

# annual review



2014/15



# Foreword

## From the Chair and the Chief Executive

At The Dispute Service we pride ourselves on being a customer focussed and accountable organisation and once again we are pleased to be able to update you on our progress and activities in our Annual Review.

Tenancy deposit protection is now fully established across the United Kingdom and The Dispute Service is the leading force. In England and Wales we protect 1.13 million deposits worth £1.34 billion; TDS Northern Ireland continues its outstanding performance, maintaining a 75% market share and our partners at SafeDeposits Scotland continue to be the market leader, protecting 60% of deposits registered in Scotland.

The service we provide has continued with award winning quality and we were delighted to achieve the ISO 10002:2004 **Complaints Management System standard**. We also reported last year on our successful mid-accreditation review for our **Customer Service Excellence standard award**; this year we have been working towards our full re-assessment and are delighted to announce that we were successful in this. And, for the first time we were accredited as an **Investor in People** in recognition of the focus we place on developing our team to be the best. TDS Northern Ireland was also honoured to be awarded the **Chartered Institute of Housing's Chairman's award for outstanding contribution to the private rented sector**, after only two years in service.

We have continued in our wider aim to promote best practice and high standards in the lettings industry. Our TDS Academy training, guides such as the Adjudication Digest and appearances at seminars and industry events across the country all remain as popular as ever. But of course our biggest progress has been the launch of the TDS Charitable Foundation. After just one year, the foundation has received funding of £375,000 and awarded almost £100,000 to projects, educating tenants and landlords in their rights and responsibilities.

The very purpose of the tenancy deposit protection schemes has been to improve standards in the private rented sector. It is a truly exciting step forward for The Dispute Service that through our funding of the TDS Charitable Foundation, we are now in a position to help raise the standard more than ever before.



Martin Partington,  
CBE QC Chair



Steve Harriott,  
Chief Executive

# The Dispute Service **highlights: 2014-15**



1,135,769

Deposits protected by TDS in England  
and Wales as at 31 March 2015



£1,341,343,189

Value of deposits protected  
by TDS in England and Wales



91,751

Deposits protected in Scotland  
as at the 31 March 2015



23,338

Deposits protected  
by TDS Northern Ireland  
as at the 31 March 2015



£375,000

In donations to the TDS Charitable Foundation for funding for education projects



114,607

Calls received by our Customer Contact Centre in England, Wales and Northern Ireland



14,967

Disputes resolved in the United Kingdom

Average deposit in England and Wales



Average deposit in Scotland



Average deposit in Northern Ireland



# About Us

We are a multi-award winning provider of tenancy deposit protection and alternative dispute resolution across the United Kingdom.



## The Dispute Service

### TDS Northern Ireland

Providing custodial and insured deposit protection in Northern Ireland, owned by The Dispute Service.

### SafeDeposits Scotland

An independent company providing custodial deposit protection, The Dispute Service is a key stakeholder and provides operational services including IT, dispute resolution, dispute resolution and finance.

### Tenancy Deposit Scheme

The leading provider of insurance backed deposit protection in England and Wales, owned and operated by The Dispute Service.

### TDS Charitable Foundation

Providing funding for projects which aim to raise standards in the private rented sector through the education of tenants and landlords.

The purpose of the tenancy deposit protection schemes is to enable landlords and letting agents to comply with the law to protect deposits and to provide free and impartial dispute resolution when agreement cannot be reached over their return.

Legislation exists in England & Wales, Scotland, and in Northern Ireland requiring the protection of most deposits in the private rented sector to be placed in a government approved scheme. In all jurisdictions landlords have a fixed deadline by which the deposit must be protected and to serve prescribed information to the tenant. Financial penalties apply for non-compliance.

# A Service with a mission

Our mission is to be the best tenancy deposit protection scheme and:

- Provide a high quality, customer focused tenancy deposit protection service for tenants, agents and landlords in the UK;
- Ensure that we provide independent and fair adjudication and dispute resolution services in relation to tenancy deposit disputes and other disputes where the expertise of the company can be utilised;
- Be the leading authority on tenancy deposit protection.

To deliver on our mission we have  
**six key strategic objectives.**

1. Deliver great customer service to agents, landlords and tenants

2. Provide cost effective tenancy deposit protection which delivers value for money

3. Listen and be accountable to our members

4. Offer a professional alternative dispute resolution service

5. Be the voice of authority in tenancy deposit protection

6. Develop new business growth opportunities in the UK

# An outstanding service



Once again this year, we have been driving forward in our mission to deliver an outstanding level of service.



## Awards for our Customer Service Excellence

In last year's Annual Review we reported that our mid-accreditation review for the **Customer Service Excellence standard** was a success. In 2014-15 we have been working towards a full reassessment, and we are now delighted to announce that we achieved the award once again.

Our 'compliant plus' ratings in the standard increased from three to six. The regular assessments we undergo to maintain our **Customer Service Excellence** status is key to its value. The work does not stop here, rather it is an on-going effort to improve and develop.

Neither is our level of service just a matter of outward facing activities. We can report that for the first time we have achieved **Investor in People** status, an accreditation for organisations that put people at the heart of their operation. We rely on a committed team on the front line and we are placing more focus than ever on helping them develop and use their talents.

Of course, no service can get everything right all the time. But the sign of a great service is how it handles the times when customers aren't satisfied. Our complaints procedure was also accredited this year with the ISO 10002 - 2004 **Complaints Management System standard**.

Our team in TDS Northern Ireland have received recognition this year, honoured to be given the **Chartered Institute of Housing's Chairman's Award for outstanding contribution to the private rented sector**. After just two years in operation this is a really outstanding achievement, and reflects our position as the market leader in deposit protection in Northern Ireland.

“ The organisation continues to demonstrate a high commitment to quality and to strive for continuous improvement, and the Complaints Management System is being used well as an overall management framework and is incorporated into the normal working patterns of the organisation.

BSi Assessment Report



Left to Right: Host Professor Paddy Gray with CIH Chairman Sid McDowell and the TDS Northern Ireland team of Ben Beadle, Sean Timoney, Nick Hankey, Eamonn Hunt and Steve Harriott at City Hall in Belfast.





We were also recognised in England and Wales, where the Tenancy Deposit Scheme was shortlisted for three awards:



**Landlord and Letting Awards 2014:** Customer Service Finalist



**Landlord and Letting Awards 2014:** Public Service/Not for Profit Finalist



**Negotiator Awards 2014:** Supplier of the Year (Services) Shortlisted

## Contact centre performance

Our Customer Contact Centre is the main point of call for users of the Tenancy Deposit Scheme and TDS Northern Ireland.

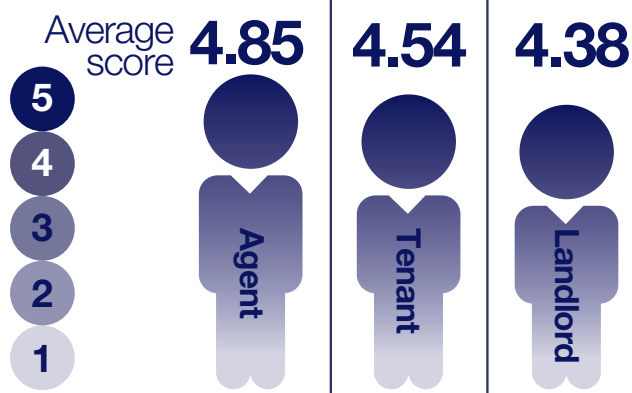
In 2014-15 we received 114,607 calls - 105,167 in England and Wales and 9,440 for TDS Northern Ireland.

The contact centre has not only provided a fast service within the 60 second KPI set by the Department for Communities and Local Government, but the team has continued delivering high quality service reflected in the results of our surveys.

## Caller survey:

**On a scale of 1 to 5, five being the highest, please rate the level of service you received today**

**31 March 2015**



# A listening service

To continue with our mission to be the best tenancy deposit protection scheme, we have to know what our customers think.

**The TDS Member User Forum** meets three times a year. This panel of members provides invaluable feedback on our service, our plans for the future and any issues of concern. Just some of the topics discussed in 2014-15 included:

- The ‘Superstrike saga’ and the Deregulation Act
- Improving the online dispute evidence portal
- Plans for a new deposit and disputes database

**In Northern Ireland our Advisory Group** has a similar role to the Member User Forum, bringing together representatives from our membership and the wider housing sector.

As our newest scheme, and with approximately 75% of the market share, the Advisory Group has been particularly important in shaping the scheme to the needs of users and in helping the industry get to grips with the new regulations.



“ I joined the Forum this year, and TDS’s interest in hearing our opinions speaks volumes. This platform for frank and open discussion is another assurance that TDS takes real interest in ensuring we can meet our legal duties effectively through the scheme, not just for our benefit but ultimately for our tenants and landlords.

**Liz Biddle**, Finance Director at Philip James



Deposit protection has been a major change for landlords in Northern Ireland. The Advisory Group has been a great sounding board for us to express our views to TDS NI management team and beyond.

**Paula Quigley**, Head of Smartmove Housing

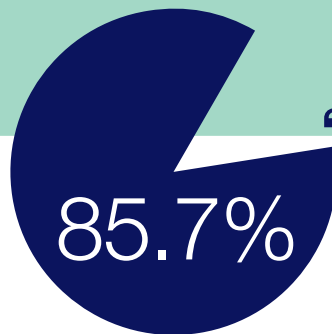
## Surveys

We conduct regular surveys on our dispute resolution service, handling of complaints and our service in general.

In 2014-15 we have expanded dispute surveys beyond regular sampling by opening on-going surveys for all users of dispute resolution. Since doing so, over three thousand tenants, landlords and agents have given us their feedback.

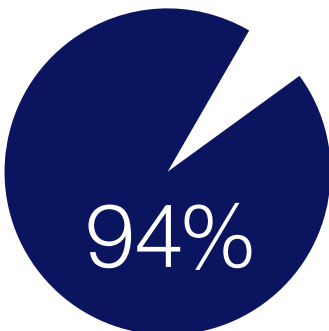
We have also continued consulting our e-Consultation Network of letting agents to find out their views on specific changes to our processes which we are considering.

And, as well as consulting existing users, this year we began inviting comments from landlords visiting the TDS website. This has helped us improve the information we provide for those researching deposit protection for the first time.



**“TDS is better** than other deposit protection schemes I have used”

Landlord Satisfaction Survey  
March 2015



**Our service is ‘good or excellent’**

Agent Satisfaction Survey,  
March 2015

# High Standards



Ever since our launch as a voluntary scheme for those agents committed to fair and impartial resolution of their disputes, promoting high standards has been really important to us.

Today almost all letting agents that we have accepted as TDS members are members of ARLA, NAEA, RICS, NALS, Law Society or UKALA.

This year saw our biggest step forward in promoting high standards with the first funding of educational projects by the TDS Charitable Foundation.

## Events

Industry events are a great way for us to meet face to face with users of tenancy deposit protection, where we can learn more about their experiences and assist them. Once again we have attended many events across the country to give talks, hold seminars and to answer general questions at exhibition stands.

We have continued working with ARLA and the NAEA in speaking regularly at regional meetings, as well as hosting regular seminars at the Landlord Investment Shows and Landlord and Lettings Shows. We were pleased to be invited back as lead sponsor at the Landlord Law Conference, an event focussed on the education of landlords and agents in their legal responsibilities.

## TDS Academy

The TDS Academy training programme remains as popular as ever, with over five hundred delegates attending our courses this year. We continue travelling around the country to assist as many agents as possible to benefit from our expertise in deposit protection and dispute resolution. We have also opened up our courses to non-TDS members.

## The Deregulation Act

The Deregulation Act brought great relief to the industry in March, rectifying the deposit protection and prescribed information issues in the 'Superstrike saga'. We provided input to DCLG and Parliament to help ensure the law would be effective in resolving issues caused by recent court rulings. We also published guidance documents, a YouTube video, and spoke at various seminars to raise awareness of the new law.

## Researching tenants' views in Northern Ireland

To gain insight into tenants' views of deposit protection we carried out research with the University of Ulster, commissioned by the Northern Ireland Housing Executive. With over a thousand survey responses and five focus groups, the research will be published in 2015 with valuable information and recommendations for deposit protection.

## Reform in Wales

Significant changes are afoot to the Welsh private rented sector. In March we submitted evidence on the Renting Homes (Wales) Bill highlighting issues for the Assembly to consider. If passed, the law will simplify the legal structure for renting. Its foundations lie in the Law Commission report 'Renting Homes' which was led by our Chair, Martin Partington QC.

The Housing (Wales) Act was passed this year, introducing licensing for landlords and agents. We will be working closely with our members and industry bodies to raise awareness of all of the reforms as they come to fruition.



# Tenancy Deposit Scheme

## Key Facts

The Tenancy Deposit Scheme remains the largest provider by value of insured backed tenancy deposit protection in England and Wales.

Our membership continues to grow and as the only not for profit scheme we are able to offer market leading prices. This year we were able to freeze our base rates once again.

### Membership



### Tenancy deposits



£1,181

Average tenancy deposit

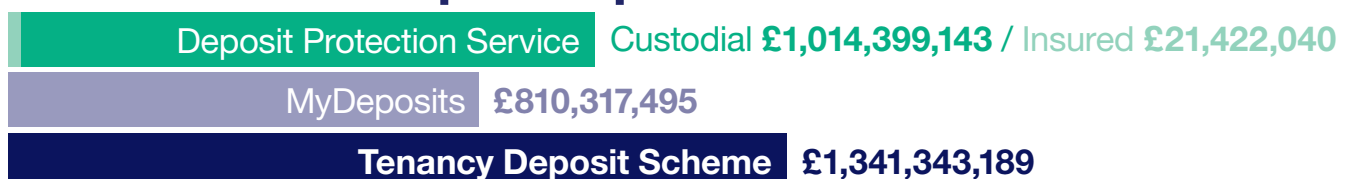
£821

Average rent pcm

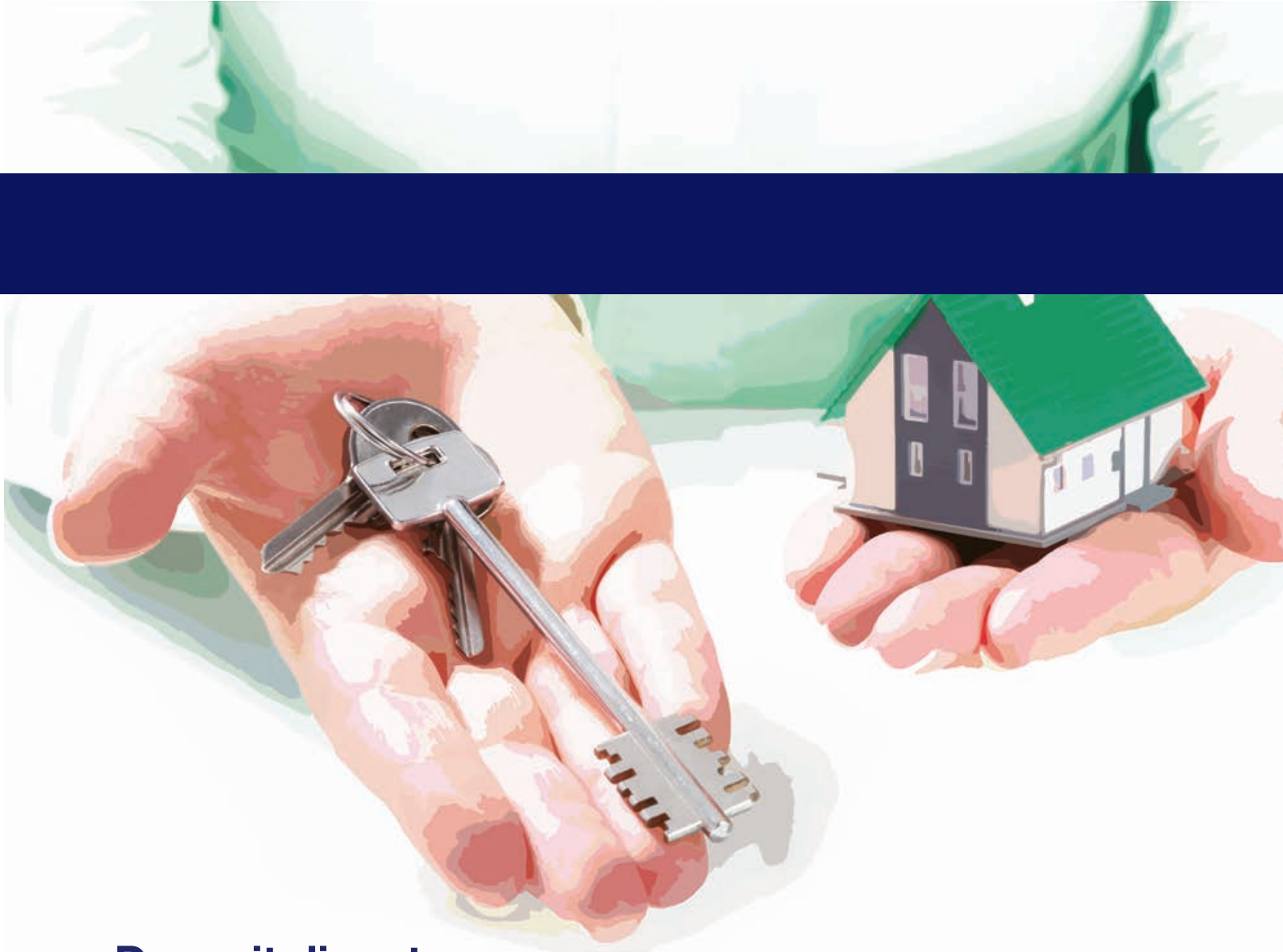
### Total number of deposits protected



### Total value of deposits protected

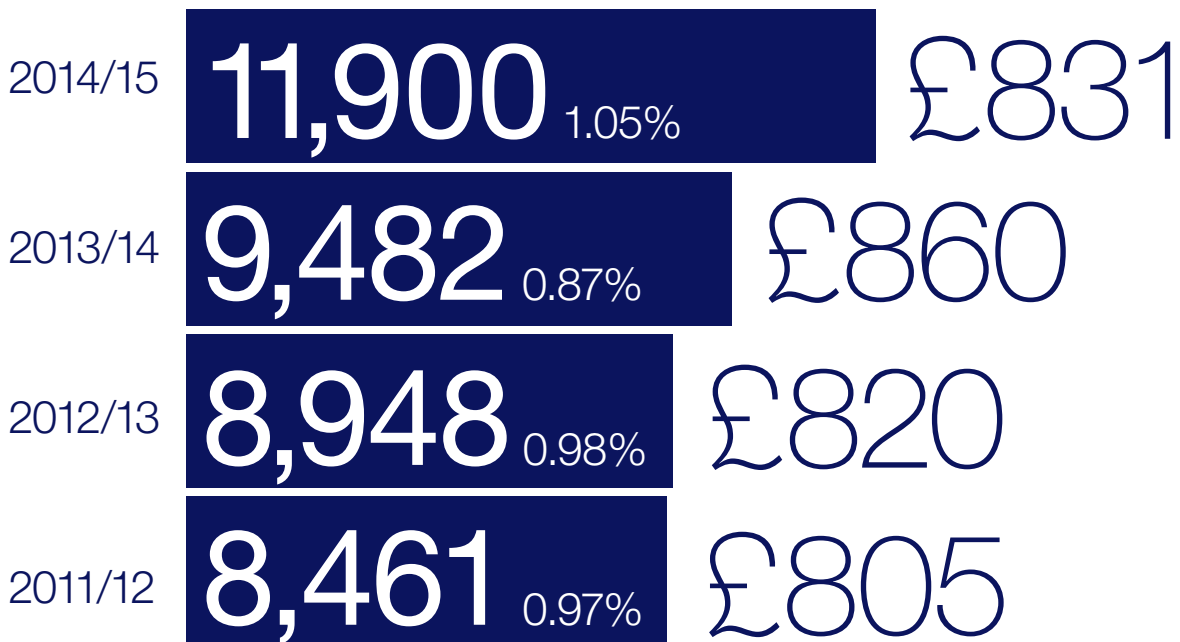


Figures from 31 March 2015.



## Deposit disputes

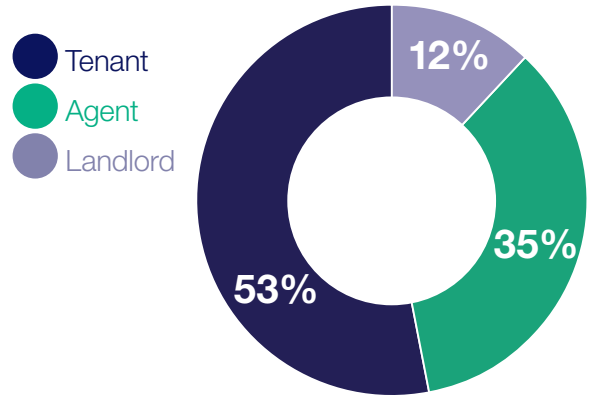
The graph below shows the number of disputes adjudicated during the year, percentage of deposits disputed, and the average amount in dispute per case. **There has been a 25% increase in the number of disputes** since the previous year.



# TDS deposit dispute key facts

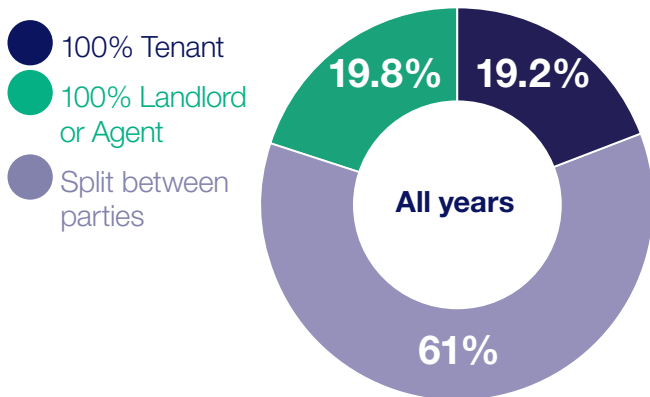
## Who raises disputes?

TDS is the only scheme which allows landlords and letting agents to raise a dispute in addition to the tenant, a service highly valued by our members. To date almost half of disputes have been raised by landlords and agents.

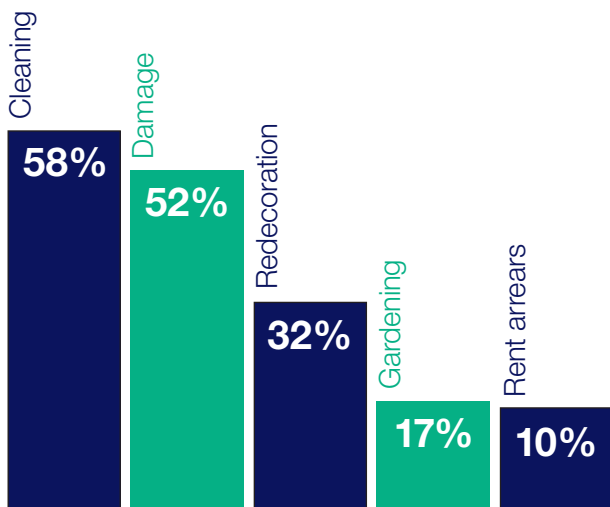


## Who gets what?

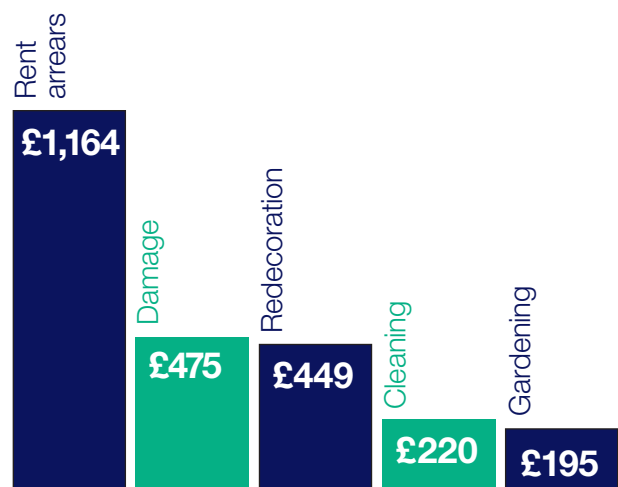
Once again our figures show a broadly equal distribution of disputed deposits. In the majority of disputes the award is shared between parties. The number of cases where the tenant was awarded 100% of the disputed deposit is almost equal to landlords/agents. Again, the division of the total monies awarded is almost equal between tenants and landlords/agents.



## Reasons for dispute 2015



## Average value of disputes by claim





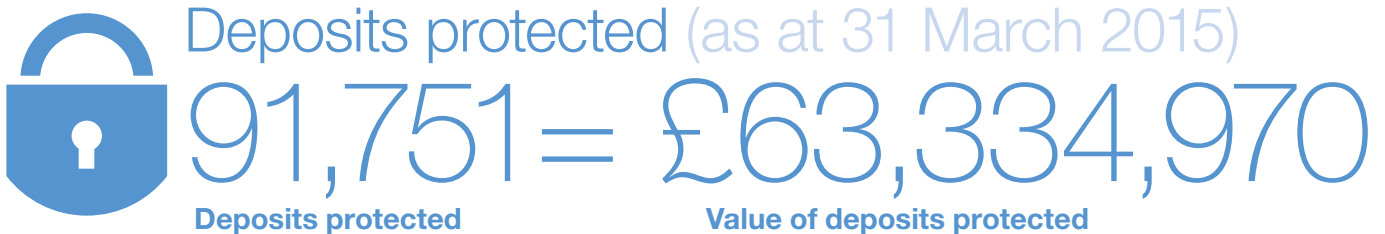
# SafeDeposits Scotland

## Key Facts



The Dispute Service is a key partner in SafeDeposits and provides key operational services relating to finance, IT and dispute resolution activities.

SafeDeposits is the only scheme operating from a permanent base in Scotland. It is a custodial scheme which quickly established itself as the market leader holding 60% of protected deposits as at 31 March 2015.



### Disputes

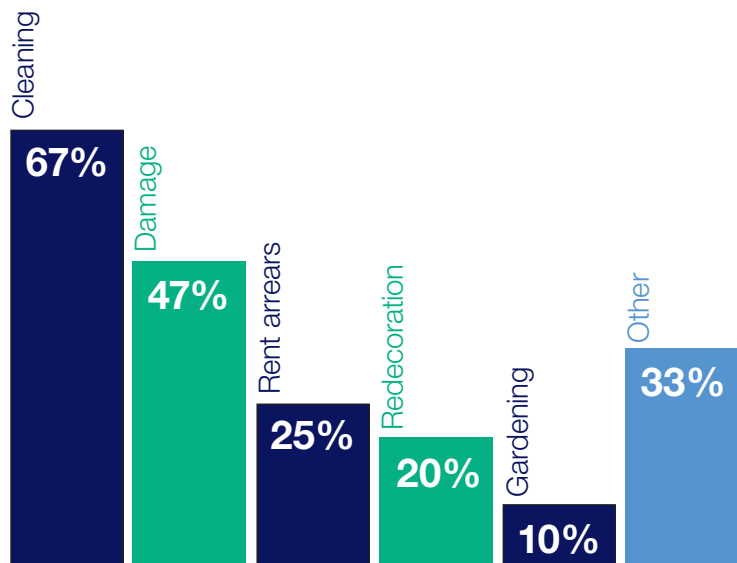
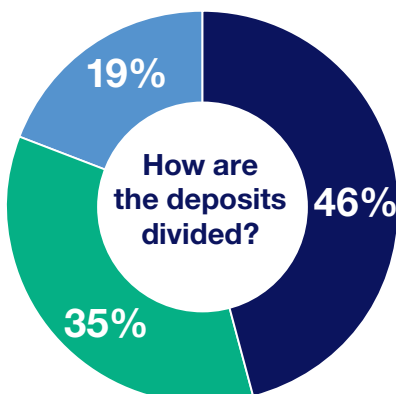
2,886 disputes were raised and adjudications completed in an average of 6 days. This is well within the government target of 20 days.

The Scottish regulations come with an inbuilt review mechanism. This year 277 decisions were appealed of which 16% were accepted for review.

### What are disputes about?

Consistent with the rest of the UK, in Scotland cleaning and damage remain the biggest reasons for dispute.

- 100% to Tenant
- 100% to Landlord / Agent
- Split between landlord and tenant



# Northern Ireland

## Key Facts



Ben Beadle with Housing Rights' Louise Togneri (left) and Director Janet Hunter, at the 'Bigger & Better' Conference.

TDS Northern Ireland is a wholly owned subsidiary of The Dispute Service Limited.

In 2013/14 TDS Northern Ireland quickly established itself as the market leader in deposit protection. This success has continued and we have maintained our outstanding performance, holding 75% of the deposit protection market share. It is the only scheme based in Northern Ireland.



Deposits protected (as at 31 March 2015)

23,338 = £13,812,166

Deposits protected

Value of deposits protected

## Custodial

Total deposits received since launch:

Total	Value	Average
16,478	£9,085,928.97	£551

Custodial deposits held as at 31 March 2015: **11,890**

## Insured

Total insured deposits protected since launch:

Total	Value	Average
13,258	£8,012,049.45	£604

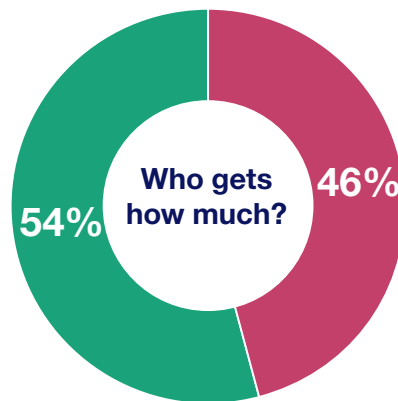
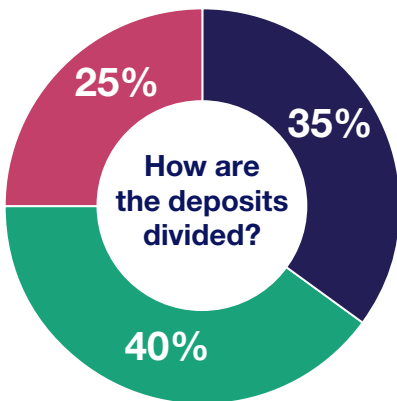
Custodial deposits held as at 31 March 2015: **11,448**



## Dispute resolution

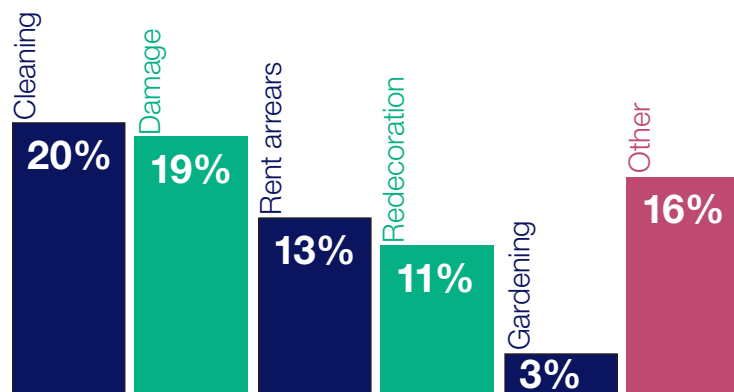
TDS Northern Ireland has resolved 181 disputes in 2014/15 an increase on the 41 determined in the first year of operation. It took an average of 12 working days to complete our adjudications from submission of evidence, well within our target of 20 working days.

The chart on the left shows the proportion of awards which are made in full to one party and those which are divided between the parties. The portion of 100% awards have both decreased since last year, and more disputes are being divided between the parties.



## What are disputes about?

Last year Northern Ireland bucked the UK trend to have rent arrears as the biggest cause of dispute. Now as a better established service, it is falling into line with other jurisdictions with cleaning and damage being the biggest cause of deposit dispute. The “other” category has tended to involve disputes ending early owing to a breach of the tenancy by the tenant.



# Charitable Foundation

The Foundation is an independent charity with a mission to raise the standards of private rented housing management by advancing education in rights and obligations for both tenants and landlords. In particular it will support projects which raise awareness of:



The Trustees meet three times a year to award funding of up to £35,000 per round and up to £20,000 per application. The Trustees as at 31 March 2015 were:



**Professor Martin Partington QC, CBE**  
Chair



**Steve Harriott**  
Chief Executive,  
The Dispute Service



**Sheila Manchester**  
Managing Director,  
Propertydrum



**David Cox**  
Managing Director,  
ARLA



We would like to thank the TDS Charitable Foundation for its support, and hopes that it can be used as a model across the UK for supporting landlords and tenants



**Peter Bolton King,**  
Global Property  
Standards Director, RICS



**Nick Hankey**  
Deputy Chief Executive,  
The Dispute Service



**Colum McGuire**  
Vice President (Welfare)  
NUS



**Martin Blakey**  
Chief Executive,  
Unipol Student Homes

**Caerphilly Borough  
County Council**

“

We're extremely grateful to the TDS Charitable Foundation for this generous grant. Over one fifth of tenants in the private rented sector are foreign nationals so it's vital that they get good advice on their rights

**John Perry**, Chartered  
Institute for Housing

## In its first year in operation, the Foundation has awarded almost £100,000 to educational projects.

Here is a summary of some of the projects that have been funded in the first year of operation.

<p><b>National Union of Students</b> Tenant training programme for students, rolled out through students' unions across the UK <b>£20,000</b></p>		<p><b>City College Norwich</b> Development of a full time and part time course in Residential Lettings Management to encourage school leavers and others into the letting agency sector <b>£20,000</b></p>
<p><b>Chartered Institute of Housing</b> Revamp of an online information service to cover the private rented sector aimed at tenants, particularly migrants, and their advisers <b>£6,300</b></p>	<p><b>KIC FM</b> Awareness campaign by a youth community radio station in the Wolverhampton area <b>£6,000</b></p>	<p><b>Advice4Renters</b> Education and leaflet for tenants on the new Brent landlord licensing scheme <b>£6,460</b></p>
<p><b>Caerphilly County Borough Council</b> Guidance publication including the Common Housing Register and equality laws, landlord and tenant case law examples <b>£5,000</b></p>	<p><b>Generation Rent</b> Production of an engaging "Know Your Rights &amp; Responsibilities" poster and a guide to renters' rights and responsibilities <b>£2,500</b></p>	<p><b>Law for Life</b> A needs assessment report to identify gaps in provision and dissemination of information for tenants in the PRS <b>£3,800</b></p>
<p><b>Designs on Property</b> Funding for a series of research papers <b>£14,939</b></p>	<p><b>Residential Landlords Association</b> Adapting the ANUK handbook to a trainers' guide for local groups to deliver <b>£7,500</b></p>	<p><b>Keyhouse</b> Open door events in Keighley and Bradford for private landlords, to advance knowledge around housing rights and their obligations <b>£3,650</b></p>

# The Dispute Service Our Team



**Steve Harriott**



**Nick Hankey**



**Ben Beadle**



**Alison MacDougall**



**Michael Morgan**



**Josanne Leon**

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**Steve Harriott,**  
CEO

As CEO of The Dispute Service, Steve is responsible for ensuring we meet our responsibilities in the agreements we hold with government. Since taking on his role in 2010 Steve has led the company into becoming the UK market leader in deposit protection, now delivering award winning standards of service. With many years' experience in the housing sector, Steve has held the role of Chief Executive at three housing associations and worked as a lecturer and management consultant.

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**Alison MacDougall,**  
Deputy Director of Dispute Resolution

The Dispute Service resolves over 15,000 disputes every year and this operation is managed by Alison. An experienced adjudicator, she has held senior positions at the Police Complaints Authority and the Office of the Independent Adjudicator for Higher Education.

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**Nick Hankey,**  
Deputy Chief Executive (Resources)

Nick is responsible for maintaining the long term financial security of The Dispute Service. Keeping the company cost effective and efficient is his top priority, allowing us to pass on our savings to our members. Nick is a qualified accountant and has been working in finance for over 30 years.

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**Michael Morgan,**  
Director of Dispute Resolution

Michael heads our dispute resolution team and is leading on a number of projects to improve and innovate the Alternative Dispute Resolution services we offer. Before coming to The Dispute Service Michael was Chief Conciliation Officer at The Furniture Industry Research Association.

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**Ben Beadle,**  
Director of Customer Relations  
& Managing Director of TDS  
Northern Ireland

Ben has been instrumental in delivering award winning standards of customer service since 2010. He also heads up our Northern Ireland operation. With his experience in lettings, property management and within the TDS dispute resolution team, there are few who can rival his knowledge of what customers need from tenancy deposit protection schemes.

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**Josanne Leon,**  
Head of Human Resources

With an increasing number of schemes, The Dispute Service needs outstanding staff to provide a first class customer experience. Josanne has been working in Human Resources for 25 years and is responsible for looking after our people. She has been instrumental in leading our Customer Service Excellence award and Investors in People status.

# Our Board

Martin Partington, Chair (Independent)

Mark Hayward, Representative of the National Federation of Property Professionals

Luay Al-Khatib, Representative of the Royal Institution of Chartered Surveyors

Alan Ward, Representative of the Residential Landlords Association

Jodi Berg, Independent Complaints Reviewer (Independent)

Mark Allan, Managing Director, Personal Intermediated at RSA (Independent)

Steve Harriott, Chief Executive (Executive director)

Nick Hankey, Deputy Chief Executive (Executive director)

## The Dispute Service Accounts

### Profit and Loss Account

For the Year Ended 31 March 2015

	2014-15	2013-14	2012-13
<b>Turnover</b>	5,743,782	5,607,509	5,639,020
Cost of sales	-1,328,849	-1,523,219	1,428,088
<b>Gross profit</b>	4,414,933	4,084,290	4,210,932
Administrative expenses	4,005,943	4,117,590	4,028,715
<b>Operating surplus/(loss)</b>	408,990	(33,300)	182,217
Interest receivable and similar income	135,552	147,446	142,308
<b>Surplus on ordinary activities before taxation</b>	544,542	114,146	324,525
Tax on surplus on ordinary activities	103,481	5,335	77,669
<b>Surplus for the financial year</b>	441,061	108,811	246,856

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