

Deposits and guarantors

When you rent a property, you have to pay up front. Exactly how much this is will vary but don't be surprised if it's made of two parts:

- o A **deposit** (sometimes called a **bond**) which is often as much as the monthly rent or even slightly more.
- o A month's rent – rent is always paid in advance.

The deposit

This has to – by law – be kept in a deposit protection scheme. This is a third-party company that keeps the deposit for you to get back after your tenancy; this exists in order to protect both you and the landlord from any disputes over the deposit.

Using the scheme will not cost you anything, but you should get some paperwork about it with your reference: you can then access this account online. Your Money Guider can offer you further information and support on this.

Remember – The deposit protection scheme is only a legal requirement if you have an assured shorthold tenancy. These usually last for 6 or 12 months – at first - and means the landlord has to give you a notice of eviction.

A guarantor is someone – friend, family or even employer – who is willing to guarantee that you are a good tenant. In other words, if you don't pay rent, or cause damage to the home and/or its fitting, then the guarantor is legally liable.

Getting a guarantor can be difficult; most people use family, like their parents. Another option is to use friends, but it is a lot to ask from someone and a big risk for them to take on. Be prepared to show them proof of earnings, and even your budgeting plan.

Can I get help with my deposit?

Raising the money for a deposit is a difficult thing to do: a deposit can be anything from a couple of hundred pounds to three months rent in advance. Although you can try to save this, or borrow it from friends and family, there is also the option of approaching a rent deposit scheme.

What is a rent deposit scheme?

Rent deposit schemes offer loans to be used as rental deposits. Usually, the scheme lends you the money to *specifically* pay for your deposit, and then you pay back the loan during your tenancy.

Where can I find one?

Rent deposit schemes are usually run by a local council (contact your local authority's housing section). Sometimes they are run by local housing associations or charities: your adviser should be able to help you find out.

I thought people were meant to get their deposits back?

Don't worry, you will! Once you have paid back the rent deposit scheme for this 'loan' you can carry on like any other normal tenant. As long as there are no problems with your tenancy, you should get your deposit back as a lump sum at the end of your tenancy. In a way, it's like the money you've been paying to the rent deposit scheme has been 'saved up' for you.

Is it protected?

Like any other rental agreement, the deposit should be kept in a deposit protection scheme.