

Adjudication Digest No 7/2015

Paying the bills

- **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.

Paying the bills

In this month's issue of the digest, we look at an adjudicator's approach to utility accounts at the end of a tenancy.

Amount of deposit in dispute	£107.00
Award to tenant	£ 90.00
Award to agent (on behalf of landlord)	£ 17.00

There was a dispute at the end of the tenancy over the payment of gas and electricity bills at the end of the tenancy.

The tenancy agreement stipulated that the utility bills should be placed in the tenant's name for the duration of the tenancy and that they would be responsible for utility costs.

The landlord wished to claim £90.00 for an outstanding gas bill and £17.00 for electricity. The landlord supplied a copy of a bill received after the tenant's departure in support of the gas claim. The inventory and check out reports included electricity meter readings indicating a reduced level of credit on a pre-paid meter.

The adjudicator noted that the gas bill had been transferred to the tenant's name and made no award to the landlord on the basis that any outstanding balance was a contractual matter between the utility provider and the tenant. However, the adjudicator made an award to the landlord for the reduction in credit showing on the pre-paid meter. Pre-paid supply operates on a different basis to standard utility accounts where payment is typically made in arrears based on a contract between the supplier and account holder. As the tenant had taken possession of the property, including a certain level of credit, they were responsible for returning it with at least the same credit reading.

So what are the key points here?

The adjudicator's approach to disputes over utility bills will depend on a number of factors. Where a lease provides that the tenant should put the account into their own name, and they do so, the adjudicator will regard any outstanding balance as a matter the utility company will pursue with the tenant under the terms of their contract. In such cases, there would need to be exceptional circumstances for any loss to be sustained by the landlord which might give rise to a claim on the deposit.

Pre-paid meters operate in a different 'pay as you go' basis with the tenant using a card or key to add credit in advance of usage. Where a tenant takes over a property with existing credit, the adjudicator will regard that credit as part of the property and its contents. If there is less credit on the meter (or a debit balance) the landlord should be able to demonstrate a loss and make a claim on the deposit.

If a tenant has changed the type of meter during the tenancy without consent, the landlord would be entitled to claim to restore the meter to the original type. In the same way, any damage done to the meter, which gave rise to the need to change it, may be chargeable against the deposit on the basis that the landlord is able to demonstrate a loss.



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