

# **Adjudication Digest No 4/2015**

## **Repair or replace?**

- **The adjudication digest takes a recent decision by a SafeDeposits adjudicator and sets out the reasons behind it. We hope that you will find these digests informative in understanding how we reach our adjudication decisions.**
- **This document is for guidance only – it is not intended to guarantee when an award will be made.**
- **Each dispute is different and the actual award made will be based on our interpretation of the specific evidence presented to us.**



**The aim of these digest reports is to help tenants, landlords and agents better understand how we make our adjudication decisions. The names of the parties involved have been removed and this is only a brief summary of the dispute.**

## Repair or replace?

This month's case looks at how an adjudicator approaches claims for a damaged item to be replaced with a new equivalent.

<b>Amount of deposit in dispute</b>	<b>£185.00</b>
<b>Award to tenant</b>	<b>£100.00</b>
<b>Award to agent (on behalf of landlord)</b>	<b>£85.00</b>

The landlord submitted a claim for a replacement fridge. The claim included a delivery/removal charge of £35.00 which was included on an itemised invoice.

A fridge was noted on the inventory taken at the start of the tenancy. It was stated to be in 'C' condition which was defined as 'average'. In the update conducted at check out, it was noted that the fridge had been left disconnected and that, when the check out clerk tried to switch it on, it would not work.

The landlord obtained a quote for a repair, which exceeded the cost of a new item. His argument was that it was reasonable to claim to replace the fridge on the basis that a repair was not economically viable.

The tenant said that the fridge had been working when they left and that they had defrosted and cleaned it as required.

The adjudicator agreed that the fridge had not been returned to the landlord in working order at the end of the tenancy and that it was appropriate in the circumstances for it to be replaced rather than repaired.

The adjudicator awarded the landlord £85.00 to include delivery/removal costs as a contribution towards the replacement of the fridge based on an estimate of the remaining useful life of the item at the end of the tenancy.

## So what are the key points here?

The adjudicator will consider the most appropriate remedy for each claim based on the individual circumstances. Sometimes it is reasonable to have an item repaired, but sometimes replacement is necessary.

Where replacement or repair would be equivalent in cost terms, it is reasonable for the adjudicator to consider an award for replacement. However, in assessing the landlord's loss, the adjudicator will still have to consider the impact of fair wear and tear and betterment. This will mean that full replacement cost is unlikely to be awarded.

A landlord might argue that full repair cost should be awarded on the basis that repair of an item will restore it to the condition it should have been returned in at the end of the tenancy. Although repair is appropriate in many circumstances, the landlord also has a general duty to mitigate his loss. Where repair is a more expensive, or equivalent option, the adjudicator will consider which option most reasonably represents the landlord's loss.



**SafeDeposits Scotland**  
**Lower Ground**  
**250 West George Street**  
**Glasgow**  
**G2 4QY**

**E: [info@safedepositsscotland.com](mailto:info@safedepositsscotland.com)**  
**W: [www.safedepositsscotland.com](http://www.safedepositsscotland.com)**  
**T: 03333 213 136**