegates becoming adjudicators and making a decision on the case study provided. It focuses on the quality and detail of the evidence available, and how to calculate awards based on what has been submitted. The session focuses on negotiation as much as adjudication. What is also interesting, from my perspective, is the sharing of practices and information that goes on around the room which people do not expect to take away.

Topics discussed at length throughout the session vary vastly according to the personal experiences in the room but central are always inventories, cleaning and fair wear and tear. My aim for these sessions is for my attendees to leave with a solid understanding of useful best practice.

93% of attendees

who stated that, following the guidance given in the session, they would change the way they handle dealings with tenants in the future

98% of attendees

said the sessions were either 'Excellent' or 'Good'

As these sessions continue to grow, so does the content on offer, with bespoke workshops, tailored to individual needs being sought. The next year will see an increase in both resources and general events taking place in all regions as well as what we do already. ●

Future of Tenancy Deposit Protection



Security deposits are a large part of the rental process and tenants want to know that their hard earned cash is properly protected at all times and that they can get it back at the end of the tenancy if they adhere to the terms of the tenancy agreement. mydeposits operates two schemes; an insurance based scheme – where the landlord or tenant hold any deposit - and a custodial based one. Both versions offer free to use dispute resolution.

I'm pleased to say that mydeposits has continued to grow and improve the services offered to everyone who uses the scheme. We have more to learn and there is never room for complacency but we always try to put the customer – be that the member of the scheme or the tenant – at the heart of everything we do. We have never claimed to be the largest deposit protection scheme but we strive to be the best.

I've noticed a move towards alternatives to traditional deposit taking during the last 18 months or so. mydeposits is not opposed to these alternatives in principle but we are concerned that the full information surrounding these products is not always provided to the parties involved in a tenancy agreement in a way that is both clear and in a form that explains the ongoing liabilities, especially to the tenant. The positive effect of these new types of schemes is that traditional Tenancy Deposit Protection schemes are now sitting up and looking at ways of improving the services they provide.

Releases from the custodial schemes are now quicker than ever by virtue of 'faster bank payments' and there is real innovation starting to appear in the end of tenancy dispute process, especially with landlords, agents and tenants being able to manage the whole of their dispute online. mydeposits will never refuse to deal with a dispute on the grounds of monetary value and the final decision will always be made on fairness rather than on the cost of handling.


More needs to be done in making the process quicker and increasingly streamlined and I am pleased to see that the governments in all regions of the country are speaking to the schemes to see how improvements might be introduced.

Finally, April 2019 sees the introduction of mandatory client money protection for all letting agents in England. This requirement is already law in Scotland and Wales. From this date mydeposits will no longer accept deposits for protection by letting agents under our insurance scheme unless the agent has joined one of the new client money protection schemes. Further details of these schemes will be announced over the coming months.

I want to thank all of our customers who use our scheme and the fantastic team at mydeposits who work tirelessly to provide the best service we possibly can. ●



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mydeposits is a group of government authorised tenancy deposit protection schemes with over 200,000 landlord members and more than 2,500 letting agent members.

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