

**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/26/1105

Re: Property at 1B 26 King Street, Aberdeen, AB24 5AX (“the Property”)

Parties:

Miss Hannah Ferry, 98 Findowrie Street, Fintry, Dundee, DD4 9NL (“the Applicant”)

Mrs Kate Leitch, 5 St. Johns Walk, Newtonhill, Stonehaven, AB39 3WY (“the Respondent”)

Tribunal Members:

Gillian Buchanan (Legal Member)

Decision

At the Case Management Discussion (“the CMD”) which took place by telephone conference on 13 August 2026 the Applicant and Respondent were both present.

By letter dated 10 July 2026 the Respondent lodged written representations.

Background

The Tribunal noted the following background:-

- The Respondent leased the Property to the Applicant in terms of a Private Residential Tenancy Agreement (“the PRT”) that commenced on 12 May 2025.
- At the time of entering into the PRT the Respondent’s Letting Agent was Northwood Aberdeen (“Northwood”).
- The deposit paid by the Applicant to the Respondent in terms of the PRT was £675.
- The Respondent failed to lodge the deposit into an approved scheme as required by Regulation 3 of the Tenancy Deposit Schemes (Scotland) Regulations 2011 (“the Regulations”).
- At the end of the PRT the deposit was refunded in full to the Applicant.

This application is made under Regulation 10 of the Tenancy Deposit Schemes (Scotland) Regulations 2011 (“the Regulations”).

The CMD

At the CMD the parties made the following additional oral submissions in response to questions from the Tribunal –

By the Applicant

- i. The Applicant dealt with the Respondent's Letting Agent, Northwood, initially. Once in occupation of the Property she dealt with the Respondent directly.
- ii. The deposit was paid to Northwood prior to the start of the tenancy.
- iii. The Applicant vacated the Property on 28 December 2025 and the PRT ended on 31 December 2025.
- iv. The Applicant had to ask for the deposit to be returned to her. Initially the deposit was £100 short but that payment has since been made.
- v. The Applicant seeks a penalty charge against the Respondent in terms of the Regulations.

By the Respondent

- i. The Respondent fully acknowledged that she made a mistake by not lodging the deposit into an approved scheme in terms of the Regulations.
- ii. The Applicant was her first tenant.
- iii. Her arrangement with Northwood was that they would deal with securing a tenant and she would deal with everything else thereafter.
- iv. Northwood paid the deposit to the Respondent.
- v. She made an administrative error and has learned from her mistake.
- vi. She has updated herself on the law.
- vii. The Respondent only became aware that she should have lodged the deposit into an approved scheme after she had refunded the deposit to the Applicant when the Applicant asked why she had not done so.
- viii. The Respondent now has two rental properties, and the deposits of her tenants have been lodged into an approved scheme.
- ix. The Respondent is running a commercial enterprise as a landlord and is hoping to add properties to her portfolio.
- x. The Respondent also works in social housing.
- xi. The Tribunal asks that the Tribunal take into account that the Applicant was her first tenant, that she has refunded the deposit in full and has ensured full compliance with the Regulations since.

The First-tier Tribunal for Scotland (Housing and Property Chamber) ("the Tribunal") determined that -

Findings in Fact

- i. The Respondent leased the Property to the Applicant in terms of the PRT that commenced on 12 May 2025.
- ii. At the time of entering into the PRT the Respondent's Letting Agent was Northwood.
- iii. The Applicant dealt with the Respondent's Letting Agent, Northwood, initially. Once in occupation of the Property she dealt with the Respondent directly.
- iv. The Applicant was the Respondent's first tenant.
- v. The deposit paid by the Applicant to Northwood in terms of the PRT was £675.
- vi. The deposit was paid to Northwood prior to the start of the tenancy.
- vii. Northwood paid the deposit to the Respondent.
- viii. The Respondent failed to lodge the deposit into an approved scheme as required by Regulation 3 of the Regulations.
- ix. At the end of the PRT the deposit was refunded in full to the Applicant.

- x. The Applicant vacated the Property on 28 December 2025 and the PRT ended on 31 December 2025.
- xi. The Respondent now has two rental properties, and the deposits of her tenants have been lodged into an approved scheme.
- xii. The Respondent is running a commercial enterprise as a landlord and is hoping to add properties to her portfolio.
- xiii. The Respondent also works in social housing.

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 £675, being the deposit for the PRT, was not lodged 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. The deposit was unprotected for the entire duration of the PRT.

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 had begun a commercial enterprise as a landlord and ought to have been aware of the Regulations and the requirements of them.
- iii. The Respondent could have sought the advice of the Northwood relative to the deposit.
- iv. The Applicant would not have been able to take advantage of the adjudication scheme operated by the approved schemes at the end of the tenancy had a dispute arisen relative to the return of the deposit.
- v. The deposit has been returned in full.
- vi. The Applicant was the Respondent's first ever tenant.

- vii. The Respondent is remorseful and accepts the error she made.
- viii. The failure to lodge the deposit per the Regulations was not deliberate.

In all the circumstances the Tribunal considered the failure to pay the deposit into an approved scheme to be towards the lower end of the scale of sanctions available to it and therefore determined that, having regard to the foregoing, the Respondent must pay to the Applicant a sum of £675 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 £675.

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

13 Augst 2026
Date