

# TENANT PERFORMANCE BOND

## Terms & Conditions of the Bond

Your Tenant Performance Bond is underwritten by Red Sands Insurance Company (Europe) Limited and is administered by Tenant Indemnity Services Limited, as Administrator for the Insurer

Please read these Terms and Conditions carefully.

### DEFINITIONS

**Acceptable Reference:** a written reference in respect of each Tenant from the tenant vetting company that, on the date the reference is supplied, appears as the 'Approved Vetting Agency' on [www.TenantPerformanceBond.com](http://www.TenantPerformanceBond.com), confirming that the Tenant has been approved and passed for a rent not less than that to be charged under the AST to which the Bond will relate. In the event that more than one person makes up the Tenant, each person must be approved and passed for an amount equal to or more than their portion of the rent

**Administrator:** Tenant Indemnity Services Limited of Lockkeeper's Cottage, The Marina, Hull HU1 1UH

**AST Agreement:** the Assured Shorthold Tenancy Agreement entered into between the Tenant/s and the Landlord

**Bond:** this Tenant Performance Bond

**Bond Issue Date:** the date the Bond was issued and noted on the schedule

**Insurer:** Red Sands Insurance Company (Europe) Limited of Suite 912c, Europort, Gibraltar

**AST Maximum Benefit:** an amount not exceeding 3 month's aggregated rent or £2,500 whichever is the lesser,

**Legal Expenses Maximum Benefit:** an amount not exceeding £5,000

**Minimum Claim Amount:** £100.00

**Period of Cover:** the period as noted on the schedule

**Premises:** the property rented by the Tenant/s from the Landlord in terms of the AST agreement

**Rent:** the amount due and payable each month by the Tenant/s in terms of the AST Agreement, the maximum of which is noted on the schedule

**Tenant:** the person or persons named on the Bond schedule and making up the Tenant within the AST

**Territorial Limits:** United Kingdom including the Channel Islands and the Isle of Man

**You/Your:** the person or body corporate named as the Landlord on the schedule, which can include any Letting Agent acting on behalf of the Landlord

### BENEFITS

The Insurer will, in consideration of the receipt of the premium by the Administrator within 21 days of the Bond Issue Date, pay to You (or with Your written consent to Your agent), up to;

the **AST Maximum Benefit**, in respect of:

1. any Rent which may be due to You by the Tenant/s in terms of the AST Agreement but which remains unpaid;
2. the reasonable cost of any repairs to the Premises, or its fixtures and fittings for which the Tenant/s may be liable in terms of the AST Agreement;

provided that the Insurer's liability shall be reduced by any amounts which may be recoverable under any other insurance policies covering the Premises or from any other source whatsoever.

The **Legal Expenses Maximum Benefit** in respect of:

- A. legal assistance and costs incurred by the Solicitor appointed by the Administrator on behalf of You, relating to the standard procedures required in respect of the removal of the Tenant from the Premises and recovery of any costs or losses incurred by You and not covered by the AST Maximum Benefit, until such time as Court proceedings need to be issued. If it proves necessary to issue Court proceedings, You will be responsible for the Court Issuing fee and all other costs thereafter. At any time You may nominate another solicitor to act for You which will not be covered under the Legal Expenses Maximum Benefit. If requiring Legal Assistance, You should contact the Administrator and ask for the Legal Assistance Department.

### EXCEPTIONS

The Insurer shall not be liable for any:

1. loss of use or consequential loss of any nature whatsoever
2. loss caused by war risks, sonic booms or nuclear radiations
3. damage or defect caused by fair wear and tear
4. damage or defect caused by sunlight, storm or deterioration due to neglect in maintenance
5. claim below the Minimum Claim Amount

### CONDITIONS

1. It is an express condition of the Bond that:

- a. You obtain an Acceptable Reference in respect of each person making up the Tenant which may not be dated more than 14 days earlier from the date Bond is issued
  - b. You take and retain a copy of the passport and/or driving licence or other photographic proof of identity for each person making up the Tenant
  - c. the terms of the AST Agreement are not more onerous on the Tenant than the terms and conditions contained in the standard AST Agreement produced by the Residential Landlord Association or any other accredited landlord body provided that:
    - i) if there is more than one Tenant residing in the Premises but only one AST Agreement, each Tenant is bound jointly and severally to the terms and conditions of the AST Agreement
    - ii) all persons making up the Tenant must be included within the Bond
    - iii) if there is more than one AST Agreement for the Premises, then all of the AST Agreements must be subject to a Bond and each Tenant must be bound jointly and severally in respect of the common parts of the Premises (including but not limited to utility costs)
  - d. the AST Agreement must commence within 2 weeks of the Bond Issue Date and the initial term of the AST Agreement must not exceed 12 months
  - e. all persons making up the Tenant must sign a Deed of Indemnity and that Deed must be properly witnessed. The Deed will be provided to You at the time the Bond is supplied. Further copies may be obtained from the Administrator by emailing [Info@TenantPerformanceBond.com](mailto:Info@TenantPerformanceBond.com)
  - f. when the AST Agreement is signed, a record of the condition of the property must be provided. This can be provided by a comprehensive inventory and/or detailed photographs, which must then be attached to the AST and signed by all of the tenants as witness to their acceptance of the condition. In the case that you are relying upon photographic evidence alone, you must allow the tenant(s) to mark up any defects within the property that are not reflected in your photographs, by means of the Inventory Form that we will supply you along with your Tenant Performance Bond. Failure to provide adequate supporting evidence, signed by the tenants, confirming the condition of the Property at the commencement of the AST, may result in the claim not being paid
  - g. rent payments must be made by standing order from the Tenant's bank account to Your bank account
  - h. if an Acceptable Reference cannot be obtained in respect of the Tenant but a Guarantor is provided by the Tenant, then that Guarantor must be vetted by the Administrator and, unless You have received a written confirmation from the Administrator that the Guarantor has been approved by them, the Bond will not be valid
  - i. if a Guarantor is in existence they must sign a Deed of Indemnity and that Deed must be properly witnessed.
2. You must take all reasonable precautions to avoid or minimise any losses
  3. Any benefit under this Bond will be forfeited if You or anyone acting on Your behalf knowingly makes a fraudulent claim
  4. This Bond is governed by English law and is subject to the exclusive jurisdiction of the English courts
  5. The Insurer may at its expense take over and conduct in Your name the defence, prosecution or settlement of any claim for its own benefit. You must give the Insurer all assistance and information possible
  6. Where a claim has been accepted but there is a disagreement in respect of the amount payable, the matter will be referred to an arbitrator appointed under statutory provisions. An award must be made by the arbitrator before legal proceedings can be started against the Insurer
  7. This Bond cannot be transferred to another Landlord or Tenant
  8. If the Tenant has confirmed he/she has a pet, then this Bond will not cover any damage that may be caused by that pet
  9. If the Tenant has confirmed that he/she is a smoker, then this Bond will not cover any damage that may be caused by smoke or associated risks

If there are any changes to the information provided to the Administrator to obtain this Bond after the Bond Issue Date, the changes must immediately be notified to the Administrator. Failure to inform the Administrator of any changes may result in the Bond being void.

#### **CLAIMS PROCEDURE**

1. You must notify the Administrator of the Tenant's failure to:
  - a. pay the Rent, within 21 days of the date on which the Rent should have been paid into Your bank account
  - b. meet its obligations with regard to any other conditions of the AST Agreement, within 21 days of You becoming aware of the breach which for the avoidance of doubt must be prior to the expiry of the Period of Cover.By completing a Claims Form which may be obtained by contacting [info@tenantperformancebond.com](mailto:info@tenantperformancebond.com). Failure to notify the Administrator of a potential claim within this timeframe will invalidate the claim.
2. In the event of a claim, You must provide the Administrator with the following which must be sent by registered post:
  - a. a copy of the signed AST Agreement and a copy of any inventory and/or photographic evidence confirming the condition of the Property at the commencement of the AST, as detailed in Conditions 1(f) above
  - b. a copy of the Acceptable Reference received from the tenant vetting company in respect of each person making up the Tenant
  - c. a copy of the passport and/or driving licence (or other photographic proof of identity) for each person making up the Tenant
  - d. the original Deed of Indemnity signed by each Tenant and which is correctly witnessed
  - e. a copy of the original Bond supplied to You by the Administrator
  - f. proof that You have written to the Tenant, at least 10 days before You advise the Administrator, requesting the Tenant to rectify any breach of the AST Agreement and confirmation that You have not received a response from the Tenant
  - g. in respect of a claim for damage to the Premises photographs of the damage and two quotes for repairing the damage
  - h. details of amounts owing to You as a result of the Tenant's failure to meet their liabilities under the AST Agreement and any supporting documentation
  - i. if applicable, the original Guarantor Indemnity form(s), properly signed and witnessed, along with a copy of the Administrator's written approval of the Guarantor(s)
3. The Insurer agrees to settle any valid claim on the following basis:
  - a. in the case of non-payment of Rent by the Tenant/s payment will be made within 21 days of receipt of all necessary documentation
  - b. in the case of damage to the Premises authorisation will be given to a contractor within 21 days of You providing satisfactory proof that the damage was caused solely as a result of the Tenant's act or neglect
4. The Insurer reserves the right to use a repairer of its choice and to validate any claim submitted under this Bond in any manner it deems appropriate including a physical inspection of the Premises

#### **CANCELLATION**

You may cancel this Bond subject to no claim being made at any time on 30 days' written notice but no refund of premium will be given.

#### **ENQUIRIES AND COMPLAINTS**

Any enquiries or complaints You may have regarding this Bond should in the first instance be addressed to Tenant Indemnity Services Limited of Lockkeeper's Cottage, The Marina, Hull HU1 1UH. Please quote Your Bond Number so that Your enquiry can be dealt with quickly. If the matter remains unresolved You should write to Red Sands Insurance Company (Europe) Limited of Suite 912c, Europort, Gibraltar.

Finally, if the matter still remains unresolved once the above have been contacted, You can then approach The Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR. There are some instances where the Financial Ombudsman Service is unable to consider complaints. This procedure will not prejudice Your right to take legal proceedings.

#### **DATA PROTECTION**

The data supplied by You will only be used for the purposes of processing the Bond, including underwriting, administration and handling any claim which may arise. The data supplied will not be passed to any other parties other than those which are mentioned herein. It is important that the data You have supplied is kept up to date. You should therefore notify the Administrator promptly of any changes. You are entitled, upon the payment of an administration fee, to inspect the personal data which is held about You. If You wish to make such an inspection, You should contact the Administrator. The Administrator may respond to enquiries by the police concerning the Bond in the normal course of their investigations and where it is necessary to administer the Bond effectively or to protect Your interests. The Administrator and Insurer may disclose the data You have supplied to other third parties such as information referencing companies, solicitors, loss adjusters, repairers and other insurers, etc.

Ver: 11-05-2009