

New tenancy deposit legislation now in force: urgent action may be required

In February we wrote in the Property Law Journal about the prospective changes to the tenancy deposit protection rules brought in by the Localism Act 2011. You can read the full article [here](#).

Those changes came into force on 6 April 2012.

In summary the changes are:

- In relation to AST deposits taken after 6 April 2012, the landlord must protect the deposit and provide the prescribed information within **30 days** of receipt.
- In relation to deposits taken before 6 April 2012 but not protected, they must be protected within **30 days** of 6 April 2012.
- Failure to protect the deposit will entitle the tenant to apply to court for a penalty sum of between **one and three times the value** of the deposit. The tenant's right to apply to court continues even after the tenancy has ended.
- Failure to protect the deposit will continue to prevent a landlord from serving a section 21 notice to end the tenancy unless the deposit has been returned or where proceedings for the penalty sum have been resolved.

Landlords should check that their AST deposits have been protected **and** that all of the relevant prescribed information has been served on the tenant by **4 May 2012** (or within 30 days of receiving the deposit, if later than 6 April 2012). It is now much less likely that landlords will get away with not protecting deposits on time.

If landlords or tenants are in any doubt as to their rights and obligations they should take legal advice.

For more information, please contact:

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