



ethical lettings

How to make a deposit bond claim

A guide for landlords



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What is a deposit bond?

When you first entered into a contract with Ethical Lettings you were issued with a Property Damage Deposit Guarantee Agreement. This is known as a deposit bond, an amount that can be claimed against any property damage that is considered beyond fair wear and tear at the end of the contract with Ethical Lettings.

How much is my deposit bond?

The value of the deposit bond is specified in your Property Damage Deposit Guarantee Agreement and in your tenancy documentation. If you can't find your paperwork then please ask a member of the team for a copy of your contracts.

When can I claim against the deposit bond?

You can submit a claim against the deposit bond when your contract with Ethical Lettings comes to an end and the property is returned to you with vacant possession.

What can I claim?

Ethical Lettings carries out an inventory at the start of the contract (check-in) and at the end of the contract (check-out). Both inventories are carried out by a professional inventory clerk and are provided to you. The check-out inventory will note any damages and this serves as a guide for any claims that may be made.

What can't I claim?

You can't claim:

- **More than the deposit amount**
Any claim that you make can't exceed the original deposit bond amount
- **Costs relating to preparing your claim or submitting evidence to an adjudicator**
You are responsible for the costs of preparing your own evidence and claim
- **Betterment**
You must make allowance for the property or item to deteriorate with normal use over time. You can only make a claim to put the property or item back to that same condition and not a better condition than it otherwise would have been.
- **Fair wear and tear**
Any claims must take into account the age and quality of items, their expected lifespan, condition at the start of the tenancy and the length of the tenancy. It is very common for only a proportion of a cost to be awarded in a deposit bond claim.
- **Repairs arising from landlord responsibilities**
You can't make a claim for damage that has occurred as a result of a repair you have been notified about but have not acted upon. For example, if a landlord was notified that a bathroom extractor fan had stopped working but had not actioned a repair, then any claim against redecoration in the bathroom due to mould or moisture damage would be disregarded. We would need to demonstrate that you had been informed as part of our evidence.

What is “fair wear and tear”?

The House of Lords defines fair wear and tear as:

Reasonable use of the premises by the tenant and the ordinary operation of natural forces.

What evidence do I need to submit?

You need to submit invoices or receipts for anything you claim against the deposit bond. If you feel that something has been missed in the check-out inventory then you will be expected to provide additional photos or other evidence to demonstrate this. We ask that you do this within 14 days of the property being returned to you with vacant possession. It's often standard practice to provide proof of the age of any items you are claiming, for example, the original receipts for carpets, white goods etc. Invoices must include a breakdown and separate charge for each piece of work undertaken.

How is the claim assessed?

We will initially assess the claim and try to reach an agreement with you. If an agreement isn't possible then the claim will be submitted to an independent adjudicator.

Who is the independent adjudicator?

The independent adjudicator is a third party who is a member of the Association of Independent Inventory Clerks. They are highly trained in providing inventory services and are experts in their field. The independent adjudicator is unlikely to have ever been to the property before so will make decisions based on the quality of the evidence submitted.

What does the independent adjudicator assess?

The independent adjudicator will look at all evidence submitted by both parties. They will create a report on the claims being made and specify the amount they believe can be claimed, giving reasons for their decision.

When will payment be made?

Once a claim has been agreed by either Ethical Lettings or the independent adjudicator, we will make a payment into your chosen account within five working days.



All decisions made by the independent adjudicator are final and binding on both parties.

Why is this process necessary?

We will often make a counter claim against the tenant's deposit bond, which is provided to us by the Local Authority. Local Authorities will always bill the tenant for any claims so we have a duty of care to our tenants to ensure all claims are fair.



Examples of claims

Cleaning

We are obliged to return the property to the same standard of cleanliness that it was in at the start of the contract using either “domestic” or “professional” cleaning and this will be noted on the check-in inventory.

In this example, the check-in inventory stated that the property was professionally cleaned.

The check-out inventory stated that the property was professionally cleaned but with oversights.

Claim: The landlord submitted a claim for the full cost of a full professional clean.

Decision: As it was only the oversights that were noted on the check-out, the full cost of the clean could not be claimed and the landlord was awarded 20% of the cost.

Carpets

A second bedroom was unfortunately left with make-up stains on the carpet. We undertook a professional carpet clean but unfortunately this didn't remove the stains entirely. The check-in inventory noted that the carpet was not new at the start of the tenancy.

Claim: The landlord submitted a claim for the full cost of fitting a replacement carpet in the bedroom.

Decision: On further investigation, evidence showed the carpet was fitted two years before the property was let by Ethical Lettings. It was then let for a further three years, so the carpet was, in fact, five years old when the check-out inventory took place. The carpet's quality was mid-range with a life expectancy of six to eight years in a rental property. As the carpet was already five years old, and its lifespan was calculated to be seven years, only two sevenths (28.5%) of the cost was awarded to the landlord.

Redecoration

A child's bedroom was unfortunately left with drawing marks on one wall. The property was noted as newly decorated throughout on check-in and the length of tenancy with Ethical Lettings was two years. The marks were considered to be more than light usage and therefore a claim was fairly sought.

Claim: The landlord submitted a claim for the cost of full redecoration of the bedroom.

Decision: Only one wall was damaged and, as redecoration in rental properties is recommended every five years, the landlord was awarded a quarter of the three years left on the redecoration, which amounted to 15% of the invoice submitted by the landlord.



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