

Agent Member Renewal Process



Questions and Answers

Over the past year our call centre has taken many calls from letting agents regarding the my|deposits membership renewal process.

With the membership renewal period beginning in April 2010, please take a moment to read this Q&A leaflet before contacting our Call Centre.

Please be aware that our staff cannot agree variations to the Agent Member Renewal rules and processes.

Q: What is the Agent Member Renewal Process?

A: Membership renewal is a four stage process:

Stage 1. Completion and return by you of all Renewal Documentation (Statement of Facts) and supporting evidence that we have sent to you in your Renewal Pack.

Stage 2. Completion of a 'risk assessment' by us based upon the information that you have returned to us.

Stage 3. Notification to you of Renewal Terms by us.

Stage 4. Acceptance by you of our Renewal Terms by accessing your online account.

Please note that your Renewal Documentation MUST be returned to my|deposits at least 14 days prior to your renewal date.

When returning your Renewal Documentation, we recommend that you use Recorded Delivery with the appropriate postage to ensure delivery and add a return address as a further precaution.

Q: What is my|deposits Agent Renewal Acceptance Criteria?

A: Agents must hold Tenant's deposits on behalf of their private residential Landlord Clients.

Agents must hold Tenant's deposits in a segregated Client Money Account which has no right of set-off, lien or charges by the issuing bank, guarantor or other creditors and is used purely for the purpose of holding client monies.

Agents will be required to provide proof of this segregated Client Money Account in the form of a bank statement which details the last month's transactions.

Failure to hold a Client Money Account and provide proof will result in Membership being expired with immediate effect.

Agents must 'pass' a my|deposits Risk Assessment.

Sponsored by



Administered by



www.hamiltonfraser.co.uk

Authorised by



www.communities.gov.uk

Q: What is a Risk Assessment?

A: The Risk Assessment undertaken by **my|deposits** is a combination of credit scoring and the application of our internal policy rules from the information you return to us. We use this in order to reach a decision on the suitability of Agents for Membership of the Scheme.

Q: Why do you carry out a Credit Check?

A: **my|deposits** use Experian plc, a credit referencing agency, to obtain an independent assessment of the 'financial risk' that each Agent Member presents to the Scheme. We carry this out because Agent Members are able to hold onto Tenant's deposits.

Q: My Renewal application has been declined. How can I obtain a copy of my company's Credit Score?

A: Contact Experian on 0844 481 8888 and request to see the data they hold on you.

Q: Who do you need to be registered with in order to be a Category 1 Member?

A: One of the following accreditation bodies:

ARLA – Association of Residential Letting Agents	RICS - Royal Institution of Chartered Surveyors
NALS – National Approved Letting Scheme	NAEA – National Association of Estate Agents

Q: Why have you made a distinction between members of ARLA, NAEA, RICS and NALS and all other agents?

A: Members of these organisations represent a lower risk to **my|deposits** because of the existence of client money bonding arrangements. They provide **my|deposits** and the Tenant with an alternative route to the recovery of misappropriated funds if an Agent Member becomes insolvent. It is therefore right to recognise this difference in risk with lower protection fees.

Q: You can check my membership of ARLA, NAEA, RICS or NALS online. Why do I have to send you a copy of my membership certificate?

A: Unfortunately, it is not possible to guarantee that the name of your organisation we hold is the same as the name held by your governing body, even down to simple typing errors or how data is held by us. Unless our data matches exactly that data held by your governing body we cannot guarantee a 'search result'. Hard copy evidence of membership provides all the information we require to progress your renewal application.

Q: I am in the process of becoming accredited, but I have not yet received confirmation. Can I renew as a Category 1 Member?

A: No, we can only accept you as a Category 1 Member once your membership of the accreditation body has been confirmed. Once you do receive confirmation, send us proof of your membership and we will be able to then reduce your future Protection Fees.

Q: I am a Member of your scheme, have always paid my invoices on time and support **my|deposits fully when a dispute is brought against me. Why are you not concentrating your efforts on dealing with the 'bad' agents and leaving the 'good' agents alone?**

A: **my|deposits** understands your frustrations. However, in this uncertain financial climate it is right that **my|deposits** does everything to safeguard Tenant's deposits. It is also right to recognise, by way of lower fees, Agents that voluntarily join accreditation bodies that monitor business performance, seek to raise standards and provide additional financial security to their Tenants and Landlord Clients. Our processes are not difficult to comply with and by removing the risk of those Agents who do not adhere to our rules, it will ultimately lead to a better service and cheaper prices for all.

Q: Why do you need to see the latest bank statement for my Client Money Account?

A: Members must hold Tenant's deposits in a ring-fenced Client Money Account. To ensure this is happening, **my|deposits** needs to check that the money in that account is at least equal to the total of all your current protected deposits. A copy of last month's statement for that account should confirm that the account is being used correctly.

Q: Why do you need a letter from my bank?

A: Some Accounts cannot be clearly identified as a Client Money Account from the account name only. Sometimes we will need to seek further clarification that the account is not a current or business account but a designated Client Money Account.

Q: What happens to my Membership if I refuse to maintain a segregated Client Money Account and/or provide evidence of the existence of such an account?

A: The creation and maintenance of a segregated Client Money Account is already a condition of your existing Membership of **my|deposits**. If you do not comply with this request and supply the relevant evidence then your Membership will be cancelled. You will not be able to protect new deposits with our Scheme.

Q: What happens to deposits already protected if my Membership is cancelled?

A: Our rules are clear when a Membership is cancelled. We provide three months run-off protection for any existing Protected Deposits after which the protection is cancelled. Your Landlords and Tenants will be informed of the rules at the time of your Membership cancellation. Deposit Disputes will still be accepted by **my|deposits** during this three month period so long as the tenancy is at its contractual end date. You will still be obliged to assist us with Deposit Disputes.

Q: Can I pay my Renewal Fee by cheque?

A: No, **my|deposits** have not accepted cheque payments since 6 April 2009. Other payment options are available:

- Online via debit or credit card
 - Direct Debit (a form is provided within the Statement of Facts sent to you with your Renewal Documentation)
-

Q: I am not happy to set up a direct debit to take fees for the protections I have made? Why are you insisting on this requirement?

A: Over the past three years the cost of trying to recover unpaid fees from Agent Members who previously were allowed to pay by cheque has dramatically risen. Our monthly payment option requires settlement by monthly direct debit which is easy, fast and reduces credit control costs. We recognise that this is not suitable for all Agents, and have other payment options available:

- Pay As You Go by Credit/Debit Card
 - Purchase Protections In Advance
-

Q: Can I pay my fees by Direct Debit from my Client Money Account?

A: No, **my|deposits** understands that all monies held in your Client Money Account is money that you are holding in trust and does not form part of the assets of your business. If you are re-charging the costs of deposit protection on to your Landlord Clients or Tenants these transactions should be processed through your office account.

Q: Can you accept my Renewal Terms on my behalf?

A: No, our Agent Members must agree to the revised **my|deposits** Scheme Rules. These can be found on the **my|deposits** website. You should read and confirm your acceptance by ticking the box after you have read the revised Scheme Rules.

Q: When will I know my Protection Fees for the next year?

A: We will issue you a Membership Renewal Terms letter once we have completed our Risk Assessment and your renewal has been authorised. The same information is also displayed on the homepage of the Member's Area on the **my|deposits** website. Please remember to have your membership number and password to log in.

Q: Why is my online account 'Read-Only'?

A: This is because your Renewal Date has passed and either: you have not returned all of your documentation within the timescales set out, or we have invited you to renew but you have not accepted our terms and paid your Renewal Fee.

Q: What happens if I don't complete my Renewal Documents in time?

A: If we do not receive all of the required documentation back from you at least 14 days prior to your Renewal Date we will issue another letter as well as contacting you by phone and email. On the Renewal Date of your membership **my|deposits** will issue letters to all of your Landlord Clients and Tenants, advising them that all protections will cease three months from your expiry date. You will need to ensure that all deposits are re-protected with another tenancy deposit protection scheme before that run-off date. This process is undertaken to ensure we comply with the legislation.

Q: My membership has expired, can you reinstate it?

A: No, once Membership has expired we are not able to reactivate the Membership. You will need to re-apply for Membership by completing a new Agent Application Form, providing the required documentation and then paying the appropriate Membership Fee. Any deposit protections on your expired Membership will need to be re-protected and the usual fee will apply. Deposit protections are not transferable.

Q: My Membership has expired, what happens to all the deposit protections?

A: All protections will enter a three month run-off period as required by the Housing Act 2004 after formal notification of expiry.

Q: Is it a compulsory requirement of my|deposits for an Agent Member at Renewal to hold Professional Indemnity Insurance, or Client Money Insurance to cover the misappropriation of client monies by an Agent Member?

A: No, it is not a compulsory requirement of the Scheme for an Agent Member to hold either of these insurances, therefore Renewal will not be declined for Agent Members who don't. Although at Renewal we will ask for this information, including the Limit of Indemnity and the name of the Insurer for the purpose of our records only.

Q: Why at Renewal does my|deposits require the full details of all directors, principals, partners, shareholders and business owners?

A: To confirm the current directors and business owners and enable you to update us of any changes of ownership. **my|deposits** reserves the right to check the financial suitability of these persons with credit and fraud verification organisations and request personal guarantees if applicable.

Q: What other options for tenancy deposit protection do I have?

A: **my|deposits** is one of three authorised tenancy deposit protection schemes. The custodial scheme (Deposit Protection Service) is free, both to join and to protect deposits, although you have to lodge the full amount of the deposit with the scheme. The Tenancy Deposit Scheme is an insurance based scheme, similar to **my|deposits**, but is only open to 'affiliated' agents. Your final option is not to take deposits and leave your landlord to arrange protection himself.