

# SL(6)175 – The Renting Homes (Deposit Schemes) (Required Information) (Wales) Regulations 2022

## Background and Purpose

Landlords frequently require tenants to pay a deposit as security in case of, for example, any potential damage to the property caused by the tenant. However, the deposit does not belong to the landlord and so any deposit paid must be properly protected. All deposits must be protected by the landlord through an authorised deposit scheme.

These [Regulations](#) require landlords to provide certain information about the deposit scheme to tenants in writing, including:

- details of the scheme administrator such as name, address, telephone number and email address;
- where the deposit is being held;
- how the deposit will be repaid at the end of the contract;
- what deductions can reasonably be taken from it by a landlord to cover, for example, unpaid rent or damage; and
- the procedure for settling any disputes that may arise between the two parties in relation to the deposit.

## Procedure

Negative.

The Regulations were made by the Welsh Ministers before they were laid before the Senedd. The Senedd can annul the Regulations within 40 days (excluding any days when the Senedd is: (i) dissolved, or (ii) in recess for more than four days) of the date they were laid before the Senedd.

## Technical Scrutiny

The following two points are identified for reporting under Standing Order 21.2 in respect of this instrument.

### **1. Standing Order 21.2(v) – that for any particular reason its form or meaning needs further explanation**

Regulation 3(1)(b) refers to “any information supplied by the scheme administrator to the landlord which explains the operation of sections 45 to 47 of, and Schedule 5 to, the Act”. However, it is unclear whether scheme administrators will be under a duty to supply such information to landlords in the first place.



We would be grateful for clarity as to whether scheme administrators will be subject to such a duty.

## **2. Standing Order 21.2(v) – that for any particular reason its form or meaning needs further explanation**

Regulations 3(1)(c) and 3(1)(e) refer to amounts being “paid or repaid” to contract-holders. However, in the context of deposits, it is unclear what the difference is between “paying” amounts to contract-holders and “repaying” amounts to contract-holders.

Does it depend on who paid the deposit in the first place, i.e.

- if the deposit was paid by the contract-holder, it will be repaid to the contract-holder, but
- if the deposit was paid by someone on behalf of the contract-holder, then the deposit will be paid (and not repaid) to the contract-holder?

While the 2016 Act expressly refers both to a deposit paid by a contract-holder and a deposit paid by someone on behalf of a contract-holder, that distinction is not clear in the Regulations.

### **Merits Scrutiny**

No points are identified for reporting under Standing Order 21.3 in respect of this instrument.

### **Welsh Government response**

A Welsh Government response is required.

### **Committee Consideration**

The Committee considered the instrument at its meeting on 28 March 2022 and reports to the Senedd in line with the reporting points above.

