

Housing and Property Chamber

First-tier Tribunal for Scotland



Decision with Statement of Reasons of the First-tier Tribunal for Scotland (Housing and Property Chamber) under Regulations 9 and 10 of the Tenancy Deposit Schemes (Scotland) Regulations 2011 (“the 2011 Regulations”)

Chamber Ref: FTS/HPC/PR/25/4636

Re: Property at Flat 3, 49 South Gyle Broadway, Edinburgh, EH12 9LR (“the Property”)

Parties:

Ms Nabamita Basu Roy, Flat 5, 51 South Gyle Broadway, Edinburgh, EH12 9LR (“the Applicant”) and

Lorven L&S Ltd, 6 Violet Wynd, Winchburgh, West Lothian, EH52 6YZ (“the First Respondent”) and

Mr Naveen Edulakanti, 6 Violet Wynd, Winchburgh, West Lothian, EH52 6YZ (“the Second Respondent”)

Tribunal Member: G McWilliams (Legal Member)

Decision

The First-tier Tribunal for Scotland (Housing and Property Chamber) (“the Tribunal”) determined that an order for payment of the sum of £2,062.50, in terms of Regulation 10 (a) of the 2011 Regulations, should be made.

Background

1. This Application, dated 27th October 2025, was brought in terms of Rule 103 (Application for order of payment where Landlord has not paid the deposit into an approved scheme) of The First-tier Tribunal for Scotland Housing and Property Chamber Rules of Procedure 2017 (“the 2017 Rules”).
2. The Applicant, Ms Roy, entered into a tenancy agreement with the Second Respondent, Mr Edulakanti, stated to be the landlord, which commenced on 27th November 2022. She paid a deposit to the First Respondent Lorven L&S Ltd, of £1,375.00, on 10th November 2022. The tenancy agreement ended on 7th August 2025 when Ms Roy left the Property. Ms Roy’s tenancy deposit monies, of

£1,375.00, were lodged with My Deposits Scotland (“MDS”) on 5th August 2025. Ms Roy received the sum of approximately £955.00 from My Deposits Scotland, from her deposit monies, in November 2025, following an adjudication initiated by her.

Case Management Discussion on 15th April 2026

3. A Case Management Discussion (“CMD”) proceeded by remote tele-conference call at 2.00pm on 15th April 2026. Ms Roy and Mr Edulakanti attended.
4. Ms Roy and Mr Edulakanti agreed the background facts set out in paragraph 2 above.
5. Mr Edulakanti stated that he accepted that there had been a breach of the 2011 Regulations as Ms Roy’s deposit monies, of £1,375.00, were not paid to MDS until 5th August 2025. He stated that at the time of the commencement of the tenancy agreement he had a number of family issues to deal with and that he and his family had been residing in Croydon as his son was studying in London. He said that the company Lorven L&S Ltd, which owns the Property, and himself as a director of that company, had never let a property before. Mr Edulakanti stated that when Ms Roy provided notice of her termination of the tenancy agreement, in July 2025, he checked with MDS as to whether or not deposit monies had been lodged. He said that when he discovered that a deposit had not been lodged he immediately took steps to do so. Mr Edulakanti stated that Ms Roy’s deposit monies had always been safe in Lorven L&S Ltd’s bank account and that the company had mistakenly retained these monies as a result of an administrative oversight, not for any financial gain. Mr Edulakanti stated that Lorven L&S Ltd and himself had been content for MDS to carry out an adjudication process and they accepted that this had been done and that Ms Roy had had most of her deposit monies returned to her. He stated that following Ms Roy’s departure from the Property they had entered into a tenancy agreement with a new tenant and immediately lodged their deposit monies in a tenancy deposit scheme.
6. Ms Roy referred to her Application papers and stated that in addition to the deposit monies, all rental payments were made by her to the First Respondent Lorven L&S Ltd. She said that she wishes the Tribunal to make a decision regarding the grant of a sanction amount given the fact that her deposit monies were not protected in the MDS scheme, or any other scheme, until 5th August 2025. Ms Roy further stated that she did not believe that the Respondents had not previously let a property. She said that she was aware of another property that they had let, nearby to the Property, and that the tenant of that property had had a similar difficulty with deposit monies.
7. Mr Edulakanti re-stated that the Respondents had not entered into any letting of property until they had their tenancy agreement with Ms Roy.
8. The Tribunal suggested that it may be helpful if Ms Roy and Mr Edulakanti had a direct discussion regarding possible settlement of matters. Ms Roy stated that, given previous communication difficulties, which also involved third parties, she did

not think it appropriate, and did not want, to have direct discussion with Mr Edulakanti. Mr Edulakanti said that he would be prepared to have a discussion but also referred to previous communication problems when he had met Ms Roy at the Property, involving third parties.

9. Ms Roy re-stated that she wishes the Tribunal to make a decision in respect of the sanction amount to be granted as a result of the admitted breach of the 2011 Regulations. She said that she will abide by the Tribunal's decision in this regard. Mr Edulakanti agreed that, in the circumstances, this matter should be determined by the Tribunal.

Decision and Reasons

10. Rule 17 of the First-tier Tribunal for Scotland Housing and Property Chamber (Procedure) Regulations 2017 ("the 2017 Regulations") provides that the Tribunal may do anything at a CMD which it may do at a Hearing, including making a Decision. The Tribunal was satisfied that it had before it all of the information and documentation it required and that it would determine the Application.

11. The Application was brought timeously in terms of regulation 9(2) of the 2011 Regulations.

12. Regulation 3 of the 2011 Regulations (which came into force on 7th March 2011) provides as follows:

"(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; and
- (b) provide the tenant with the information required under Regulation 42."

13. It was agreed by Ms Roy and Mr Edulakanti that Ms Roy's deposit monies, of £1,375.00, were paid to Lorven L&S Ltd on 10th November 2022 but not protected in the MDS Scheme until 5th August 2025.

14. Regulation 10 of the 2011 Regulations provides as follows:

"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; and
- (b) may, as the First-tier Tribunal considers appropriate in the circumstances of the application, order the landlord to—
 - (i) pay the tenancy deposit to an approved scheme; or
 - (ii) provide the tenant with the information required under Regulation 42."

15. The Tribunal was satisfied, and it was agreed by all, that the Respondents did not comply with their duty under Regulation 3 of the 2011 Regulations. The Tribunal found that as the deposit monies and all rent amounts, were paid to the First

Respondent Lorven L&S Ltd, the obligation or responsibility rested on that company to lodge the deposit monies in an approved tenancy deposit scheme. Lorven L&S Ltd did not fulfil their obligation until shortly before the end of the parties' tenancy agreement. Therefore, the Tribunal had to decide on the amount to be paid to Ms Roy by Lorven L&S Ltd, being an amount not exceeding three times the amount of the former's tenancy deposit monies, in terms of Regulation 10 of those Regulations.

16. In the case of *Jenson v Fappiano* 2015 G.W.D 4-89, Sheriff Welsh, in relation to Regulation 10 of the 2011 Regulations, was of the opinion that there had to be a judicial analysis of the nature of the non-compliance in the circumstances of the case and a value attached to reflect a sanction which was fair, proportionate and just given those circumstances. Sheriff Welsh was of the opinion that, when determining the sanction value, the starting point was not the maximum award to be discounted by mitigating factors. He considered that this would be inconsistent with the exercise of balanced, judicial discretion.
17. In the case of *Tenzin v Russell* 2015 Hous. L. R. 11, the Court of Session reiterated that the amount of any payment in terms of Regulation 10(a) of the 2011 Regulations is the subject of judicial discretion after careful consideration of the circumstances of the case.
18. The Tribunal considered all of the available Application papers and the submissions made at the CMD in determining a fair, proportionate and just sanction. Ms Roy's deposit monies, of £1,375.00 were not protected for some 2 years and 9 months. The Respondents did not lodge the monies until the tenancy was almost at an end. Lorven L&S Ltd's director, Mr Edulakanti, was dealing with personal issues when the deposit was paid by Ms Roy in November 2022. He and his family were living in Croydon. Ms Roy received the sum of £955.00 from her deposit, as a result of adjudication, by MDS, in November 2025. The Respondents are now clearly aware of their duties under the 2011 Regulations and have lodged the deposit paid by their next tenant in the Property. The Tribunal having considered the available case file papers and submissions, finds that there was an administrative oversight on the part of the Respondents. Ms Roy did not suffer any financial loss as, following adjudication by MDS, which she initiated, she was repaid the balance of her deposit monies. Nevertheless, she was entitled to expect that her deposit monies would be protected in a scheme within 30 working days of the date of commencement of the tenancy, on 27th November 2022, in terms of the 2011 Regulations. This was not done. The Tribunal accept that Mr Edulakanti had family issues to deal with at the relevant time and that there was an administrative oversight on the part of the Respondents. However, the Tribunal is obliged to impose a sanction, and in all the circumstances of this case, consider that a sanction in the amount of 1.5 times the deposit sum is fair and proportionate. This payment, of £2062.50, will provide compensation to Ms Roy for the non-protection of her deposit monies for a considerable period of time and impose an appropriate sanction on Lorven L&S Ltd for their breach of the 2011 Regulations.

19. Accordingly, the Tribunal have determined that an order for payment by Lorven L&S Ltd to Ms Roy, of the sum of £2,062.50, in terms of Regulation 10(a) of the 2011 Regulations, should be made.

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 McWilliams

Tribunal Legal Member

15th April 2026

Date of Issue of Decision: