



19 March 2010

Statement from The Deposit Protection Service (DPS)

Government moves to safeguard thousands of tenants' deposits have been welcomed by The Deposit Protection Service (DPS).

The move, which will contractually oblige landlords to formally protect deposits on tenancies worth between £25,000 and £100,000 a year, closes a loophole that left many of the most vulnerable tenants with no protection.

Higher rate tenancies had previously not been included under tenancy deposit legislation, which only covers Assured Shorthold Tenancies up to £25,000. Tenancies valued higher than this were seen as contractual tenancies and deposits did not need to be protected.

But this situation, according to The DPS, left some groups such as students or large house-shares vulnerable.

Kevin Firth, Director of The DPS, said: "While it is natural to think of a high value tenancy and conclude that we are in the realms of the rich and successful, often the opposite is true.

"Students, for example, often group up and move into large houses, paying a combined rent that easily exceeds £25,000 annually. People working hard to get through university should be afforded the same protection as young professionals or families renting a smaller house.

"The Government move to expand the deposit protection scheme is the right thing to do and it's estimated that this will bring another 15,000 new tenancies under the umbrella of deposit protection".

From October, all tenancies worth between £25,000 and £100,000 will become ASTs automatically and will therefore legally have to protect their tenants' deposits in a scheme such as The DPS.

Mr Firth dismissed suggestions that the sudden influx of new deposits, caused by landlords having to register deposits retrospectively, would leave the system under pressure.

He said: "I cannot speak on behalf of the other two Government-accredited schemes, but The DPS will easily be able to cope with an increase in deposits from landlords – we've demonstrated this recently while taking on thousands more deposits from TDS due to their fee increases. Our business model does not buckle under pressure. We are wholly confident that we will deliver a smooth service for landlords and tenants and can offer total protection for all deposits."

The Deposit Protection Service is currently protecting more than 530,000 tenants' deposits, equating to just over £400 million. It is the only scheme that physically takes the deposit from the landlord and holds onto it for the duration of the tenancy. The other two schemes are insurance-based.

For any further information, please contact:

Alex Finnegan or Gary Cleland
Mandate Communications

T: 020 3128 8166

E: alex.finnegan@yourmandate.com or gary.cleland@yourmandate.com

Editor's Notes:

About The DPS

The Deposit Protection Service is the custodial tenancy deposit protection scheme 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 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

About Computershare Limited (CPU)

Computershare (ASX:CPU) is a global market leader in transfer agency and share registration, employee equity plans, proxy solicitation and stakeholder

communications. We also specialise in corporate trust services, tax voucher solutions, bankruptcy administration and a range of other diversified financial and governance services.

Founded in 1978, Computershare is renowned for its expertise in data management, high volume transaction processing, payments and stakeholder engagement. Many of the world's leading organisations use these core competencies to help maximise the value of relationships with their investors, employees, creditors, members and customers.

Computershare is represented in all major financial markets and has over 10,000 employees worldwide.

For more information, visit www.computershare.com