

# Nil Deposit vs. Traditional cash deposit

## Traditional cash deposit



## Nil Deposit

What you pay up front

### 5 weeks rent

registered in an approved deposit protection scheme for the full term of the tenancy

### 1 weeks rent + VAT

prior to the tenancy commencing

£15 inc VAT every 6 months thereafter

Advantages

### + Deposit returned\*

in full at the end of the tenancy

\* provided you have adhered to your tenancy obligations, for example no damage and all rent has been paid

### + Cashflow

you only have to find the equivalent of 1 weeks rent up front

### + 30 day maximum

dispute adjudication completed within 30 days

### + Move quickly

no waiting to raise the full 5 weeks cash deposit

Disadvantages

### - Cashflow

you have to find the 5 weeks up front and this will need to be paid to your agent in cleared funds

### - Inaccessible funds

nothing is returned until the end of the tenancy

### - Lengthy disputes

any damages could lead to a dispute with the agent/ landlord which could be lengthy

### - No return funds

no funds returned at the end of your tenancy

### - Still liable

you are still liable for any damages or unpaid rent and will be required to pay for this

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