

eDeposit Ireland

A short guide to security deposits for residential tenancies

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Bord um Thionóntachtaí Cónaithe
Residential Tenancies Board

A Short Guide to Security Deposits for Residential Tenancies



What is the Residential Tenancies Board?

The Residential Tenancies Board (RTB) is a public body set up to support and develop a well-functioning rental housing sector. Our remit extends to both the Approved Housing Body sector and the private rental sector. Our role is to regulate the rental sector, provide information to inform policy, maintain a national register of tenancies; resolve disputes between landlords and tenants and provide information to the public.

What do we do?



INFORMATION, RESEARCH AND EDUCATION

We provide high-quality information and assistance to the public, tenants and landlords on their rights and responsibilities, in terms both of living and providing accommodation in the rental sector. We also provide accurate and authoritative data on the rental sector, such as the Rent Index, which allows us to monitor trends in the rental sector, but also allows individuals to check and compare rents in particular locations.



REGISTRATIONS

All private residential landlords and Approved Housing Bodies, who are not-for-profit housing providers, often referred to as Housing Associations, must register their tenancies. A public register of tenancies is available on our website. The registration of tenancies enables us to collect important data on the sector. It is also a key part of regulating and supporting the sector and ensuring that landlords and tenants are aware of their rights and responsibilities.



DISPUTE RESOLUTION

Since 2004, we have replaced the courts in dealing with the majority of disputes between landlords and tenants through our Dispute Resolution Service. This service offers a choice of resolution types to parties – mediation or adjudication.

What is a security deposit?

A security deposit is a sum of money that is paid by a tenant to the landlord usually before a tenancy commences or on the date of commencement of the tenancy. This deposit is held by the landlord and is returned at the end of the tenancy to the tenant, once no violations of the agreement have occurred.

How much is a deposit?

There are no legal guidelines as to how much of a deposit a landlord may request, however the normal practice is that one months rent is paid as a security deposit.

When should a security deposit be paid?

A tenant will normally pay a deposit as part of agreeing to rent a property. It is recommended that a tenant only pays a deposit when they are happy with the property and the terms and conditions of the letting and are clear on everyone's rights and responsibilities. It is recommended that a tenant should avoid paying a deposit in cash and always get a receipt.

Who holds the security deposit?

At the outset of the tenancy it should be clear who is holding the security deposit and who will be responsible to return it at the end of the tenancy. Contact details of the landlord and agent retaining the deposit should also be obtained at the outset of the tenancy. The contact details of a landlord should be provided irrespective of who retains the deposit.

In a situation where an agent is leasing the property on behalf of the landlord, the deposit is normally handed over to the agent. This deposit is usually paid over to the landlord by the agent once the tenancy commences.



When should I expect my deposit to be returned?

A security deposit should be returned once the tenancy ends and the tenancy agreement has been honoured. The deposit does not have to be returned to the tenant on the day they leave the accommodation, however the landlord must return the deposit promptly. Time should be allowed for an inspection at the end of a tenancy, and any repairs/ cleaning to be carried out.

Reasons why a security deposit may be withheld

By law, a deposit is considered the tenant's but the landlord can establish a right to keep the deposit in certain circumstances.

▶ Rent Arrears

If at the end of the tenancy, there is rent outstanding, the landlord may legitimately retain an amount of the deposit to cover the arrears. The landlord is required to return the remainder of the deposit if it exceeds the rent arrears.

▶ Damage to the property above normal wear and tear

Deductions may be made or the deposit retained in full, if there has been damage above normal wear and tear to the property. Normal wear and tear occurs where deterioration takes place over a period of time due to ordinary and reasonable use of the dwelling.

A landlord must take into consideration the length of the tenancy, the number of occupants, whether or not there were children living in the dwelling and whether any deterioration to fixtures, furnishings, walls or floor coverings reflected "ordinary and reasonable use". Other relevant matters would include the condition and age of fixtures and furnishings at the commencement of the tenancy as well as the type of flooring (carpet, tiles, wooden, laminate) provided. A dwelling occupied by a family of four would be expected to show signs of more wear and tear when compared to a dwelling occupied by a single person. Dwellings require painting at reasonable intervals and furniture, fittings and appliances have an expected life span.



Examples of these damages could be;

- ▶ A broken window.
- ▶ Holes in the wall.
- ▶ Leaving litter or personal items in the property.
- ▶ Leaving the property in a unhygienic or unsafe condition.
- ▶ Not returning the property in a clean manner similar to the start of the tenancy.
- ▶ Items broken or missing from the inventory.

▶ **Utility bills and other charges**

If the tenant owes money for utility bills, such as gas or electricity, and the utility bill is in the landlord's name, the landlord may withhold part or all of the deposit to cover these costs with the remainder being returned.

The tenant should always retain a copy of the bills to ensure that payment is applicable to what is being owed.

▶ **Notice of termination**

If a tenant provides insufficient notice of their termination of the tenancy, or they terminate a fixed term tenancy before the end of the agreed term. A landlord is required to mitigate his losses and to rent out the dwelling as soon as is practicable.



Can a landlord keep a security deposit to pay for routine upkeep?

No, a landlord cannot keep a security deposit for 'normal wear and tear.'

Examples of 'normal wear and tear' could be:

- ▶ a worn carpet.
- ▶ chipped paint.
- ▶ worn finish on wood floor.
- ▶ faded paint.
- ▶ worn furniture.

This means that a landlord cannot charge the tenant for routine upkeep, such as repainting faded paint.

Checklist for the return of the security deposit

The following checklist may be useful when returning or seeking the return of a security deposit.

- ▶ Has the correct notice of termination been provided in writing?
- ▶ Has the rent been paid in full?
- ▶ Have meter readings of the utilities been taken and arranged for final payment?
- ▶ Have all belongings been removed?
- ▶ Has the property been returned in a similar condition in which it was provided apart from normal wear and tear?
- ▶ Has the property been cleaned?
- ▶ Has the signed-off inventory agreed at check-in been checked to ensure that all items are present and not damaged?
- ▶ Has all the rubbish been removed?
- ▶ Have you taken photographs at the start and end of the tenancy?



What to do if there are disputes in relation to the deposit?

If a tenant thinks their landlord is unfairly keeping their deposit, they should discuss it with the landlord and try to resolve the situation.

If a tenant and landlord cannot resolve the situation an application may be made to the Residential Tenancies Board (RTB).

The RTB offer two options for dispute resolution:

- 1. Mediation** – this is a fast and free service where an independent mediator helps a landlord and tenant come to an agreement. Mediation can also be done via telephone, which is a faster and more convenient option.
- 2. Adjudication** – this involves a hearing before an independent adjudicator, where both the landlord and tenant present their evidence and the adjudicator makes a binding decision. The fee for adjudication is €15 for an online application and €25 for a paper application.

If a landlord or tenant is unhappy with the outcome of either mediation or adjudication, they can refer their case to a tenancy tribunal, who are appointed to review the case and evidence from the beginning and make a final decision.

The maximum amount of damages that can be awarded to either side in a dispute is €20,000.

- ▶ **The RTB also has very useful guidance for landlords and tenants in relation to their rights and obligations. These guides can be downloaded at www.rtb.ie**





RTB Bord um Thionóntachtaí Cónaithe
Residential Tenancies Board

Useful contacts / links

- ▶ Residential Tenancies Board www.rtb.ie
0818 30 30 37 or 01 702 8100
- ▶ Citizens information www.citizensinformation.ie
- ▶ Daft.ie www.daft.ie
- ▶ Threshold www.threshold.ie
- ▶ Society of Chartered Surveyors Ireland www.scsi.ie
- ▶ Union of Students in Ireland www.usi.ie

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