

# PRESS RELEASE



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## Important Tenancy Deposit Scheme in Force 6 April 2007

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A reminder that a very important piece of legislation for landlords and tenants comes into force on 6 April 2007. The Tenant Deposit Scheme is part of the Housing Act 2004 and sets out that private landlords are no longer allowed to hold deposits from their tenants, unless they are individually registered under a Government approved scheme.

Consequently from 6 April, if a landlord is not registered under an approved scheme then they must instruct an agent to hold deposits for them. Bays Curry McCowen (BCM), a rural asset management company with clients across the South of England, particularly in Hampshire & Dorset, are registered with The Dispute Service to offer this service.

The purpose behind the legislation is to prevent landlords from withholding deposits from tenants at the end of their tenure, which has been found to be happening with some multi-house owners who rent, in general, to students or lower paid tenants. The benefit to landlords is said to be that this will encourage tenants to pay their final rent knowing their deposits are safe, but this is unproven at present.

Alastair Wilson, a partner with Bays Curry McCowen (BCM) says, "We ensure that all Deposits are held in accordance with The Housing Act 2004 and in line with the Members Accounting Regulations of the RICS. This means that tenants will pay their deposits to BCM at the beginning of the tenancy, where it is held in our client accounts until the end of the tenancy, the checkout is complete and both landlord and tenant have agreed a proposal for the apportionment of the deposit, if any. The deposit will then be distributed accordingly. If there is any disagreement, and negotiation fails, then the money and the details of the dispute will be sent to The Dispute Service for adjudication. Once a decision has been reached by an Independent Case Examiner, BCM then distribute the monies accordingly.

In the light of this BCM advise that it is vital that landlords reassess their tenancy agreements and we also require them to have a schedule of condition and inventory, preferably with supporting photos contents on every property they let".

Partners: Iain Curry Andrew Bays Henry McCowen Ros Foreman Alastair Wilson James Fraser

The legislation is not retrospective so will only start with any new assured shorthold tenancies commencing on or after 6 April.

For more information and advice contact Alastair Wilson at BCM on 01962 763900 or e mail him at [awilson@bcm.co.uk](mailto:awilson@bcm.co.uk)

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