



## News Release

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| <b>Date:</b>    | Monday 4 September 2017   |
| <b>Subject:</b> | Letting agency fee ban: compensate for loss with custodial deposit protection scheme, industry leaders urge |

Bristol, Monday 4 September 2017 – Letting agents can compensate for potential losses resulting from a future ban on letting agent fees paid by tenants by switching to custodial tenancy deposit protection from insured protection, industry leaders have today urged.

Since deposit protection became mandatory, landlords have been able to choose between insured schemes, which involve a fee, and custodial schemes such as that offered since 2007 by The Deposit Protection Service (The DPS), which are completely free.

In April, the government outlined new measures to ban letting agent fees paid by tenants, and both The DPS and National Approved Letting Scheme (NALS) are now recommending that agents and landlords switch to custodial protection to offset any losses that might follow.

Julian Foster, Managing Director at The DPS, said: "Custodial schemes offer a simple solution to the prospect of the ban on letting agent fees paid by tenants that could help agents and landlords reduce operational costs.

"Landlords have entrusted over 5 million deposits to our custodial scheme since 2007 and we believe now is the time for those still paying for their deposit protection to make the switch."

Isobel Thomson, Chief Executive at NALS, said: "With agents reviewing their business models ahead of the ban, it makes sense to review what deposit protection costs them and their landlords.

"By switching from insured to custodial tenancy deposit protection, letting agents could see significant savings for them and their landlords, as well as securing deposits with an entrusted third party to provide landlords and tenants complete peace of mind over the security of their money.

"NALS firms also pay a lower annual contribution for client money protection if they lodge deposits with a custodial scheme, and NALS is the only CMP scheme operator which makes this distinction in the contribution rates its firms pay, as we believe this is a fair and reasonable way of assessing risk."

Landlords and letting agents can register with The DPS for free at [https://www.depositprotection.com/registration.aspx?txid=aby0M\\_5iuUSiJIDVtOLFjw](https://www.depositprotection.com/registration.aspx?txid=aby0M_5iuUSiJIDVtOLFjw).

ENDS

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**Notes**

1. For high resolution images of spokespeople, visit <http://cpu.vg/spokespeople>.

**About The DPS**

The Deposit Protection Service's custodial tenancy deposit protection scheme is accredited by the Government. It is provided free of charge, and funded entirely by the interest earned from deposits held in the scheme. The DPS was approved by the UK government to run an insured TDP scheme in September 2012 in addition to the approval it has already been granted by the UK government in respect of the custodial scheme. The DPS is run by [Computershare Investor Services PLC](#). Online self-service allows landlords to register and make deposit payments, transfers and repayments 24 hours a day. Help and advice is available through a dedicated call centre during office hours. An impartial Alternative Dispute Resolution (ADR) service, helps to resolve any disputes quickly and without the need for court action.

For more information, visit [www.depositprotection.com](http://www.depositprotection.com).

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