



Renting Homes (Wales) Act 2016

2016 anaw 1

PART 3

PROVISIONS APPLYING TO ALL OCCUPATION CONTRACTS

CHAPTER 4

DEPOSITS AND DEPOSIT SCHEMES

Security

43 Form of security

- (1) The landlord under an occupation contract may not require security to be given in any form other than—
 - (a) money, or
 - (b) a guarantee.
- (2) This section is a fundamental provision which is incorporated as a term of all occupation contracts.

44 Form of security: county court proceedings

- (1) This section applies if—
 - (a) the landlord under an occupation contract requires security to be given in a form which is not permitted by section 43, and
 - (b) security is given in that form.
- (2) The contract-holder (or any person who has given the security on his or her behalf) may apply to the county court for an order under subsection (3).
- (3) An order under this subsection is an order requiring the person who appears to be holding the property constituting the security to return it.

Deposit schemes

45 Requirement to use deposit scheme

- (1) If the contract-holder under an occupation contract pays a deposit (or another person pays a deposit on his or her behalf), the deposit must be dealt with in accordance with an authorised deposit scheme.
- (2) Before the end of the period of 30 days starting with the day on which the deposit is paid, the landlord must—
 - (a) comply with the initial requirements of an authorised deposit scheme, and
 - (b) give the contract-holder (and any person who has paid the deposit on his or her behalf) the required information.
- (3) The required information is such information as may be prescribed relating to—
 - (a) the authorised deposit scheme which applies,
 - (b) the landlord’s compliance with the initial requirements of the scheme, and
 - (c) the operation of this Chapter, including the contract-holder’s rights (and the rights of any person who has paid the deposit on his or her behalf) in relation to the deposit.
- (4) This section is a fundamental provision which is incorporated as a term of all occupation contracts; section 20 provides that this section—
 - (a) must be incorporated, and
 - (b) must not be incorporated with modifications.

46 Deposit schemes: further provision

- (1) Schedule 5 contains further provision about deposit schemes.
- (2) Sections 177 and 198 make provision relating to periodic standard contracts and fixed term standard contracts with a landlord’s break clause, preventing a landlord from giving a notice requiring a contract-holder to give up possession if the landlord has not complied with certain requirements relating to the payment of security or to deposit schemes.

47 Deposit schemes: interpretation

- (1) In this Act—
 - “authorised deposit scheme” (“*cynllun blaendal awdurdodedig*”) means a deposit scheme in force in accordance with arrangements under paragraph 1 of Schedule 5 (and “deposit scheme” (“*cynllun blaendal*”) has the meaning given in sub-paragraph (2) of that paragraph);
 - “deposit” (“*blaendal*”) means money paid as security;
 - “initial requirements” (“*gofynion cychwynnol*”), in relation to an authorised deposit scheme, means the requirements of the scheme which must be complied with by the landlord when a deposit is paid;
 - “security” (“*sicrwydd*”) means security for the performance of the contract-holder’s obligations and the discharge of the contract-holder’s liabilities.
- (2) In this Act references to a deposit, in relation to a time after a deposit has been paid, are to a sum representing the deposit.