

Tenancy Deposit Reform: A Call for Evidence

Response from ARLA Propertymark

September 2019

Background

1. ARLA Propertymark is the UK's foremost professional and regulatory body for letting agents; representing over 9,500 members. ARLA Propertymark agents are professionals working at all levels of letting agency, from business owners to office employees.
2. Our members operate to professional standards far higher than the law demands, hold Client Money Protection and we campaign for greater regulation in this growing and increasingly important sector of the property market. By using an ARLA Propertymark agent, consumers have the peace of mind that they are protected, and their money is safe.

Questions

Question 16. How frequently have your prospective tenants had difficulty providing a deposit?

- a. Never
- b. Sometimes
- c. Often
- d. Always

3. Many ARLA Propertymark members have said that in most cases prospective tenants do not have difficulty providing a deposit. From 15 July until 29 July, ARLA Propertymark surveyed members on this issue. From 709 responses, 52.33% said that prospective tenants had never had any difficulty providing a deposit. The results also show that 45.56% responded saying sometimes and only 2.12% of responders said often.

Question 17. To what extent do you agree that tenants find it difficult affording a second deposit when moving within the private rented sector?

- a. Strongly agree
- b. Agree
- c. Neither agree nor disagree
- d. Disagree

e. Strongly Disagree

4. More ARLA Propertymark members agree rather than disagree that tenants find it difficult affording a second deposit when moving within the private rented sector. From 15 July until 29 July, ARLA Propertymark surveyed members on this issue. From 709 responses, 41.19% agreed or strongly agreed that tenants find it difficult affording a second deposit when moving within the private rented sector. From the results, 33% disagreed or strongly disagreed. However, 25.81% of members neither agreed nor disagreed that tenants find it difficult affording a second deposit.

Question 18. Do you have any further evidence about the scale of the problem which you would like us to consider?

5. ARLA Propertymark is concerned that the private rented sector is becoming less affordable for tenants and making it harder for them to pay for a deposit. The Government must recognise two issues and consider one other. Firstly, the Government must recognise the impact of the Tenant Fees Act on the cost of renting. For instance, although agents have been banned from charging fees these costs are still being paid by tenants, but instead of being upfront costs the fees are now included in the rent. Higher rent means a larger deposit for tenants. Secondly, the Government must recognise that investment in the private rented sector is falling. As the number of properties available is reduced this increases competition in the market, which only pushes rents up and makes finding the money for a deposit even harder. Investment is falling because the phasing out of tax relief on mortgage interest for landlords, the additional SDLT surcharge on buy-to-let property and the repercussions of the Tenant Fees Act means that landlords costs have significantly increased and the return on investment does not out way the costs. Furthermore, recent proposals from the Government to abolish Section 21 and the Mayor of London's call for rent controls make the sector an even less attractive proposition for landlords. As costs increase and demand exceeds supply the cost of renting will increase further for tenants. Consequently, the Government must consider launching a review of all taxes relating to private landlords. Through the review the Government will be better placed to introduce policies that reduce costs for those wishing to invest in the sector, which in turn will help reduce rent for tenants and make it more affordable for renters to pay for their deposit.
6. The Tenant Fees Act is making renting less affordable for tenants because the costs of services provided by letting agents are now being passed to landlords which is subsequently being paid for tenants through their rent. This is evident through two

scenarios. Firstly, because security deposits are capped under the Tenant Fees Act rents are being increased to cover damage and cleaning costs. Secondly, due to the cap on deposits many agents are increasing the rent to cover the costs of letting to tenants with pets. This is significant because before the Tenant Fees Act came into force landlords often asked for pet deposits of around £150, repayable at the end of the tenancy. However, for tenants wishing to rent with a pet are being charged up to £50 a month additional rent for a single pet. This is adding considerably to the cost of housing at a time when more and more families are priced out of buying and rely on rented homes. This further backed up by analysis from ARLA PropertyMark in June, which showed that over half of agents (55%) witnessed landlords increasing rents.¹ This is important because the Tenant Fees Act came into force on 1 June and the rent rise is a 22% increase on the previous month before the ban was introduced. Moreover, year-on-year, the number of tenants facing rent increases is up from 31% in June 2017, and 35% in June 2018. As a result, the Government must recognise the impact of the Tenant Fees Act on affordability for tenants and subsequently the strain on their ability to find more money for deposits. The Government must take a holistic approach and develop policies that reduce the cost of renting for tenants.

7. The Government must recognise that investment in the private rented sector is falling and this is a direct result of increasing levels of legislation that is putting even more pressure on the industry. In April 2019, we reported a spike in landlords exiting the rental market². Furthermore, feedback from members outlined that the number of tenants experiencing rent increases rose with the number of tenants negotiating rent reductions falling. This is significant because in April the Government announced plans to scrap Section 21 and for the 2019-20 tax year, landlords are only able to deduct 25% of their mortgage interest. Before the Government decided to restrict Income Tax relief for landlords to the basic rate of tax, higher rate taxpaying landlords could claim tax relief at 40%, but the relief will now be restricted to the 20% basic rate of Income Tax by April 2020. The Government must recognise that in order to remain profitable, landlords will increase rents to cover the additional fees they are now faced with and as a result tenants will continue to pay higher deposits. This is important because if supply of rental accommodation falls further, tenants will only be faced with more competition for properties, pushing up rent prices on good-quality, well-managed accommodation and decreasing tenants' ability to negotiate rent reductions. Therefore, we believe the Government must consider launching a review of all taxes relating to private landlords in order to develop policies that promote long term investment in the sector and reduce costs for tenants.

¹ <https://www.arla.co.uk/media/1048158/prs-report-june-2019.pdf>

² <https://www.arla.co.uk/lobbying/private-rented-sector-reports/april-2019/>

Question 19. Are you aware of any of these initiatives? [tick all that apply]

- a. Local authority schemes (deposit loans, deposit bonds, local authority-backed insurance policy)**
- b. Deposit replacement products (also known as 'zero deposit' schemes)**
- c. Rental deposit loans (employer-backed loans)**
- d. I'm not aware of any of these initiatives**

8. ARLA Propertymark and its members are aware of initiatives such as local authority schemes, deposit replacement products and rental deposit loans.

Question 20. Have you ever used any of these initiatives? [tick all that apply]

- a. Local authority schemes (deposit loans, deposit bonds, local authority-backed insurance policy)**
- b. Deposit replacement products (also known as 'zero deposit' schemes)**
- c. Rental deposit loans (employer-backed loans)**
- d. I have not used any of these initiatives**

9. ARLA Propertymark members have used local authority schemes and many, as employers, offer rental deposit loans. Since several companies have emerged that offer landlords and tenants an alternative to the traditional 'cash' tenancy security deposit, in July 2019, ARLA Propertymark surveyed members on whether they had ever used a deposit replacement product. From 709 responses an overwhelming majority, 77.86% said no and only 21.14% said yes to having used a 'zero deposit' scheme.

Question 21. If not, why not?

- a. Wasn't aware of it**
- b. Didn't need it**
- c. Wasn't eligible**
- d. Not operating in my area**
- e. Other [please state]**

10. There are four main issues as to why many ARLA Propertymark members are not using deposit replacement products. Firstly, concerns about tenants taking responsibility for a property when not paying an actual cash deposit. Secondly, lack of understanding and awareness amongst agents. Thirdly, lack of awareness and take up from tenants. Fourthly, concerns the products do not protect the landlord adequately.

Tenants taking responsibility

11. Agents report that landlords prefer to take a normal payment deposit and are uncertain as to whether the deposit replacement product will pay out in the event of

a dispute. Deposits are paid as a deterrent against tenants causing damage or otherwise not performing their responsibilities as set out in the tenancy agreement. There is real concern amongst agents that if tenants were not required to pay a deposit and they were merely paying a lesser amount to cover an insurance policy there is a higher probability that tenants would feel more relaxed in breaking the clauses in the tenancy agreement, knowing that there was less of their money liable to be lost. Essentially, there is a lack of understanding and awareness about deposit replacement products. Currently, agents believe there is more security in having the standard deposit, which is then protected, and any disputes can be dealt with properly.

Lack of understanding and awareness amongst agents

12. There is not enough clarity of information on how deposit replacement products work. ARLA Propertymark has produced a Fact Sheet for members, but elsewhere limited information is available. The products have not been approved by the Government and members report that they are reluctant to use them without evidence that they are effective. Until the schemes become more established agents are wary of the longevity of the products and whether they collapse under the weight of claims. Furthermore, agents report that there is more security in having the standard deposit, which is then protected, and disputes can be dealt with properly. Letting agents are not using deposit replacement products because they are not confident that the schemes have been properly evaluated and the products are sustainable to work alongside longer tenancies.

Lack of awareness and take up from tenants

13. ARLA Propertymark members report that there is little take up from tenants and those tenants who have used deposit replacement products are unaware what the schemes cover. Agents are also concerned that most tenants assume the insurance will cover damage and cleaning. Furthermore, because no cash or money has been provided, tenants do not realise that the deposit replacement products will pursue them for the costs that a landlord claims after a check-out inspection. In addition, agents are anxious about how deposit replacement products are being marketed to tenants. Many renters think they have an insurance to protect them when being pursued for dilapidations because they have paid a premium. This causes confusion and low levels of understanding from tenants. Ultimately, agents do not believe that the products are in the best interest of the tenant and think they will lead to disagreements. Tenants need more information about deposit replacement products, so they understand fully the implications of using these products.

Not adequate protection

14. Many agents are concerned about whether deposit replacement products give tenants enough incentive to return properties in the same good condition when compared to the start of the tenancy. This is largely down to the fact that no cash or money is taken. Other agents have commented that the products are complex, and it is difficult to claim. Furthermore, agents do not have the confidence that the deposit replacement products will handle disputes correctly. Many agents like the simplicity of having a cash deposit and have good working relationships with the three government-approved tenancy deposit protection schemes. Fundamentally, letting agents are not using deposit replacement products because they need more information about the reliability of the products and evidence that the schemes will pay out.

Question 22. If you used a scheme, did you experience any problems with it?

15. ARLA Propertymark members report problems when using local authority schemes and deposit replacement products. The two main problems with local authority schemes are scope and extra work. The main problem with deposit replacement products is their ability to resolve issues at the end of the tenancy.

Local authority schemes

16. Where tenants are unable to raise the deposit, a small number of agents report that on occasions tenants apply to the local authority who pay the deposit and first month's rent for them. Agents have said that this has occurred with tenants who are in work as well as tenants in receipt of benefits. However, there are two problems that members have faced with local authority schemes. Firstly, council bonds have many conditions attached to them and not all aspects of the tenancy agreement are covered by the bond. For instance, bonds usually cover the rent but not cleaning. Secondly, local authority schemes can create a significant amount of extra administration. For example, agents must check with the council at the end of the tenancy that the tenants have paid off the deposit in full otherwise the unpaid part has to go back to the council. As a result, because of the scope and extra work involved agents are reluctant to advise and accept local authority bonds or schemes.

Deposit replacement products

17. There are two main problems agents have experienced when using deposit replacement products. Firstly, the process at the end of the tenancy. When using a deposit replacement product, agents report issues with the property needing work, such as cleaning and decorating, when the tenant left. However, it takes longer than using the deposit protection schemes to get the landlords costs back from the tenant.

The process requires a claim which takes longer and distances the tenant from the deposit like an insurance claim. Therefore, agents are concerned that this creates less responsibility for tenants to maintain the property. Secondly, the company providing the deposit replacement product went out of business. This situation left no deposit to resolve issues at the end of the tenancy. Agents are concerned that until these products are tried and test, they are reluctant to use them.

Question 23. What could be done to improve awareness of employer-backed (rental deposit) loans?

18. ARLA Propertymark think there are two things that can be done to improve awareness of employer-backed (rental deposit) loans. Firstly, the Government should embark on a communications campaign with employers. The campaign must highlight that financial wellbeing is an area that can make a significant difference to their employee's lives. Employers must recognise that financial wellbeing is not just about pension planning but identifying and understanding the challenges that employees face outside of work. Secondly, the Government must engage with and educate employees that employer-backed loans are available, and they should ask the organisation they work for about them. The Government could provide information to employees about employer-back deposit loans when, for example, taxpayers receive the annual summary of their personal tax and National Insurance contributions.

Question 24. What could be done to improve the availability of employer-backed (rental deposit) loans?

19. There are three things that can be done to improve the availability of employer-backed (rental deposit) loan. Firstly, the Government should carry-out a survey amongst businesses and their trade bodies in order to ascertain who is providing employer-backed loans. Once this is determined the Government should publicise a list of companies who offer employer-backed rental deposit loans in order to encourage others to do the same. Secondly, companies and organisations should be provided with guidance on how to package financial wellbeing benefits and information to employees in a more helpful way. Currently, many financial wellbeing benefits that employers provide are only presented to employees as single items of support. Thirdly, the Government should make employer-backed (rental deposit) loans mandatory for companies over a certain size.

Question 25. What could be done to improve the availability of local authority schemes? (deposit loans, deposit bonds, local authority-backed insurance policy)

20. ARLA Propertymark believes that there are three things that could be done to improve the availability of local authority schemes. Firstly, the schemes need to be advertised more widely. Secondly, agents need to be educated that they exist so they can advise prospective tenants, who say they would have difficulty in finding the deposit, to contact the local authority. Thirdly, information could be provided to professional bodies such as ARLA Propertymark who can communicate to members using online channels and at our series of events.³

Question 26. What could be done to improve the awareness and availability of alternative financial products designed to bridge the gap in the payment of deposits?

21. In order to improve the awareness and availability of alternative financial products they must be approved by the government and properly regulated. The three government-approved deposit protection schemes are established and are well understood by landlords and agents. As outlined throughout our response to this call for evidence viable alternatives have yet to be proven. This has created low awareness and limited demand for alternative financial products.

Question 27. Are there any other actions that could be taken to make it easier for tenants to pay for a new deposit when moving home?

22. Yes, in order to make it easier for tenants to pay for a new deposit when moving home the Government must balance affordability for tenants with confidence of landlords. To this end, we believe that the Government must look at initiatives that incentivise tenants to maintain the condition of property they rent. This is important for two reasons. Firstly, agents are concerned that the deposit cap under the Tenant Fees Act is too low to cover disputes and damages. Secondly, until deposit replacement schemes have become more established, ARLA Propertymark members are concerned that if more tenants become attracted to these products they will not look after property without handing over any actual money. Where tenants maintain property, we believe they should be able to build up a credit score based on the number of deductions on their deposit over the time they live in rented accommodation. This information would be controlled and maintained by the deposit protection schemes and/or other regulated providers. The higher the score the more confidence landlords and agents would have in offering alternative deposit and affordability models for

³ <https://www.arla.co.uk/>

tenants such as taking money over regular instalments safe in the knowledge that the tenant has built up a record of non-deductions from renting previously. We acknowledge that the Government is looking at making it easier for tenants to pay for a new deposit. However, the Government must not ignore the factors that reduce risk and are currently influencing the confidence of landlords and agents to continue to invest in the sector and provide well-managed long-term tenancies for a variety of tenants.

Question 28. With your most recent move/letting, how long after the tenancy ended did it take for negotiations on deposit deductions to begin?

- a. Less than three days**
- b. 3-5 days**
- c. 6-10 days**
- d. 11-20 days**
- e. More than 20 days**

23. For the majority of ARLA Propertymark members it took up to five days after the tenancy ended for negotiations on deposit deductions to begin. From 15 July until 29 July, ARLA Propertymark surveyed members on this issue. Analysis of the 709 responses show that for 40.34% of agents it took less than three days after the tenancy ended for negotiations on deposit deductions to begin. From the other options, 31.31% of members said it took between three to five days and 18.05% said it took between six and ten days. Only 8.46% said it took between 11 and 20 days with 1.83% of responders saying it took more than 20 days.

Question 30. Are you aware of the statutory timeframes around the return of a deposit?

- a. Yes**
- b. No**

24. Yes, ARLA Propertymark and its members are aware of the statutory timeframes around the return of a deposit.

Question 31. Have you ever used the statutory declaration process to reclaim a deposit?

- a. Yes**
- b. No**

25. Yes, ARLA Propertymark members report that they have used the statutory declaration process to reclaim a deposit.

Question 32. If you answered yes to Q31, what was your experience of the process?

- a. Very positive**
- b. Positive,**
- c. Neither positive nor negative**

d. Negative

e. Very negative

26. We know from members who have used the statutory declaration process to reclaim a deposit that their experience is negative. Members report that using the statutory declaration process creates additional time and is lengthy. Two examples represent this view. Firstly, a letting agent has reported that where the tenant was sent to prison the agent had to get the deed executed by a solicitor to get the deposit back from the deposit protection scheme. This was a long drawn out process that costs time and money. Secondly, we are aware that on occasions in possession hearings the judge will not give direction on the disbursement of the deposit. In this scenario, we believe that this should form a natural part of any Possession Order. As a result, this will ensure that the possession process and deposit is dealt with at the same time.

Question 33. To what extent do you agree that the process for returning the deposit is too slow?

a. Strongly agree

b. Agree

c. Neither agree nor disagree

d. Disagree

e. Strongly Disagree

27. We agree that the process for returning the deposit is too slow. We predominately attribute this to the fact that the timeframe to return deposits is not as clear as it should be. For instance, currently the legislation only sets a time limit in the insured scheme. Under the rules a tenant can raise a dispute with a tenancy deposit protection scheme only if 10 days have passed since a request was made to return the deposit when the tenancy agreement has come to an end. However, this means that many people consider that the deposit must be returned within 10 days of the tenancy ending. This needs to be clarified to avoid further confusion. In addition, under the custodial scheme we are aware that the process for returning the deposit takes longer.

Question 34. Do you think that a definitive deadline for returning deposits could help improve the process?

28. Yes, we do think that a definitive deadline for returning deposits could help improve the process. The deadline should be no less than 10 working days from the end of the tenancy but longer than 20 working days from when the tenancy finishes. After the deadline has passed a tenant should be able to make an application for repayment in the custodial scheme or raise a dispute with an insurance backed scheme.

Question 35. What do you think would be the consequences of imposing a deadline for deposit returns?

29. We believe that imposing a deadline for deposit returns would have a positive impact if the deadline is realistic to enable a check-out to take place and any deductions to be identified and costed.

Question 36. What would encourage financial services providers to create a deposit loan product that is affordable for tenants?

30. It is not relevant for us to answer this question.

Question 37. Do you think the Government should continue to explore the viability of a passporting system?

31. Yes, ARLA Propertymark does think that the Government should continue to explore the viability of a passporting system. We are supportive of this concept in principle, but it needs a practical, workable solution. For deposit passporting to work the Government must ensure that both the outgoing landlord's deposit can be used if needed, while the incoming landlord has certainty, they will get the full deposit they have agreed with the tenant. Affordability for tenants of any bridging loan or insurance policy is key if deposit passporting is going to be a workable and affordable solution for the future of deposits.

Question 38. Do you think that passporting could lead to a change in landlord and tenant behaviour?

32. Yes, we do think that passporting could lead to change in landlord and tenant behaviour. There are three scenarios which the Government must consider. Firstly, we believe that landlords will be reluctant to accept a passported tenant when the landlord or agent is responsible for purchasing an insurance policy or agreeing a guarantor with the tenant for the remaining deposit. Secondly, if the deposit scheme was responsible for guaranteeing the remaining deposit, and passing on any necessary costs, this option could work if the costs are borne by the tenant. In either scenario, agents are concerned that tenants will take less care of the property if they have not paid out any money at the start of the tenancy. Thirdly, tenants are likely to see more complicated terms and conditions.

Reluctance from landlords unless an insurance policy is purchased

33. Landlords are likely to be reluctant to accept a passported tenant when the landlord or agent is responsible for purchasing an insurance policy or agreeing a guarantor with

the tenant for the remaining deposit. This option provides no benefit to landlords and agents. It simply puts extra costs on them. Under this scenario landlords and agents receive no benefit because the aim of a deposit is to mitigate the risk of a tenant failing to comply with the terms of their tenancy; either by not paying rent or by damaging the property, its fixtures or furnishings. The tenant must be held responsible for their actions through being able to fund the tenancy and find a deposit. In this situation, landlords and agents are taking on extra risk and costs and receiving no benefit in return. Furthermore, as the Government has decided under the Tenant Fees Act that landlords choose the agent and therefore must pay for the costs of setting up and managing the tenancy, tenants should also have to pay for the cost of passporting where they have chosen this option. Considering the increased costs to landlords, we believe that many landlords and agents are unlikely to be able to purchase an insurance policy or agree a guarantor with the tenant for the remaining deposit.

Deposit schemes must guarantee the remaining deposit to give landlords confidence

34. Where the deposit scheme was responsible for guaranteeing the remaining deposit, and passing on any necessary costs, we believe that landlord and agents are more likely to accept this option if the costs are borne by tenants. When renting a property, a tenant is taking a legal interest in land for the duration of their tenancy and must be able to adequately fund a deposit for doing so. Furthermore, it is the tenant's choice if they decide to passport their deposit and as a result, they must pay any necessary costs. If tenants cannot afford a deposit or a guarantee they will be sceptical that the tenant can meet rent payments.

More complicated terms and conditions for tenants

35. Tenants are likely to see more complicated terms and conditions under new passporting arrangements. For instance, those living in shared properties who want to withdraw their portion of a deposit held on behalf of the entire household will add additional layers of complexity to the process of passporting deposits. This will impact on landlord and tenant behaviour in two ways. Firstly, it will take landlords and letting agents additional time to administer. Secondly, there will be a greater need for tenants to fully understand the process. This will result in a more complex scenario and extra conditions will be attached to the tenancy.

Question 39. What measures could be put in place to tackle or prevent negative behavioural changes in a potential passporting system?

36. The Government must introduce measures that reduce the risks landlords and agents face. We believe that there are three things that can help tackle or prevent negative behavioural changes in a potential passporting system. Firstly,

a tenant guarantee must be in place. Secondly, it should be a requirement to have an inventory. Thirdly, it should be a legal requirement to have a written tenancy agreement.

Tenant guarantee

37. A tenant guarantee such as a bridging loan or insurance policy needs to be in place because a deposit protects against damage or default. Landlords must be confident their costs are covered before releasing the tenants' money. Once a tenant has paid a full deposit, if they move on and rent another property, the deposit protection scheme retains the money, any deductions are made, and the remaining money is held by the scheme. Information is then provided to the new landlord about which scheme the money is held. If the new landlord is happy with the arrangement the money stays with the scheme and a smaller amount may be needed by the tenant to top up the deposit for the new property. During this time the tenant should purchase an insurance policy or acquire a bridging loan from the scheme which is used to claim against any deductions. By ensuring that the guarantee is administered by the tenant deposit scheme this will reduce the risks for landlords and allow use the expertise of the schemes to work with tenants should problems arise.

Inventory

38. To tackle or prevent negative behavioural changes in a potential passporting system we believe that there should be a requirement to have an inventory. To speed up the process of determining reductions and returning deposits both parties must protect themselves and the property, and inventories are the single most important way to do this. If the tenant has agreed the inventory, this reduces the potential for a dispute to arise at the end of the tenancy speeding up the end of tenancy process. An inventory, which records the condition of the property with written notes, photographic evidence, as well as details of the contents, including fixtures and fittings, will be helpful in supporting a claim on a deposit. If a disagreement does arise, a decision to resolve the matter will be based on the evidence provided by both the landlord and the tenant. In a deposit passporting scenario this would help to ensure that the end of tenancy process is quicker and straight forward to resolve.

Written tenancy agreement

39. To tackle or prevent negative behavioural changes in a potential passporting system we believe it should be a legal requirement to have a written tenancy agreement. Having a tenancy agreement is vital for landlords, tenants and letting agents. A written tenancy agreement protects the landlord's property and ensure that landlord and tenants understand their rights and responsibilities. It is also important for landlords and agents to undertake regular inspections of the property. Where a written tenancy

agreement is in place this can be used to stipulate the periodic inspection schedule ensuring that the tenant has written notification and is given appropriate notice. This will help to maintain the condition of the property throughout the tenancy and help to reduce disputes and costs for tenants at the end of the tenancy that will allow them to retain more money and move quickly.

Question 40. What other action could be taken to make it easier for tenants to pay for a new deposit when moving home?

40. We have nothing further to add.

Question 43. Are you aware of the existence of the alternative dispute resolution services provided by the deposit schemes?

a. Yes

b. No

41. Yes, ARLA Propertymark members are aware of the existence of the alternative dispute resolution services provided by the deposit schemes. From 15 July until 29 July, ARLA Propertymark surveyed members on this issue. Analysis of the 709 responses show that most agents, 98.59% are aware of the dispute resolution services provided by the deposit schemes. Only 1.41% of agents are not aware of this service.

Question 44. If you answered yes to Q31, have you ever used the dispute resolution services provided by the deposit schemes?

a. Yes

b. No

42. Yes, most agents who said they are aware alternative dispute resolution services have used them. From 15 July until 29 July, ARLA Propertymark surveyed members on this issue. Analysis of the 699 responses show that many agents, 88.41%, have used the dispute resolution services provided by the deposit schemes. Only 11.59% of agents have not used this service.

Question 45. If you answered yes to Q44, how satisfied are you with the current deposit dispute process?

a. Very satisfied

b. Satisfied

c. Neither satisfied nor dissatisfied

d. Dissatisfied

e. Very dissatisfied

43. A very significant number of ARLA Propertymark members are either very satisfied or satisfied with the current deposit dispute process. From 15 July until 29 July, ARLA Propertymark surveyed members on this issue. From those members who answered 'Yes' to Question 44, 65.38% of agents said they were satisfied or very satisfied with the current deposit dispute resolution process. From the other options, 15.7% were neither satisfied nor dissatisfied. Only 18.93% of members were dissatisfied or very dissatisfied.

Question 46. Are you aware of how to complain about an alternative dispute resolution decision regarding a deposit dispute?

a. Yes

b. No

44. A majority of ARLA Propertymark Members of ARLA Propertymark are aware of how to complain about an alternative dispute resolution decision regarding a deposit dispute. Analysis of survey responses from 618 ARLA Propertymark members in July 2019 show that 67.64% of agents said they are aware of how to complain about an alternative dispute resolution decision regarding a deposit dispute. Only 32.36% of agents said they are not aware of how to complain.