Decision with Statement of Reasons of the First-tier Tribunal for Scotland (Housing and Property Chamber) under Regulation 10 of The Tenancy Deposit Schemes (Scotland) Regulations 2011

Chamber Ref: FTS/HPC/PR/25/2072

Re: Property at Flat 3/18 149 Ingram Street, Glasgow, G1 1DW ("the Property")

Parties:

Mr Kunal Mahesh Tewari, B/1, 7 Westbank Quadrant, Glasgow, G12 8NT ("the Applicant")

Seobiz Ltd, Fairlie House, 25C Main Road, Fairlie, KA29 0DL ("the Respondent")

Tribunal Members:

Gillian Buchanan (Legal Member)

Decision

At the Case Management Discussion ("the CMD) which took place by telephone conference on 12 November 2025 the Applicant was present. The Respondent was represented by Mr Paul Tonner.

Prior to the CMD the Tribunal had received the following representations from the parties –

- Email of 6 October 2025 from the Applicant;
- Letter from Mr Tonner for the Respondent dated 23 October 2025 with attachments; and
- Email from Mr Tonner for Respondent dated 24 October 2025 with attachments.

Background

The Tribunal noted the following background:-

- The Respondent previously leased the Property to the Applicant in terms of a Private Residential Tenancy Agreement ("the PRT") that commenced on 10 February 2025.
- The deposit paid by the Applicant to the Respondent in terms of the PRT was £800, paid on 19 January 2025.
- The Applicant vacated the Property on 1 September 2025.
- At no time was the deposit lodged with any approved scheme as required by Regulation 3 of the Tenancy Deposit Schemes (Scotland) Regulations 2011 ("the Regulations").

None of the foregoing is in dispute.

The CMD
At the CMD the parties made the following additional oral submissions –

By the Applicant

i. The deposit was ultimately retained by the Respondent with the agreement of the Applicant and put towards rent due.
ii. The deposit was unprotected from 10 February 2025 to 1 September 2025.
iii. Mr Tonner asked the Applicant multiple times to vacate the Property to allow his daughter to move in or the rent would be raised.
iv. Because of the way Mr Tonner spoke to the Applicant in the street he asked that all communications take place by email.
v. The Applicant's experience was traumatic and he is now paying a higher rent.

For the Respondent

i. Mr Tonner allowed the Applicant to put his possessions in the Property before the start of the PRT.
ii. He was also flexible about the Applicant's move out date.
iii. Mr Tonner accepted he had not lodged the deposit in terms of the Regulations. It was an administrative error. He had a lot going on in his personal life at the time.
iv. He said that when the Applicant was to be moving out they agreed the deposit would be used as the last months rent.
v. The Respondent rents out no other properties.
vi. Mr Tonner's daughter is now living in the Property.
vii. The Property has been in the Respondent's name for 6 years and before that it was in Mr Tonner's name.
viii. The Property has previously been rented out without any issues.
ix. Mr Tonner was surprised to receive the Applicant's complaint. He had been a good landlord to the Applicant.
x. He did not give any ultimatum to the Applicant in the street, simply saying that at some point in the future his daughter would be looking to move into the Property.
xi. He is still waiting for a key back from the Applicant and had to pay £400 for a cleaner at the end of the PRT. He wished he had lodged the deposit into a scheme as only he has been hurt by his failure to do so.

The Tribunal advised both parties that it's only locus is to consider the extent of the penalty payable under the Regulations as a consequence of the deposit not being lodged with an approved scheme in terms of Regulation 3 as ought to have happened.

Findings in Fact

i. The Respondent previously leased the Property to the Applicant in terms of the PRT that commenced on 10 February 2025.
ii. The deposit paid by the Applicant to the Respondent in terms of the PRT was £800, paid on 19 January 2025.
iii. The Applicant vacated the Property on 1 September 2025.
iv. At no time was the deposit lodged with any approved scheme as required by Regulation 3 of the Regulations.
v. The deposit was ultimately retained by the Respondent with the agreement of the Applicant and put towards rent due.
vi. The deposit was unprotected from 10 February 2025 to 1 September 2025.

Reasons for Decision

The Tribunal takes a landlord's failure to comply with the Regulations seriously.

Regulation 3 of the Regulations states:-

> *"(1)A landlord who has received a tenancy deposit in connection with a relevant tenancy must, within 30 working days of the beginning of the tenancy –*
> *(a) pay the deposit to the scheme administrator of an approved scheme;"*

Regulation 10 of the Regulations states:-

> *"If satisfied that the landlord did not comply with any duty in regulation 3 the First-tier Tribunal -*
>
> *(a) must order the landlord to pay the tenant an amount not exceeding three times the amount of the tenancy deposit;"*

The Respondent was the landlord under the PRT.

The PRT is a relevant tenancy under the Regulations.

The sum of £800 relative to the deposit for the PRT was not timeously lodged (or indeed lodged at all) with the scheme administrator of an approved scheme in terms of Regulation 3.

A sanction is therefore payable by the Respondent to the Applicant in terms of Regulation 10.

The Regulations require a landlord to lodge a tenancy deposit with an approved scheme within a period of 30 working days from the beginning of the tenancy, in this instance by 21 March 2025. The deposit was unprotected for the entire duration of the tenancy.

In determining the amount payable by the Respondent to the Applicant the Tribunal took into account the following:-

i. That the deposit was unprotected for the entire duration of the PRT.
ii. The Respondent was aware of the Regulations and the obligations arising in terms of them but failed to comply with them.
iii. The Applicant was unable to take advantage of the adjudication scheme operated by approved deposit schemes and available to landlords and tenants at the end of a tenancy.
iv. The deposit was ultimately retained by the Respondent with the agreement of the Applicant and put towards rent due, therefore there was no actual prejudice to the Applicant.

In all the circumstances the Tribunal considered the failure to pay the deposit into an approved scheme at the lower end of the scale of sanctions available to it.

The Tribunal therefore determined that, having regard to the foregoing, the Respondent must pay to the Applicant a sum of £500 by way of a penalty for the failure to comply with the Regulations. Such a penalty is proportionate, fair and just in the circumstances.

Decision
The Respondent is ordered to pay to the Applicant a sum of £500.

Right of Appeal

In terms of Section 46 of the Tribunal (Scotland) Act 2014, a party aggrieved by the decision of the Tribunal may appeal to the Upper Tribunal for Scotland on a point of law only. Before an appeal can be made to the Upper Tribunal, the party must first seek permission to appeal from the First-tier Tribunal. That party must seek permission to appeal within 30 days of the date the decision was sent to them.

G.Buchanan

	_	**12 November 2025**
Legal Member/Chair		**Date**