

4.5 Connétable J.E. Le Maistre of Grouville of the Minister for Housing regarding the Residential Tenancy Deposit Scheme: [1(547)]

Is it the Minister's assessment that the Residential Tenancy Deposit Scheme is working well and what feedback, if any, has she had from tenants or landlords about the scheme?

Deputy A.E. Pryke of Trinity (The Minister for Housing):

The Mydeposits Jersey Tenancy Deposit Scheme has been in operation since November 2015 and more than 6,000 deposits worth almost £7 million have been protected. Overall the scheme is working well and we receive regular K.P.I. (Key Performance Indicators) updates to monitor how the scheme is performing. However, we are aware of recent concerns raised about the length of time it is taking for some customers to get in touch with Mydeposits. The issue has been discussed with the directors of the company and steps have been taken to improve the speed of service. These include employment of 3 new members of staff with more to be recruited. A dedicated accounts manager for Jersey has also been appointed who will work directly with clients in the Island. We will continue to monitor the K.P.I.s to ensure that the scheme provides the required level of customer service and will review all performance and feedback as part of the contract review in 2018.

4.5.1 The Connétable of Grouville:

The Deputy of Grouville and I have surgeries in the Parish on a regular basis and a parishioner pointed out to us that in her case it took over a month to get a tenant's deposit back. This particular person is not on emails so it did prolong it for more than it would necessarily have been. Does the Minister really think that that is satisfactory?

The Deputy of Trinity:

No, the Constable is quite right, if there are no problems, that is. If the landlords and the tenants both agree that the place is left in good condition, then the deposits should be handed over fairly swiftly. As I said, there have been a few issues which we brought up with Mydeposits and they have addressed it but if it is still not sorted out, then I am happy to look into that.

4.5.2 Deputy S.Y. Mézec:

Is the Minister aware of instances where landlords have simply not contacted Mydeposits to get the deposit protected in the first place and when the tenant has been made aware that this has not happened, they have not been able to get help from Mydeposits because technically they are not a customer at that point? Does the Minister accept that this is a potential problem that could theoretically be solved by the department seeking to make sure that there is an automatic penalty for when a deposit is not protected after a particular length of time rather than having to rely on tenants risking getting off to a bad start with their new landlord by complaining about them in the first instance?

The Deputy of Trinity:

Yes, it is right, the tenant, when the landlord has deposited the deposit, he should get notification. I think it is within 10 working days; I am not too sure of the exact time but it is a short period of time. If he does not get that, then the tenant does need to take it up with the landlord and Mydeposits. But the tenant also in Jersey too, the Citizens Advice Bureau have a contract with Mydeposits to be a front face here in Jersey, so they need to take it on. After that, once they take it up, Environmental Health can take it up on their behalf as well.

4.5.3 Deputy S.Y. Mézec:

A supplementary? Does the Minister not accept that in instances where the deposit has not been protected and the tenant needs to go down the route of contacting somebody for the

Minister for Housing or the Citizens Advice Bureau that they can often feel intimidated doing this? Because they know that that will be souring their relationship with their landlord at the beginning of their tenancy, meaning they will be less likely to get a speedy response if they have problems with the property later on and that a more proactive response from the housing unit would be more appropriate and to say to landlords that there is a requirement to protect the deposit within a length of time and if you do not do this you will automatically be penalised for it. That would be a way of stopping landlords from trying their luck essentially and not protecting the deposit and just hoping the tenant never pipes up about it.

[10:30]

The Deputy of Trinity:

Yes, there is exactly that. But Environmental Health, who have delegated responsibility with this, need to know who the tenants and who the landlords are and tenants should not feel intimidated. If they feel like that, then it is important that that is addressed. If the Deputy wants to give me a couple of instances, I am willing to take it up and look into it. But the front place is Citizens Advice Bureau and Environmental Health does and will look into it and if necessary enforce it.

4.5.4 Deputy M. Tadier:

Would the Minister for Housing take a moment to listen to one of my constituents who contacted me a couple of weeks ago saying, and I quote: “I am going to prepare a big complaint to them, Mydeposits. They are absolutely useless. Both myself, my partner and the landlord have been emailing and phoning them constantly to say we accept the deposit and they just are not having any of it. It has been over a month. We had to borrow money to pay our next deposit.” We were under the impression when supporting the deposit scheme that it was supposed to make life easier for both tenants and landlords. In a situation here where there is no conflict between the tenant and landlord, we see both are being put in a very difficult position; indeed, the tenants are financially worse off due to the apparent incompetence of the Mydeposits scheme. The Minister has been made aware of many complaints by Members of this Assembly, members of the public and our Scrutiny Panel; will she now take action to make sure that we either take Mydeposits to task or bring the scheme here to Jersey so that £7 million pot which is growing can be used effectively in our own economy and perhaps even administered by the States directly or through an arms-length body?

The Deputy of Trinity:

There are quite a few questions there. Yes, I will take that up if Deputy Tadier wants to email me with that because that is not right. But we need to look at what is underneath it, the reasons why, and put it right. Mydeposits have said that part of their customer service has been slow and they are rectifying it and we have monthly K.P.I.s to check on that. But having some of the feedback on the customer service, the awareness is raising and 90 per cent of all tenants are aware that the deposits should be protected. So there is good awareness around but of course always more can be done but I am very happy to look at the incident that Deputy Tadier mentioned.

4.5.5 Deputy M. Tadier:

Just a quick supplementary. Would the Minister be so kind as to circulate the S.L.A.s (service level agreements) and the K.P.I. agreements to Members so that we can have a look at them?

The Deputy of Trinity:

Yes. I am a bit hesitant, but I will circulate as much as I can. Thank you.

4.5.6 Senator S.C. Ferguson:

It seems to me that it must be a fairly profitable venture for Mydeposits. Where are the accounts for the Jersey scheme and when can we expect to see them?

The Deputy of Trinity:

The scheme is self-financing so a small fee is taken from each deposit. I think it is in the region of £10 **[Interruption]** ... £5, sorry, which includes G.S.T. (Goods and Services Tax). That is kept under review as the scheme grows and interest rates rise but with interest rates currently at 0.25 per cent the fee provides the scheme with essential income. Regarding the accounts, I will ask and come back to you.

4.5.7 Deputy C.F. Labey of Grouville:

As the Constable of Grouville alluded to, we have had complaints from landlords and tenants alike. They are both having great difficulty in accessing their money and it is thwarting the whole process. Could the Minister explain why she decided to put this service out to the U.K.? Because I believe the Community Savings Bank were prepared to offer this service and it seems to be a very faceless type of service other than having to go to the volunteers of the Citizens Advice Bureau. Can she explain that, please?

The Deputy of Trinity:

Yes, the service was put out to full procurement back in 2015. There were 2 external companies and 2 local companies. The board at the time felt that the local companies did not have the I.T. (Information Technology) or the capabilities to deal with a vast amount of money which was coming in. But part of the agreement too which ended up with Mydeposits was to have a local front face here and that is where the Community Bank came into being. In the end, after I think about a year, it was not quite the right place; not many people were accessing it for different reasons. Therefore, it was important to keep a front face in Jersey and that is where the Citizens Advice Bureau came into partnership with Mydeposits, raised the awareness and it is being better used, especially by people whose first language is not English, so that part of it has worked extremely well. Mydeposits have recognised that they have had a blip. They have recruited more staff so hopefully for instances like the Constable and the Deputy have said, that will be improved.

The Deputy Bailiff:

Deputy Southern. I am sorry, Deputy ...

The Deputy of Grouville:

Do I not get a supplementary?

The Deputy Bailiff:

Yes, you can have a supplementary but only if you put your light on, Deputy, which you ...

The Deputy of Grouville:

Well I did but you obviously did not see it.

The Deputy Bailiff:

But please do ask your supplementary.

4.5.8 The Deputy of Grouville:

Given that the Minister has said that she has had to employ 3 new staff - I thought she said that in her original answer - what is the difference in cost now with using a U.K. company and using a local company? Can she undertake to have a look at this with some urgency? Thank you.

The Deputy of Trinity:

For clarity, I have not employed any extra staff; it is Mydeposits who have employed the extra staff. They have an account especially for Jersey issues, again, to provide a much better service to Jersey. There are over 6,000 deposits put in place, so the system is working. We know that, as I said, 90 per cent are aware of the deposit scheme and there is some good customer feedback that this system is working well. It is working well for the tenants, it is working well for the landlords as well, but especially for the tenants where they feel that at least their deposit is held in safety and, providing everything is clear when they leave, that it will be given back fairly swiftly. But I do acknowledge there has been a few issues.

4.5.9 Deputy G.P. Southern:

Yes, the Minister suggested that the fee charged was £10; it is £21 including G.S.T. according to the website. She keeps coming back to the fact that there is a mechanism for complaints through a proxy in the Island but the Minister has avoided the central question, the starting question, which was: will she consider instituting a fixed penalty for those landlords who do not give over their deposit within a certain period? Why will she not seek to change the regulations to enact that?

The Deputy of Trinity:

There is a penalty. A landlord who has not put his deposit in, Environmental Health acknowledge that and, working with that landlord, if they have not for one reason abided by the law, then Environmental Health will take them to court.

4.5.10 Deputy G.P. Southern:

Not working with the landlord but a fixed penalty, automatic penalty, that makes the landlord sit up and notice. Why is that not a way forward?

The Deputy of Trinity:

It is also enforcing it but Environmental Health are there to do precisely that. They work with the landlord, find out the reason why and take it up there. There have been some disputes. Environmental Health have worked with them and I think there are several cases pending to go to court.

4.5.11 The Connétable of Grouville:

It is quite clear to me, and other Members agree, that the system is not working as well as it should. Will the Minister commit to a review and bring the results of that review back to the States and include whether or not the administration of the scheme could be brought back home to Jersey?

The Deputy of Trinity:

There have been a few blips but I think generally-wise the feedback we have got from customers themselves is that the system is working well. It is a good system, it has been set up well. The review is 2018 which is next November and that is the time we will look at everything because it is to renew the contract and that will take place next year.