



Case Studies

Who should read this?

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Tenants	Agents	Landlords

Insured / Custodial

How many tenants?

Adjudication Digest February 2019

The Adjudication Digest takes a recent decision by a TDS Adjudicator and sets out the reasoning behind the decision. The aim of these Digest reports is to help tenants, landlords and agents better understand how we make our adjudication decisions. The names of the landlords and tenants involved have been removed and this is only a brief summary of the dispute.

Amount of deposit in dispute: £3,000.00

Dispute initiated by: Tenants

Award made:	£3,000.00
Tenant	£3,000.00
Landlord	£0
Agent	£0

In this case that went to adjudication, there were conflicting reports of the number of tenants in the property.

The tenancy agreement referred to three tenants, but the Deposit Protection Certificate referred to four. The fourth named tenant claimed to have been an occupier at the property during part of the tenancy after moving in with their partner. They produced an unsigned tenancy agreement showing the names of all four tenants and argued that they were entitled to have a quarter of the deposit returned to them.

Given the conflicting information, TDS made further enquiries with the agent to confirm whether there was indeed a fourth tenant at the property. The agent confirmed that this person was not a tenant and that they had never moved into the property or signed a tenancy agreement. The Deposit Protection Certificate had included all four tenants' names in error when the deposit was first received and before the final tenancy agreement had been concluded.

The adjudicator could only deal with the dispute based on the evidence provided. The signed copy of the tenancy agreement included the three tenants only. On that basis, the adjudicator determined that those were the three tenants that were entitled to the return of the deposit.

So what are the key points here?

It is in the interests of all parties to check their Deposit Protection Certificate is accurate. It appeared in this case that actual events had overtaken the Certificate which the deposit holder had not updated.

The tenancy agreement may specify to which tenant the deposit (or any balance remaining after lawful deductions have been made) should be paid at the end of the tenancy. If it does not, TDS will allocate any award made to joint tenants equally among the tenants named in the tenancy agreement. The lead tenant may provide a different allocation of funds between tenants. Should the joint tenants disagree with the lead tenants allocation, the deposit funds will be returned equally between all tenants. Joint tenants should agree with the lead tenant prior to allocation of funds.