

enfields

ESTATE AGENTS

Enfields Deposit Replacement Scheme

ATTRACT MORE TENANTS AND LET YOUR PROPERTY FASTER



It's no secret that renting a new property can be expensive for tenants. Alongside paying the first months' rent in advance they also have to pay a tenancy deposit of anywhere between one and two months' rent, often before the deposit for their previous tenancy has been released back to them.

Enfields Southampton want to help ease some of the financial burden for tenants by offering them an attractive, relatively low cost alternative to a traditional deposit, whilst still fully protecting your property, via our deposit replacement scheme.

It can be an attractive alternative for tenants who want to move quickly. For example, the many tenants who have not yet received their deposit back from their previous tenancy when they're signing their next tenancy agreement, first-time renters or those with limited disposable income who are looking for a faster way to secure a tenancy.

It also provides added benefits to you as the landlord; it should allow us to let your property quickly, reducing void periods, and create more demand for your property, whilst still offering you protection equivalent to a traditional tenancy deposit.

What is a deposit replacement scheme?

Our scheme helps to significantly reduce the upfront costs of renting a property for your tenants whilst offering you equivalent protection to a traditional tenancy deposit. This means you'll still be protected against common costs that might arise at the end of the tenancy, such as cleaning, gardening, removal of tenants' furniture etc.

To enable us to offer this scheme, we have taken a Deposit Replacement Insurance policy with The Lettings Hub, which allows us to offer you the option of an interest in our policy. This simply means that for properties where we would normally be responsible for handling the tenancy deposit at check-out, we can add your interest as the property owner to

our policy and offer our deposit replacement scheme to your tenants for that address.

It is a fantastic alternative to a traditional deposit; the tenant simply pays us a non-refundable scheme payment which allows them to move in without paying a deposit, however they remain fully responsible for any dilapidations or damage at the end of the tenancy. As such, it is also a condition of using our scheme that the tenant purchases liability insurance to cover any accidental damage they may cause to your property. This may then be called upon by the tenant to help them rectify any mishaps that may have occurred. If, at the end of the tenancy, we find remedial work is required and the tenant fails to compensate you for this, we can make a claim under our Deposit Replacement Insurance policy.

Enfields Deposit Replacement Scheme

What is covered?

Our policy allows us to claim up to the value of 1.5 months' rent for any sums due to you, calculated at the end of the tenancy, as a result of the tenant's breach of the tenancy agreement. This could include rent arrears, cleaning and gardening, allowing for fair wear and tear – protection equivalent to that which you would expect of a traditional tenancy deposit.

Who is eligible?

We will only offer our deposit replacement scheme to tenants who have first passed our referencing checks. If they will be renting with the help of a guarantor, their guarantor will also need to have passed our referencing checks.

How will it benefit me?

- Your property will be attractive to tenants, as our deposit scheme can significantly reduce their moving costs with no 'large' upfront deposit to be paid.
- Your property can be let faster, reducing void periods, as tenants don't need to save for a deposit or wait for their previous deposit to be returned.
- There is no cost to you – the scheme payment is made by the incoming tenant.
- You benefit from protection equivalent to a traditional deposit, including cleaning costs and other dilapidations.
- The risk to your buildings and contents is further mitigated as it is a condition of our scheme for tenants to purchase liability insurance to cover accidental damage they may cause to your property.

How does the deposit scheme work?

Once the tenants have passed our reference checks and confirmed they wish to use our deposit replacement scheme, rather than pay a traditional deposit, a lead tenant will be nominated. They will sign our Counter Indemnity Agreement which sets out the terms and conditions of our scheme, including the tenant's acceptance that they remain fully liable for any costs they owe to you at the end of the tenancy. Once they have

returned the Agreement to us, they must provide proof they have purchased tenants liability insurance, and make payment for the scheme along with the first months' rent. We will then protect the tenancy under our insurance policy, noting your interest as the landlord, and you will instantly receive an email to confirm that the tenancy is protected with us. The tenants can then move into your property.

When the tenant(s) provide us with notice that they wish to end the tenancy, we will remind them of their obligations under the tenancy agreement. This is to ensure they understand they must make all rent payments in full and that the property must be returned to you in a satisfactory condition, allowing for fair wear and tear.

Once the tenants have moved out, a check-out appointment will be arranged where the original inventory will be used to check the condition of the property. If the condition is acceptable, the process and scheme come to an end, and we can go straight ahead and re-let your property.

If however there is any damage or dilapidations, cleaning or gardening required etc, we will request payment from the tenant to cover the necessary work, instead of lodging a claim with the tenancy deposit scheme as we normally would.

What happens if I want to dispute these costs?

If the tenant does not agree with the findings of the checkout report and wishes to raise a dispute, they must notify us in writing within seven days of the date they received the demand for payment from us.

The issue will be referred to an independent adjudicator, who has extensive experience assessing deposit disputes. They will then ask the tenant to submit evidence to support their view regarding the costs, and we will be asked to do the same. The adjudicator will review all of the evidence provided and make a final decision on the outstanding sums owed.

If the tenant fails to pay the sums owed by the required deadline, we can make a claim under our policy for the amount outstanding. Following receipt of the claims settlement, we will arrange for the remedial works to be carried out, or in the case of rent arrears, pass the benefit to you, less any agreed management fees or administration charges.