



Decision with Statement of Reasons of the First-tier Tribunal for Scotland (Housing and Property Chamber) under the Housing (Scotland) Act 2006 section 121 and Regulation 9 the Tenancy Deposit Schemes (Scotland) Regulations 2011

Chamber Ref: FTS/HPC/PR/25/4638

Re: Property at 23 GUTHRIE COURT, AUCHTERARDER, PH3 1SD (“the Property”)

Parties:

MR DEAN GHOBADI, 184 Victoria Road, Wood Green, London, N22 7XQ (“the Applicant”)

MR DOUGLAS RUTHERFORD, 6 TRANSY PLACE, DUNFERMLINE, FIFE, KY127QN (“the Respondent”)

Tribunal Members:

Gabrielle Miller (Legal Member)

Decision (in absence of the Applicant)

The First-tier Tribunal for Scotland (Housing and Property Chamber) (“the Tribunal”) determined that the Landlord is in breach of her obligations in terms of Regulation 3 of the Tenancy Deposit Schemes (Scotland) Regulations 2011 (“Regulation 3”). The Respondent shall make payment to the Applicant in the sum of NINE HUNDRED AND FIFTY POUNDS (£950)

Background

1. The Tribunal received an application, dated 28th October 2025 from the Applicant in terms of Rule 103 of The First-tier Tribunal for Scotland Housing and Property Chamber (Procedure) Rules 2017.
2. On 21st March 2026, all parties were written to with the date for the Case Management Discussion (“CMD”) of 7th May 2026 at 2pm by teleconferencing. The letter also requested all written representations be submitted by 11th April 2026.

3. On 23rd March 2026, sheriff officers served the letter with notice of the CMD date and documentation upon the Respondent by personal service. This was evidenced by Certificate of Intimation dated 23rd March 2026.
4. Prior to the CMD both parties lodged submissions.

The Case Management Discussion

5. A CMD was held 7th May 2026 at 2pm by teleconferencing. The Applicant was not present. The Tribunal Clerk telephoned the Applicant at 2.09pm. There was no response but an automated voicemail. The Tribunal Clerk left a voicemail. The Tribunal proceeded in terms of Rule 29 of the Rules. The Respondent was not present but represented by Mr Stuart Dalziell, Owner, Abbey Forth Property Management.
6. The Tribunal was satisfied that it was appropriate to continue with the CMD without the Applicant as this application was with regard to a breach of the regulations which was a matter for the Respondent or his representative to answer. Any level of penalty is a judicial matter.
7. Mr Dalziell, who is the owner of the letting agency, said that he admitted that there was a breach and that was a result of an error by a member of staff in his company. When a deposit is received all the information is lodged onto the deposit scheme. It has a drop-down menu for recording the start date of the lease. The staff member clicked on 1st September 2022 instead of 1st August 2022. This then set notifications for the last date for lodging the deposit with the last date to lodge being 30th September 2022. Mr Dalziell said that his firm deals with 250 properties with deposits being lodged and returned weekly for different properties. Mr Dalziell accepts that even though it was an error it should not have happened. He will now ensure that all lodging records are printed off and double checked with him. He will then sign them and file them. This is the first time there has been any issue with deposits.
8. Mr Dalziell said that the Applicant was given Notice to Leave the Property because the Respondent now wants to sell the Property. It is actively being marketed.
9. The Tribunal found that there has been a breach of the Regulations. However, in making its decision it took into consideration that the breach was admitted and was caused by an administrative error which had occurred and caused the breach. New office procedures are being implemented to prevent that happening again. It has not happened before. It was significant that the deposit was lodged within the time lines that resulted from the error. The deposit was only 24 days late which caused the Applicant no stress, loss or inconvenience at that point. He was not aware of the breach until the end of the tenancy. It was in the deposit scheme for the vast majority of the tenancy and able to be claimed at the end of the tenancy.
10. Taking all of the points raised by both parties into consideration, the Tribunal found it fair, reasonable and appropriate to grant a half of a one times penalty.

This remains a significant amount as the deposit was £1900 which twice the rent of £950 per month. It is unknown why the deposit taken was so high in comparison to the rent.

Findings and reason for decision

11. A Private Residential Tenancy Agreement commenced 1st August 2022. The tenancy ended on 1st October 2025. The rent charge was £950 per month.
12. A deposit of £1900 was paid on 1st August 2022.
13. The deposit was lodged on 23rd September 2022. The deposit was not lodged within an approved deposit scheme within 30 days from the start of the tenancy.
14. The Respondent's agent admits that the deposit was not lodged in an approved scheme within 30 days from the start of the tenancy. It was an administrative error relating to the person inputting the start date of the tenancy into the My Deposit Scotland using the drop down menu and erroneously clicking on 1st September 2022. This then caused the alerts to lodge the deposit to be wrong. This is the first time that this has happened with the letting agent. Mr Dalziell is now changing the procedure to include the physical printing of the deposit. This will be signed by him and filed.

Decision

15. The Respondent has a duty under Regulation 3 to place the deposit in an approved scheme within the specified time but failed to do so. The Respondent's agent did admit the breach and engage with the Tribunal process to explain why the deposit was late and what steps had been taken to prevent such a situation happening again. An error had occurred for which the letting agent accepted responsibility. The letting agent is now amending their procedures to ensure that it does not happen again. The Respondent is now in the process of selling the Property. The Tribunal decided that a fair, just and proportionate sanction would be to order the Respondent to pay the Applicant half of one times the amount of the deposit (£950).

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.

Gabrielle Miller

7th May 2026

Legal Member/Chair

Date