

3. Oral Questions

3.1 Deputy G.C.L. Baudains of St. Clement to the Minister for Housing regarding tenancy arrangements and the new deposit protection scheme:

My word, we are moving along at pace this morning. Further to his written answer of 4th February 2014 regarding tenancy agreements, would the Minister outline the scale of the problem he is attempting to address with the new deposit protection scheme, and is he yet in a position to divulge the expected cost of that scheme?

Deputy A.K.F. Green (The Minister for Housing):

In 2008 the Annual Social Survey indicated 20 per cent of respondents in rental accommodation experienced issues over the return of their deposit in the previous 5 years. We have no reason to believe that this has materially changed and based on the continuing level of complaints at the Citizens Advice Bureau, about 200 per year, and indeed I have to say this is the one thing I get the most phone calls about as Minister for Housing. I believe that it is right to continue to proceed with the deposit scheme. The costs will be fully outlined alongside the draft regulations when they are lodged, including how the scheme will be funded, probably by interest earned on deposits, with a small fee if necessary.

3.1.1 Deputy G.C.L. Baudains:

What concerns me are the fees to support the scheme. First of all, is the Minister sure that taking the interest from the deposit is legal and how can he assure us that tenants will not be financially worse off after these fees have been taken than previously because where the fees are taken from, if it is taken from the landlord it will end up being put on to the rental the tenant will be paying either way.

Deputy A.K.F. Green:

This will be entirely a matter for the Assembly but when it was envisaged in 2007 that such a scheme would come in, it was envisaged that it would be at absolutely no cost and that the interest rate, which was then much higher, would pay for the scheme. We are in a different economic situation at the present time but I am hoping that that will change in time to come. But to answer the Deputy's particular point about is it legal. I will take advice on that but currently the tenants when they leave their deposit with their landlords get no return in terms of interest. They get nothing at all. They very often have to fight to get their deposit back.

3.1.2 Deputy G.P. Southern of St. Helier:

I keep asking this question but I keep getting delay after delay. When will the Minister bring these regulations to this House because it has been too long now?

Deputy A.K.F. Green:

I said to the Deputy last time he asked me this question, that the next time he asked me I would be able to hopefully give him a date. I am not quite there yet but I can say ... I apologise for how long it has taken but it has been more complex than we realised but I can say that instructions were issued recently to the Law Draftsman to prepare the regulations.

Deputy G.P. Southern:

I live in hope.

3.1.3 Deputy S.Y. Mézec of St. Helier:

When the deposit protection scheme is brought in, what sanctions will there be against landlords who do not protect the deposit and will they be able to avoid the sanctions by

simply protecting the deposit before the court date, as is the case in the U.K. (United Kingdom) where many landlords get away with it scot free when they do not protect the deposit?

Deputy A.K.F. Green:

The sanctions basically will include fines if landlords do not deposit within, I think it is 7 days - I cannot remember that, I will come back to the Assembly if they want to know - if the deposit is not deposited with the third party within 7 days of the landlord receiving it then there is a fine levied for that.

3.1.4 Deputy S.Y. Mézec:

Will that fine be in all cases where the landlord does not protect it within 7 days because at the moment in the U.K. I believe it is 14 days that the landlord has to protect the deposit but if a tenant then takes their landlord to court over it, if the landlord has protected the deposit by the court date the court will not impose any sanction at all? So there is no incentive for landlords to follow the law then in that case, and many can just get away with it.

Deputy A.K.F. Green:

I do not have that level of detail with me but I will get back to the Assembly with that answer.

3.1.5 Deputy G.C.L. Baudains:

Does the Minister agree that this is a 2-sided problem because landlords can end up with a situation where the deposit is used as the last month's rent and that sort of thing? How can the Minister assure us that the administration of this is not going to be overly heavy and, as I said a few moments ago, potentially more expensive for the tenant than previously?

Deputy A.K.F. Green:

There are good landlords and bad landlords, and there are good tenants and bad tenants. The scheme is there to assist both. It will be entirely a matter for this Assembly. I am not going to hide behind that.

[9:45]

This Assembly decided that there would be a deposit scheme. I agreed with it and I will bring a deposit scheme that is fair to all, and that is all I can say at this stage.