

How SafeDeposits deals with tenancies with more than one landlord or tenant

Introduction

SafeDeposits recognises that many tenancies involve more than one landlord or tenant. It is in the interests of tenants, landlords and agents that the process of registering and protecting deposits, applying for their repayment and managing any dispute about a deposit is as simple and efficient as possible. SafeDeposits aims to achieve this by applying the following guidance.

Tenancies involving more than one landlord

Registration of joint landlords to use SafeDeposits

SafeDeposits will treat all landlords of a tenancy as being jointly and severally liable for the landlord's obligations and will treat the authority of any one or more joint landlords as binding on the others.

This means that there is no need for a lead landlord. SafeDeposits will regard the landlord who completes registration as a scheme user as having authority to act on behalf of any other joint landlords. It is only therefore necessary for one landlord to register in order to protect a deposit subsequently, but this does not prevent all landlords registering as users should they wish to do so.

Submission of deposits to SafeDeposits by joint landlords

When a landlord who is registered as a user with SafeDeposits wishes to submit a deposit, he will be required to provide his local authority registration details. The landlord will then be asked to provide the details of any joint landlord(s) for the tenancy, including their local authority registration details.

Deposit repayment process involving joint landlords

Where there is more than one landlord, the landlords should decide between them who is to apply for repayment of the deposit on behalf of them all.

ADR process involving joint landlords

Where there is more than one landlord, the landlords should decide between them who is to manage the process on behalf of them all.

Tenancies involving more than one tenant

Nomination of a Lead Tenant by a landlord

Where a tenancy involves more than one tenant, the landlord will be asked to nominate one of the tenants as the lead tenant, who is authorised by all the joint tenants to act on behalf of them all when dealing with the protection of the deposit, the claim for its repayment at the end of the tenancy, and any dispute about it.

When submitting the deposit for protection with SafeDeposits, the landlord will be asked to confirm that:

- All tenants have agreed to the appointment of the lead tenant;
- The lead tenant is aware of how SafeDeposits will deal with joint tenants;
- The landlord will indemnify SafeDeposits against any claims from the joint tenants.

When the deposit has been registered, confirmation of deposit protection will be sent to all joint tenants. The Deposit Protection Certificate will show the names of all joint tenants and will highlight who the lead tenant is. All joint tenants will receive a Deposit Repayment Number, and may contact SafeDeposits regarding their Deposit at any time during the period the Deposit is held by SafeDeposits.

Any deposit for a tenancy involving joint tenants can only be registered with SafeDeposits once. It is not possible to register the deposit in 'shares' individually for each joint tenant.

Responding to a Deposit Repayment Proposal from a Landlord

When SafeDeposits receives a Deposit Repayment Proposal from a landlord, a copy of the proposal will be sent to all joint tenants.

SafeDeposits will explain to all joint tenants that a response to the landlord's proposal must be received within 30 working days. If no response is received, payment will be made in accordance with the landlord's proposal.

The lead tenant will be asked to respond to the proposal on behalf of all the joint tenants within 30 working days.

If SafeDeposits has not received a Response to a landlord's proposal within 15 working days, we will contact the other joint tenants and give them the opportunity to appoint a replacement lead tenant to continue the process and provide a response to the landlord's proposal within the 30 working days.

Proposal for Deposit Repayment from tenant(s)

All joint tenants will receive a Deposit Repayment Number from SafeDeposits. This will allow any tenant to apply for repayment of the deposit at the end of the tenancy should it prove necessary for them to do so.

SafeDeposits will normally expect to receive a Proposal for Deposit Repayment from the lead tenant. Any proposal received from the lead tenant will be sent to the other joint tenants.

If any of the other joint tenants wishes to submit a Proposal for Deposit Repayment, they must first contact SafeDeposits and apply to become replacement lead tenant.

Where a Proposal for Deposit Repayment has been submitted by a lead tenant or replacement lead tenant, SafeDeposits will not be able to accept the proposal if a Proposal for Deposit Repayment has already been received from the landlord.

If SafeDeposits has not received a proposal from the landlord, and the landlord disagrees with the lead tenant's proposal, the landlord may submit his own proposal, which will replace the lead tenant's proposal.

Repayment of the deposit to joint landlords and joint tenants

SafeDeposits will pay any deposit due to joint landlords equally to all landlords named on the Deposit Protection Certificate. The only exception to this will be if a different allocation of the deposit repayment is authorised in writing and signed by all the landlords or where otherwise required by operation of law.

SafeDeposits will normally pay any deposit due to joint tenants equally to all tenants named on the Deposit Protection Certificate. The only exception to this will be if a different allocation of the deposit repayment is authorised in writing and signed by all the landlords or where otherwise required by operation of law.

Change in lead tenant by landlord

If the landlord wishes to nominate one of the other joint tenants to replace the lead tenant during the tenancy, he can do so online via the SafeDeposits website, or by contacting SafeDeposits. The landlord will only be able to nominate one of the other joint tenants registered with SafeDeposits in relation to the tenancy:

- The landlord will be asked to confirm that;
- All tenants have agreed to the appointment of the replacement lead tenant;
- The replacement lead tenant is aware of how SafeDeposits will deal with joint tenants;
- The landlord will indemnify SafeDeposits against any claims from the joint tenants.

Once the landlord has completed the process, SafeDeposits will contact all the parties confirming the change in lead tenant and issuing a new Deposit Protection Certificate showing the replacement lead tenants and other joint tenants.

Change in lead tenant by tenant(s)

Any changes to the lead tenant during the tenancy should be processed by the landlord. The tenants should discuss with the landlord any changes they wish to make in relation to the lead tenant.

At the end of the tenancy, any of the joint tenants can apply to SafeDeposits to become a replacement lead tenant if:

- They disagree with a Proposal for Deposit Repayment submitted by the lead tenant and wish to submit their own proposal, or
- They are told by SafeDeposits that no response to a landlord's Proposal for Deposit Repayment has been received and they wish to become lead tenant in order to respond on behalf of the tenants.

Any tenant applying to become a replacement lead tenant must:

- Confirm in writing that all tenants have agreed to their appointment as lead tenant
- Confirm in writing that he has made the other joint tenants aware of how joint tenants will be dealt with
- Indemnify SafeDeposits against any claims from other joint tenants.

The appointment of a replacement lead tenant will take effect from the date SafeDeposits receives their application as long as it has been properly completed.

In the case of a replacement lead tenant under (1 above), the application must be received by SafeDeposits within 5 working days of the lead tenant's proposal being sent to all the joint tenants.

In the case of a replacement lead tenant under (2 above), if a response to the landlord's Proposal for Deposit repayment is received from the original lead tenant before the appointment of the replacement lead tenant has been confirmed, SafeDeposits will regard the response from the original lead tenant as having been submitted on behalf of all the joint tenants.

SafeDeposits will contact all the parties confirming the change in lead tenant.

18th May 2012