

TDS Resolution Services Annual Review 2021-22



Delivering fair resolution services
across the UK



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Accreditations

The Dispute Service has the following accreditations:

- Complaint Handler Member of the Ombudsman Association
- Full Ombudsman membership of the Ombudsman Association [for the New Homes Ombudsman Service]
- ISO 10002 Customer Satisfaction Management System
- Customer Service Excellence Award
- Best Companies #3 Not for Profit Body
- Cyber Essentials Plus
- CTSI Approved ADR Provider





Introduction

This is the second Annual Review from The [Dispute Service \[TDS\]](#) on its dispute resolution activities across the UK in 2021/22. TDS (a not for profit company) operates a number of statutory tenancy deposit protection schemes in England and Wales, Scotland and Northern Ireland. As part of the overall service, agents, landlords and tenants have access to free dispute resolution in relation to disputes about the distribution

of the deposit at the end of the tenancy. We also provide a dispute resolution service for [Zero Deposit](#), a deposit replacement product.

In 2021-22 we issued 14,010 adjudications across our UK tenancy deposit schemes. A significant number of disputes submitted to us were resolved by early resolution without the need for an adjudication decision.

TDS Northern Ireland is a wholly-owned subsidiary of The Dispute Service, providing both Custodial and Insured tenancy deposit protection.



SafeDeposits Scotland is a Custodial tenancy deposit protection scheme. It is a separate company where The Dispute Service is the key partner and provides the scheme's key operational services.

SDS Resolve is a mediation service helping landlords and tenants resolve issues arising during a tenancy.

Tenancy Deposit Scheme is operated by The Dispute Service providing tenancy deposit protection in England and Wales. It offers both Insured deposit protection, **TDS Insured**, and Custodial deposit protection, **TDS Custodial**.

TDS Resolution is a mediation service helping landlords and tenants resolve issues arising during a tenancy.

Tenancy Redress Service is a dedicated redress scheme open to tenants of participating landlord members of the National Residential Landlords Association.

Tenancy Deposit Scheme England and Wales



In England and Wales we offer a choice of deposit protection options, each of which includes access to free dispute resolution.

With **TDS Insured**, the tenant's deposit is held by the agent or landlord for the duration of the tenancy. The tenant's interest in the deposit is protected by the scheme, which holds insurance to cover the risk that the deposit is not

returned. Negotiations about the return of the deposit at the end of the tenancy usually results in an agreement between the landlord and tenant without the need to access the free resolution service operated by the scheme and the agent or landlord distributes the deposit in accordance with the parties' agreement. Our experience is that disputes arise in only 1% of the deposits we protect each year and in about 3% of tenancies which end each year. The tenant can approach the Tenancy Deposit Scheme for help with resolving any disagreement within 3 months of the end of the tenancy. At

that point, we will ask the holder of the disputed deposit to send it to us to be held during the resolution process.

Protection with **TDS Custodial** involves the agent or landlord sending the deposit to TDS Custodial to hold at the start of the tenancy. When the tenancy ends, the parties must engage with the scheme about the release of the deposit. The parties can ask the Tenancy Deposit Scheme to help them resolve any disputed deposit that they are unable to agree upon during the repayment process.

TDS Insured

NEW DISPUTES

The TDS Insured scheme is the largest in the Group and accounts for the greatest part of our resolution work.

We adjudicated on 10,512 disputes, which remains significantly below the total of 13,340 decided in 2019-20 before the Covid 19 pandemic.

Generally, agents, landlords or tenants can initiate the dispute process, either online or by post.

Over 99% of applications were completed online in 2021/22.

Adjudications TDS Insured

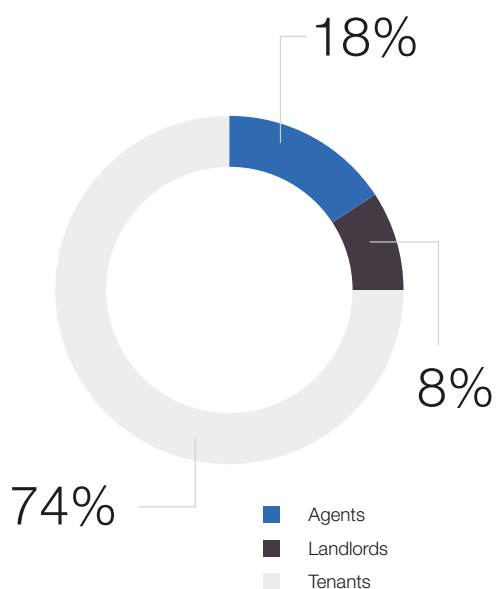
2021/22	10,512
2020/21	10,505
2019/20	13,340

WHO RAISES DISPUTES?

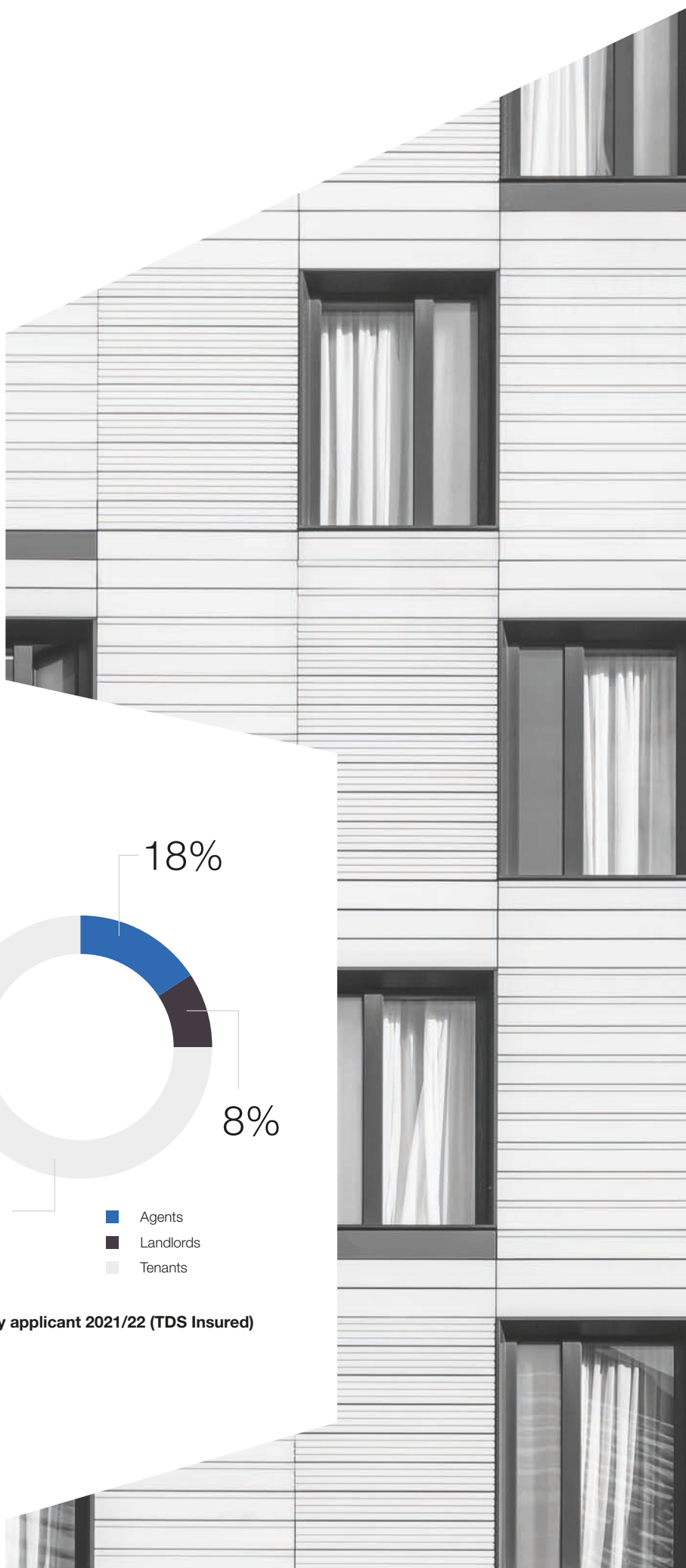
During 2021/22, 74% [75.5% in 20/21] of dispute applications were initiated by tenants. This is a continuation of a trend seen over the last 5 years with tenants raising more disputes than agents/landlords.

This is likely to reflect increasing awareness of our free resolution service among tenants who have been renting in the private rented sector for a number of years over several tenancies and now fully understand that they are always able to commence the dispute process.

A second factor is the availability of a specific TDS product (TDS Direct) aimed at letting agents who do not need to be able to raise disputes themselves. Agents who opt for this product successfully resolve any issues directly with their tenants in most cases. Their tenants are still able to come to TDS if they disagree with the proposals made by the agent.



Disputes by applicant 2021/22 (TDS Insured)



WHAT ARE DISPUTES ABOUT?

Most of the disputes raised with TDS involve more than one issue. Cleaning and damage remain the most common areas of dispute, with cleaning being the single most contested issue in the last year.

Reasons for dispute (TDS Insured)

	2018-19	2019-20	2020-21	2021-22
Cleaning	53%	52%	49%	50%
Damage	32%	32%	35%	46%
Redecoration	31%	29%	26%	28%
Gardening	15%	15%	12%	13%
Rent arrears	18%	16%	15%	13%

EARLY RESOLUTION OF DISPUTES

Our resolution service puts particular emphasis on the early resolution of disputes so that tenants' deposits are released as early as possible, and landlords receive any money they are due from the deposit to address issues in their properties.

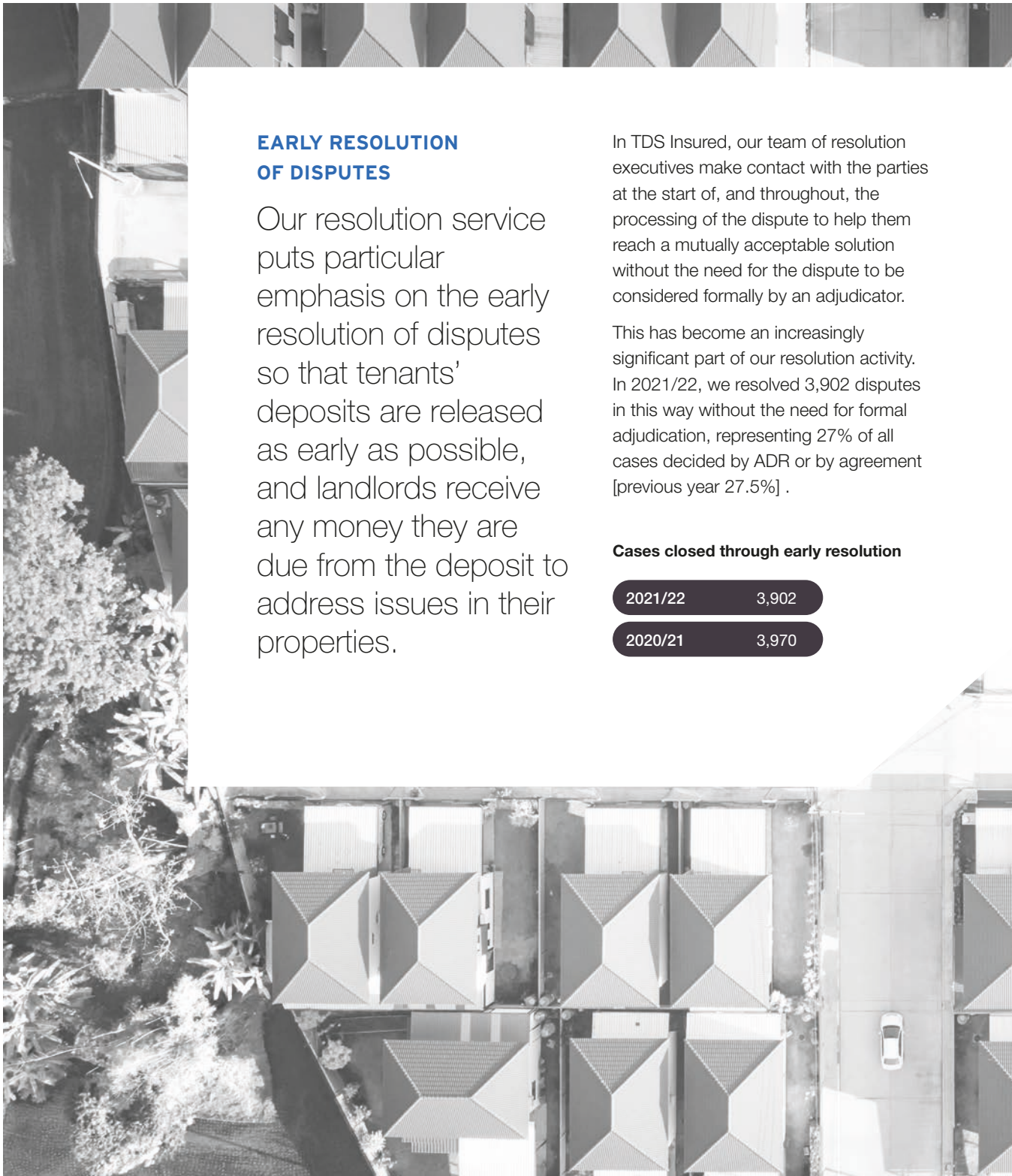
In TDS Insured, our team of resolution executives make contact with the parties at the start of, and throughout, the processing of the dispute to help them reach a mutually acceptable solution without the need for the dispute to be considered formally by an adjudicator.

This has become an increasingly significant part of our resolution activity. In 2021/22, we resolved 3,902 disputes in this way without the need for formal adjudication, representing 27% of all cases decided by ADR or by agreement [previous year 27.5%].

Cases closed through early resolution

2021/22 3,902

2020/21 3,970



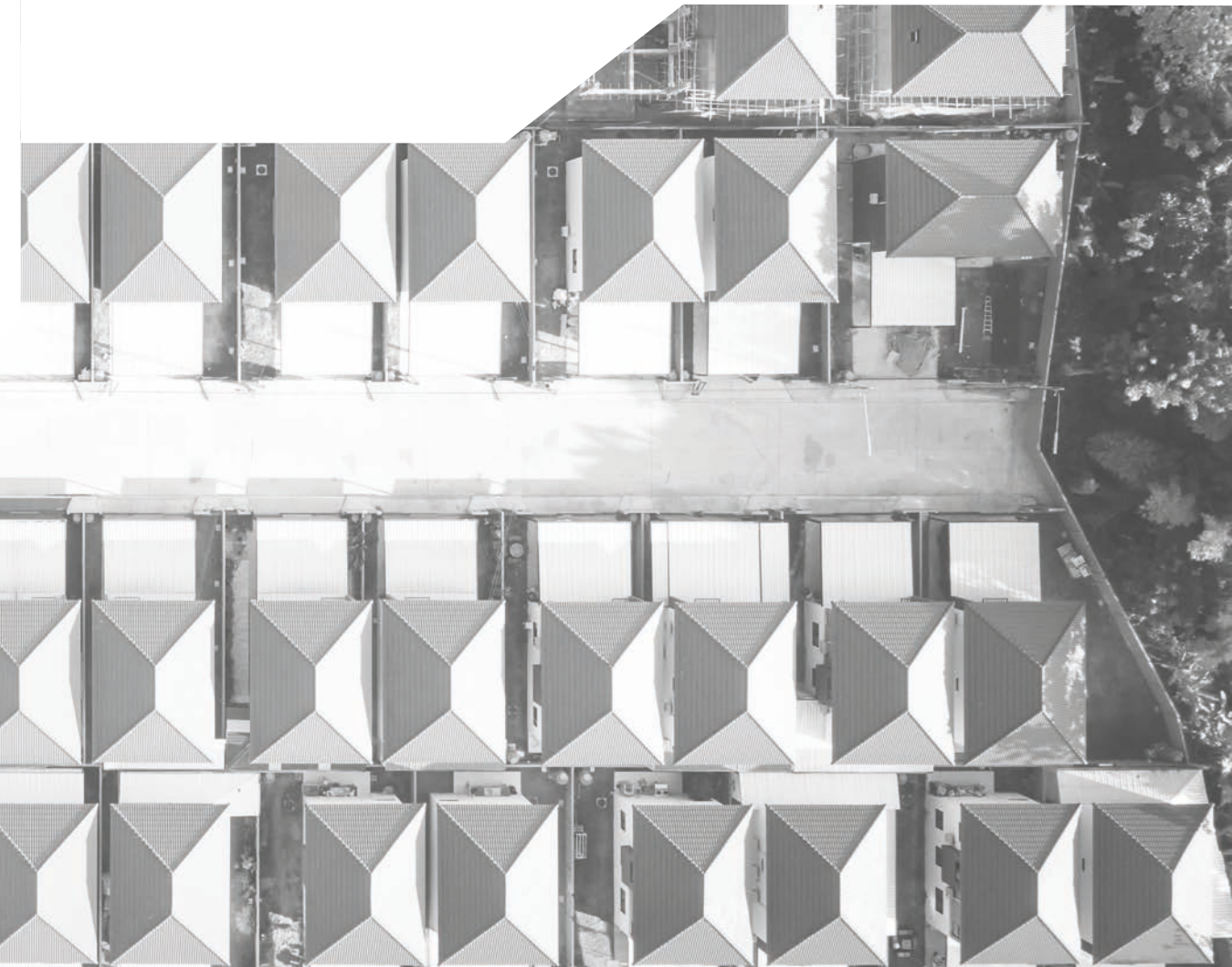
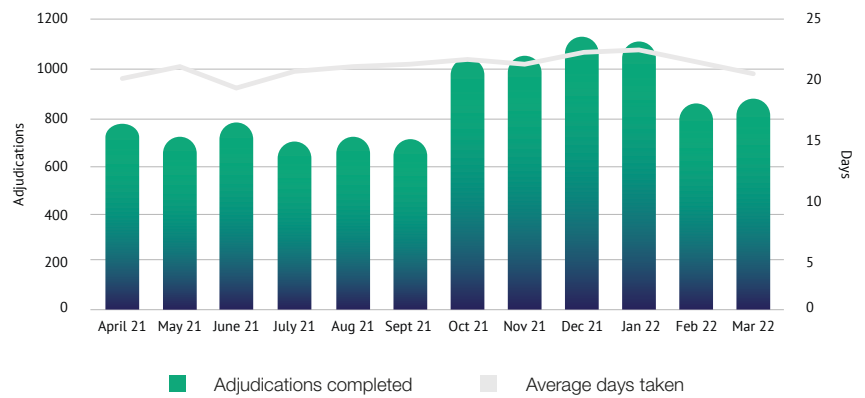
ADJUDICATED DISPUTES

When it has not been possible to resolve a dispute by agreement, it is passed to one of our team of adjudicators for formal resolution.

In 2021/22, TDS Insured resolved 10,512 cases through a final and binding decision made by an adjudicator.

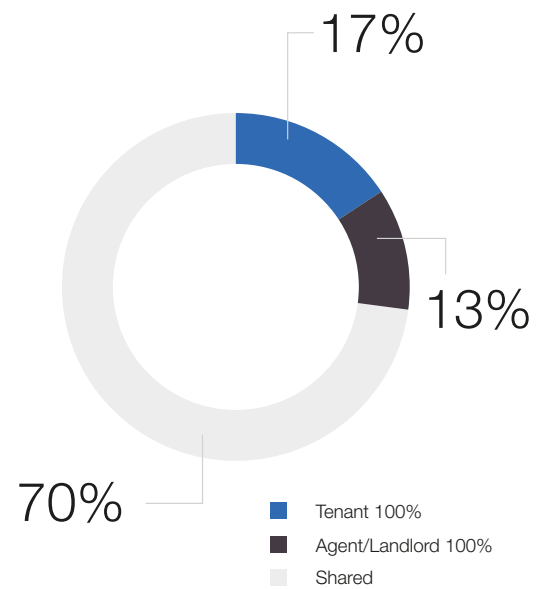
We aim to complete our adjudications within an average of 28 days from the point at which all evidence has been received and checked. In the year 2021/22, we completed our adjudications, on average, within 21 days in TDS Insured. There is an element of seasonality in our resolution work, with adjudication activity more concentrated in the October to January period.

Disputes adjudicated (TDS Insured)



ADJUDICATION OUTCOMES

TDS adjudicators make their decisions independently and impartially based on the information provided by the parties. In TDS Insured during 2021/22, the majority of outcomes reflected a split award between agent/landlord and tenant.



Adjudication outcomes 2021/22 (TDS Insured)

ADJUDICATION REVIEWS

When agents, landlords and tenants agree to adjudication via TDS, they accept that the adjudicator's decision is final and binding.

TDS makes payments in accordance with the adjudicator's decision when the decision is issued. There is no appeal mechanism within TDS, although the parties can continue their dispute via the court system. However, we recognise that errors can sometimes be made and if either party can demonstrate that the adjudicator has made, or is likely to have made, an error in fact or law, TDS will review the decision and compensate the party for any loss caused by an error.

In 2021/22, we received 150 review requests representing 1.5% of adjudication decisions. Around one third (63) of review cases resulted in the review being upheld and compensation paid.

Review Requests TDS Insured	2021/22
Review requests received	150
Number upheld	63

TDS Custodial

NEW DISPUTES

The TDS Custodial scheme has been in operation since 2016 and has grown rapidly.

This has an impact on the trends seen in deposit disputes compared to TDS Insured which has been operating since 2007.

In TDS Custodial, a dispute arises when the parties have been unable to agree the repayment of the deposit through the scheme. During 2021/22 most deposit payments were agreed by the parties through our self-resolution platform.

A total of 1,602 deposit disputes were referred to the resolution team for adjudication in 2021/22. Unlike TDS Insured, there is no time limit for referring a case for resolution in TDS Custodial. In practice, all disputes are referred by tenants when they are unable to agree to the deposit deductions requested by the agent or landlord.

WHAT ARE DISPUTES ABOUT?

The profile of dispute issues in TDS Custodial is similar to TDS Insured with cases tending to involve more than one issue with cleaning and damage dominating.

Reasons for dispute (TDS Custodial)

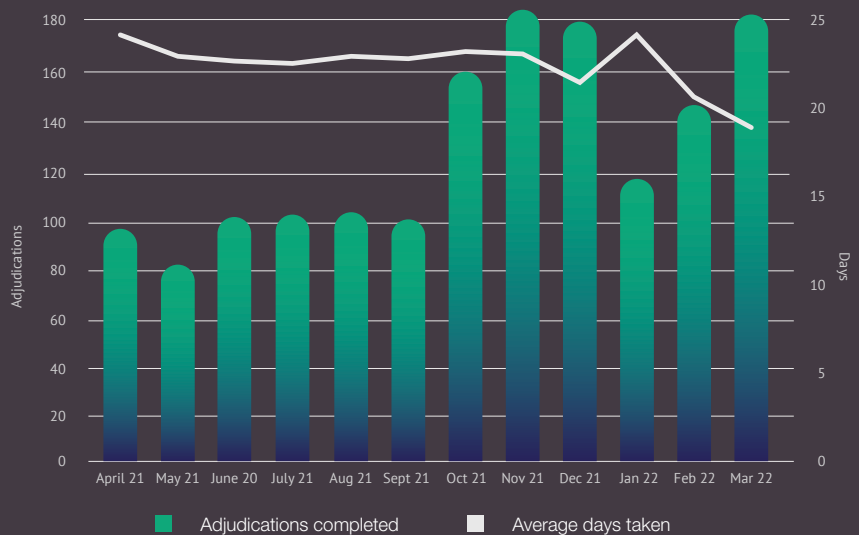
	2018-19	2019-20	2020-21	2021-22
Cleaning	53%	53%	55%	59%
Damage	50%	49%	45%	45%
Redecoration	20%	17%	30%	34%
Gardening	20%	17%	23%	12%
Rent arrears	12%	16%	11%	17%

ADJUDICATED DISPUTES

Our resolution timescales in TDS Custodial are broadly similar to TDS Insured, as are the seasonal patterns.

In 2021/22 we completed 1,602 adjudications in an average of 23 days.

Disputes adjudicated 2020/21 (TDS Custodial)



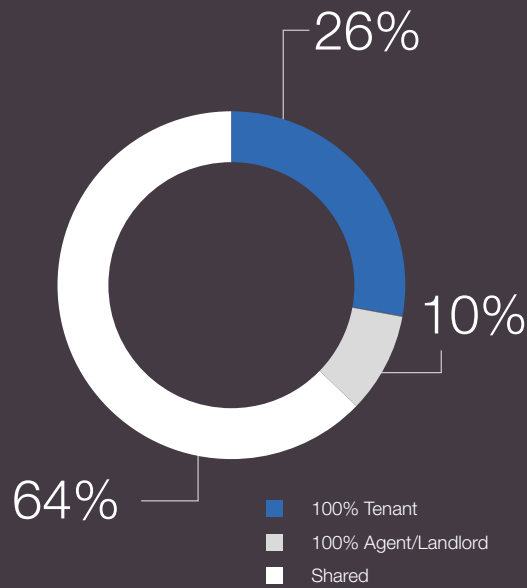
Year to 31 March Adjudications [TDS Custodial]

2021/22	1,602
2020/21	1,089
2019/20	749

Disputes adjudicated (TDS Custodial)

ADJUDICATION OUTCOMES

In TDS Custodial most deposit disputes are settled in the on line self resolution platform. Where disputes go to adjudication we see 26% of awards in full to the tenant, with 10% to the landlord and the balance shared between the parties.



Disputes adjudicated to March 2022 (TDS Custodial) [% of the disputed deposit awarded]

ADJUDICATION REVIEWS

Agents, landlords and tenants are able to ask TDS to review an adjudication decision in TDS Custodial in the same way as for TDS Insured, where they can demonstrate an error in fact or law.

In the last year, we received 24 review requests of adjudication decisions. 15 were upheld.



SafeDeposits Scotland



SafeDeposits Scotland is a Custodial protection scheme which offers free dispute resolution for tenancy deposits at the end of the tenancy.

SafeDeposits has been operating in Scotland since 2012. The dispute resolution service is provided by The Dispute Service under a service level agreement with SafeDeposits Scotland.

Like TDS Custodial, disputes arise when the parties fail to agree the repayment of the deposit in their initial interaction with the scheme. During the year, an overwhelming number of deposits were repaid to the parties by agreement and without the need for referral to the resolution team.

There is no time limit for referring a case for resolution in SafeDeposits. In practice, all disputes are referred by tenants when they are unable to agree to the deposit deductions requested by the agent or landlord.

A total of 3,588 [3,577 in 20-21] cases were initially referred for resolution in 2021/22. A total of 1,433 cases were resolved by adjudication.

SafeDeposits' resolution staff will contact the parties to engage them in early resolution in the same way as for TDS Insured. During the year, 489 potential deposit disputes were agreed in this way, representing 25% of cases where repayment was agreed by ADR or early resolution.

WHAT ARE DISPUTES ABOUT?

Cleaning and damage remain the dominant areas of dispute for SafeDeposits.

Reasons for dispute (SafeDeposits)

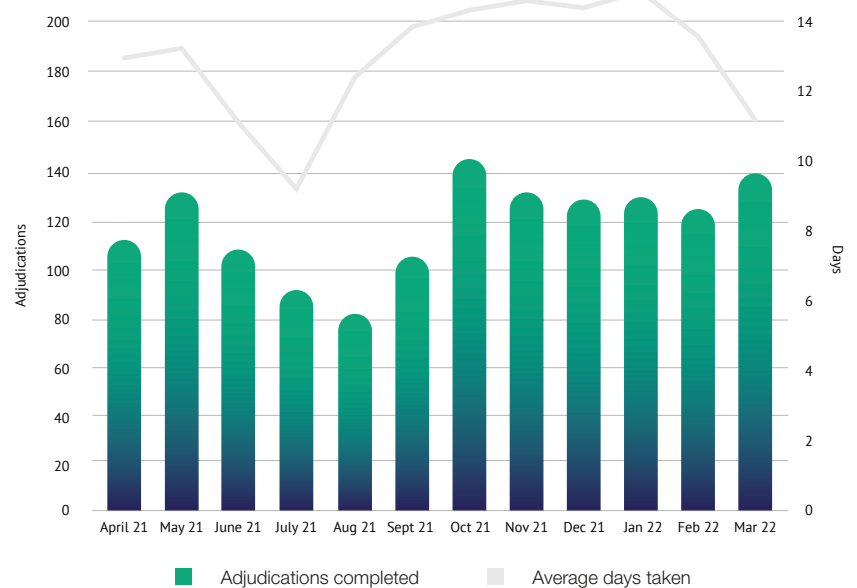
	2018-19	2019-20	2020-21	2021-22
Cleaning	66%	69%	70%	71%
Damage	42%	42%	43%	46%
Redecoration	18%	21%	20%	25%
Gardening	18%	15%	15%	8%
Rent arrears	8%	9%	9%	11%

ADJUDICATED DISPUTES

Our timescales for resolution for SafeDeposits are similar to the schemes in England and Wales, although measured in working days rather than calendar days.

We aim to complete adjudications within 20 working days. In the year we completed 1,433 [1,696 in 2020-21] adjudications in an average of 13 working days.

Disputes adjudicated 2021/22 (SafeDeposits)



Dispute referrals (SafeDeposits)

Year to 31 March	
2021/22	3,588
2020/21	3,577
2019/20	4,620

Disputes adjudicated

Year to 31 March	
2021/22	1,433
2020/21	1,696

ADJUDICATION OUTCOMES

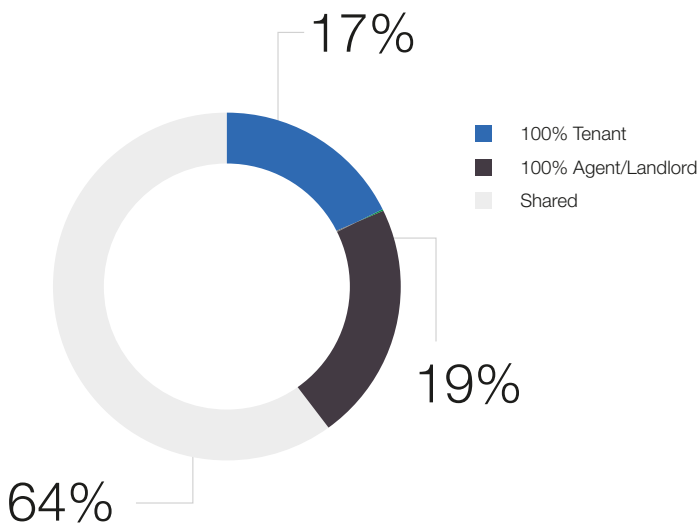
Adjudication outcomes in SafeDeposits are similar to the other schemes, with the majority of decisions awarding part of the disputed deposit to each party.

ADJUDICATION REVIEWS

The Tenancy Deposit Schemes (Scotland) Regulations 2011 provide a mechanism for agents, landlords and tenants to challenge adjudication decisions within 10 working days of the decision being issued.

When a decision is initially issued, the scheme retains the disputed deposit pending the outcome of the review period. Decisions can be challenged on the basis of the party demonstrating an error in fact or law. If a request for a review of the decision is accepted, a second and final adjudication decision will be issued which will either affirm or change the initial decision. When the second decision is issued, it is final and binding and the scheme will distribute the deposit in accordance with the decision.

In the year, 196 requests for a review of an adjudication decision were received, accounting for 14% of decisions issued.



Adjudication outcomes 2021/22
[% of the disputed deposit awarded]

Review Requests SafeDeposits Scotland

	2020-21	2021-22
Review requests received	137	196
As a % of adjudications	8%	14%
Review requests accepted	17	25
Decisions amended	15	20



TDS Northern Ireland

In Northern Ireland we offer a choice of Insured and Custodial deposit protection options, each of which includes access to free dispute resolution. TDS Northern Ireland was established in 2013.

All disputes in the TDS Northern Ireland Insured scheme are raised by tenants and need to be referred within 3 months of the end of the tenancy. The Custodial scheme operates in the same way as TDS Custodial and SafeDeposits with disputes arising through the failure of the parties to agree repayment of the deposit through the scheme or following online self-resolution.

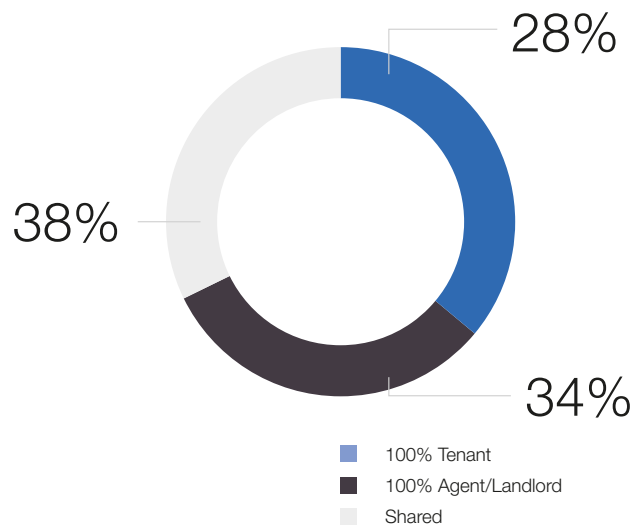
In the last year, 462 new disputes were referred for adjudication in Northern Ireland.

WHAT ARE DISPUTES ABOUT?

Cleaning and damage remain the dominant areas of dispute for TDS Northern Ireland.

Reasons for dispute (TDS Northern Ireland)

	2018-19	2019-20	2020-21	2021-22
Cleaning	45%	45%	42%	47%
Damage	38%	41%	40%	45%
Redecoration	28%	16%	27%	28%
Gardening	10%	12%	12%	10%
Rent arrears	22%	24%	26%	22%



Adjudication outcomes 2021/22 (TDS Northern Ireland) [% of the disputed deposit awarded]

Adjudications

Year to 31 March	
2021/22	462
2020/21	447
2019/20	510



ADJUDICATED DISPUTES

Our timescales for resolution for TDS Northern Ireland are similar to the scheme in Scotland, in that resolution times are measured in average working days and we aim to complete adjudications within 20 working days.

In 2021/22 we completed 462 adjudication decisions in an average of 9.8 working days.

ADJUDICATION OUTCOMES

Adjudication outcomes in TDS Northern Ireland in 2021/22 show how the awards were split between agents/landlords and tenants.

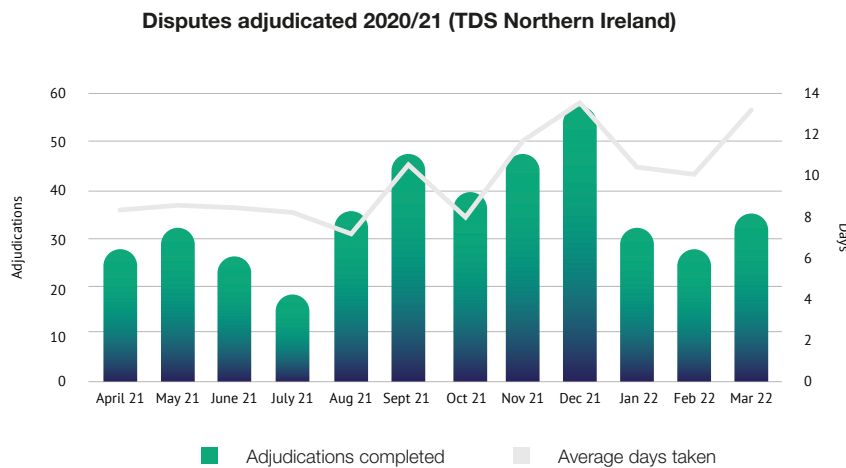
Tenants were successful in securing 100% of the disputed deposit in 28% of all awards, with Agents/Landlords obtaining 100% in 34% of cases. The award was split in 38% of all disputes.

ADJUDICATION REVIEWS

The parties to a dispute are able to request a review of an adjudication decision in Northern Ireland in the same way as in Scotland under the provisions of The Tenancy Deposit Schemes Regulations (Northern Ireland) 2012.

The scheme operates in the same way in terms of retaining the disputed deposit until the end of the review process and issuing a second adjudication decision in the event that a review request is upheld.

In 2021/22, 39 requests for a review of an adjudication decision were received, accounting for 9% of decisions issued. Three of these were accepted and the decision reviewed.



Redress, mediation and claims handling

TDS RESOLUTION

TDS Resolution is a mediation and conciliation service we offer for free to landlords and tenants. Our aim is to help keep tenants in their homes by facilitating agreements between the parties.

In April 2021 the service was expanded to offer help with more than simply rent arrears.

Our service deals with the following issues:

- Property standards
- Repairs
- Entry rights
- Rent arrears
- Threatened evictions
- Breach of tenancy terms
- Noise/Anti-social behaviour (except serious anti-social activity)

Since the extension of the service in April 2021, we have received around 500 requests for assistance. Of those requests, rent arrears has been the most common issue reported.



SDS RESOLVE

SDS Resolve is a mediation and conciliation service delivered by SafeDeposits Scotland to resolve mid-tenancy issues between landlords and tenants in Scotland's private rented sector, without the need for further action.

Established in August 2020 as SDS Resolution, the service was initially introduced to handle mid-tenancy disputes relating to rent arrears. In 2021 the service was expanded to deal with further issues and in 2022 was re-named as SDS Resolve.

SDS Resolve now deals with disputes relating to:

- Property standards
- Repairs
- Entry rights
- Rent arrears
- Threatened evictions
- Breach of tenancy terms
- Noise/anti-social behaviour (except serious anti-social activity)



ZERO DEPOSIT ADJUDICATION

Zero Deposit is the UK's leading deposit replacement guarantee provider.

TDS provides the adjudication service for claims arising against the Zero Deposit Guarantee where the tenant does not agree with the claim being made by the landlord. As with the statutory deposit schemes the landlord uploads the evidence supporting their claim to the TDS portal; this can be viewed by the tenant who then uploads their evidence before a TDS Adjudicator reviews the dispute and makes a decision on the landlord's claim.





Tenancy Redress Service



In March 2022, we launched the Tenancy Redress Service in association with the NRLA. The Tenancy Redress service aims to provide redress for tenants of independent landlords.

The NRLA has enrolled landlords who have agreed to participate in the scheme. Tenants of participating landlords can raise a complaint with the TDS Tenancy Redress Service if they believe that their landlord has broken the NRLA Code of Practice.

The Code of Practice includes rules and standards that landlords are expected to adhere to. The four stages where an issue may arise include:

- When marketing a property
- When creating a tenancy
- When maintaining a tenancy
- When ending a tenancy

The Tenancy Redress Service was introduced due to Government announcing its intention to introduce mandatory landlord and tenant redress in the private rented sector. The pilot scheme aims to help directly inform ministers' thinking about the design and structure of any future mandatory scheme.



New Homes Ombudsman Service



In late 2021 TDS was appointed as the New Homes Ombudsman by the New Homes Quality Board. This new service offers redress to purchasers of new homes in the first two years after completion of the new home.

Under the scheme housebuilders will register with the NHQB and agree to follow the requirements of the New Homes Quality Code. If they fail to follow the Code, then their purchasers can complain to the New Homes Ombudsman Service in the first two years after the completion of their home.

NHOS has its own Board which oversees the work of the service and Alison MacDougall has been appointed as the first New Homes Ombudsman.

The Service has been validated by the Ombudsman Association [OA] and NHOS is a full member of the OA.

Developers will be registering with the New Homes Quality Board over the summer and autumn and we expect to see our first complaints towards the end of 2022. The Scheme is not retrospective and consumers can only raise complaints once the Developer has registered.

Governance

Although the Board of The Dispute Service exercises oversight of all of the activities of the company, the Resolution service has a dedicated ADR Policy Committee which reviews performance and policy matters. This Committee, consisting of independent Board members, has no involvement in individual adjudications but does review key performance indicators and developments within Resolution.

Independent Complaints Reviewer

In England & Wales and Northern Ireland Margaret Doyle is the Independent Complaints Reviewer. Her role is to review complaints about the service where complainants are unhappy with the final stage response given by TDS. She also reviews a sample of complaints responses each year. Margaret Doyle is fully independent of TDS and reports directly to the Board.

In 2021/22 she reviewed 9 complaints and upheld 1 in full and 3 complaints were partially upheld.

In some cases she made some recommendations as to how the process might have been improved.

During the last year she has also reviewed a number of complaints that were dealt with internally by TDS staff and again has made some recommendations to the Board as to how these might be improved in the future.

The ICR's Annual Report is considered by the Board of TDS and her 2021/22 report is published on the website.

The ICR's 2021/22 Annual Report is published [here](#).

A similar role for SafeDeposits Scotland is undertaken by an Independent Complaints Reviewer. In 2021/22 there were no referrals to the Independent Complaints Reviewer.

ADJUDICATORS

All of the 2021/22 adjudicators employed by TDS either have legal qualifications or extensive letting agency experience. All are Associate members of the Chartered Institute of Arbitrators. There is a specific Code of Conduct which applies to adjudicators which is designed to uphold the highest standards of impartiality and fairness.





 <https://www.thedisputeservice.com>

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