

For the avoidance of doubt, FCC Paragon's Smart Deposit Solution contract is in support of the quality of FCC Paragon's Smart Deposit Solution Referencing. They are not contracts of insurance and any benefits provided are at the sole discretion of FCC Paragon.

ELIGIBILITY

The landlord, or managing agent acting on their behalf, must ensure that the following procedures are adhered to. They must:

- A Not allow a tenant into possession of the property other than on the basis of an already completed written tenancy agreement duly signed by all parties, and if applicable an already completed and signed guarantor agreement. The tenancy agreement must contain the Smart Deposit Solution section or the tenant must have signed an addendum. This has been supplied to you via the guidelines at the time the reference was concluded, the wording is as follows: 'You have entered into the Smart Deposit Solution provided by FCC Paragon. You have signed and accepted the legally binding declaration stating that should there be any monies owing to the landlord at the time you vacate the property you are obliged to pay, whether this be in respect of dilapidations or unpaid rent. Under the terms of the scheme you may be pursued for recovery of such sums'.
- B Ensure the agreement is based on one of the following:
 - an assured shorthold tenancy (including company)
 - a short assured tenancy; or
 - an assured tenancy
 These are all defined by the Housing Act 1988.
- C Not allow any tenant into occupation until the first months rent payment has been paid in cash or payment has cleared in the landlord or managing agents bank account.
- D Ensure all tenants and where applicable guarantors are fully referenced and successfully pass the referencing procedure, and any requirements deemed to be necessary are adhered to as noted on the referencing conclusion.
- E Have a full and detailed inventory signed by the tenant at the start of the tenancy and other than in the case of absconding tenants also at the end of the tenancy (please see guideline notes supplied with conclusion provided by FCC Paragon for further information or contact our office if you are still unsure).
- F Have a forwarding address for your tenant unless the tenant absconds from your property (we strongly recommend that you include this in your outgoing inventory).

EXCLUSIONS

Benefit will not be paid in respect of any claim:

- A Where the completed claim form is received more than 31 days after the tenant vacated the property;
- B Where the amount in dispute is less than £150.00 for dilapidations only. However, on accepted claims in excess of £150.00, the whole claim will be paid as long as it does not exceed the limits of this contract.

SMART DEPOSIT SOLUTION COVER

The Smart Deposit Solution will provide cover of a maximum of two months rental value as stated in the tenancy agreement with your tenant, being a maximum of 1 months rent and 1 months dilapidations or 2 months dilapidations.

DILAPIDATIONS COVER

This element is only applicable if you instruct renewal after the initial tenancy period. Please refer to point J under General Conditions for more information.

Will pay a maximum of 2 months rent as long as:

- A All charges for the warranty have been paid
- B The date of occurrence of the claim incident is during the period of the warranty contract; and
- C You have adhered to the renewal procedure set out by FCC Paragon
- D You or your managing agent inspects the property prior to every renewal and provide the tenant with a new dilapidations inventory (where appropriate) which should mirror the original inventory and;
- E Prior to a dispute under the claim incident, you have provided your tenant with a closing dilapidation inventory signed by a suitably qualified inventory clerk; and
- F Your claim is supported by written invoices/estimates for all damage, replacement or repair, which has been agreed and signed off by a suitably qualified inventory clerk.

We recommend you support dilapidation claims with photographic evidence.

RENT COVER

This element is only applicable if you instruct renewal after the initial tenancy period and pay the relevant fee in line with our payment terms specified.

Will pay a maximum of 1 months rent as long as:

- A All charges for the warranty have been paid
- B The date of occurrence of the claim incident is during the period of the warranty contract and is for the last month the tenant was in occupation.; and
- C You have adhered to the renewal procedure set out by FCC Paragon and paid the renewal fee for the rent cover element of the warranty, should you fail to pay the renewal fee when due the rent cover element of the warranty will cease at the renewal date.
- D You or your managing agent inspects the property prior to every renewal and provide the tenant with a new dilapidations inventory (where appropriate) and,
- E The period claimed is the last month that the tenant was in occupation of the property, rent will not be paid out for anytime the property was vacant.

VACANT POSSESSION UNDER THE WARRANTY IS WHEN THE TENANT NO LONGER OCCUPIES THE PROPERTY AND WE MAY AT ANYTIME REQUEST THAT YOU ISSUE AN ABANDONMENT NOTICE IN RELATION TO THIS.

THE WARRANTY DOES NOT COVER FOR THE RETURN OF KEYS. VACANT POSSESSION DETERMINED BY FCC PARAGON IS ALWAYS AT OUR DISCRETION.

A Smart Deposit Solution contract shall pay out for no more than a maximum of 2 months rental value, being a maximum of 2 months dilapidation's or 1 months rent and 1 month dilapidations. Initially Smart Deposit Solution cover must run in line with the tenancy agreement and continue to run in line unless the tenancy becomes periodic, where we will invite renewal every 12 months.

ALTERATION OF CONTRACT

The landlord or managing agent acting of their behalf shall notify FCC Paragon as soon as they become aware of any alteration in risk which may affect the Smart Deposit Solution cover. The landlord or managing agent acting on their behalf may be required to pay an additional fee to FCC Paragon. You should understand that failure to notify FCC Paragon of any changes may result in a claim being declined or the contract being cancelled.

CLAIMS PROCEDURE

Claims can only be made once vacant possession has been obtained. If, on vacating the property the last months rent is unpaid and or dilapidations are noted, the tenant and guarantor if applicable must be contacted within 7 days in writing (copies to be retained) to find out why the rent/dilapidations have not been paid. If rent/dilapidations remain overdue for a further 7 days the tenant and guarantor must be contacted again in writing (copies to be retained) if applicable at their place of work. You must adhere to the conditions outlined in the letter accompanying the claim form. Where the landlord or managing agent acting on their behalf becomes aware of an existing or potential claim under any part of the Smart Deposit Solution contract the landlord or managing agent acting on their behalf shall notify FCC Paragon promptly and forward a fully completed claim form which is to be received by FCC Paragon no more than 31 days after vacant possession has been obtained (proof of this may be required). The managing agent or landlord must keep FCC Paragon fully informed of all occurrences relating to the claim within the claim period. Claim forms can be requested and submitted by contacting the claims department: Tel: 0844 375 9608 Fax: 0844 375 9609 Email: claims@fccparagon.com

GENERAL CONDITIONS

- A FCC Paragon will negotiate any claim under the warranty for the landlord or managing agent acting on their behalf.
- B The landlord or managing agent acting on their behalf must co-operate fully with FCC Paragon.
- C The landlord or managing agent acting on their behalf must tell us if anyone offers to settle a claim.
- D If the landlord or managing agent acting on their behalf do not accept a reasonable offer to settle a claim, FCC Paragon may refuse to pay further monies.
- E The landlord or managing agent acting on their behalf must not negotiate or agree to settle a claim without approval from FCC Paragon.
- F The landlord or managing agent acting on their behalf must take every step to recover costs/rent/dilapidations that FCC Paragon have to pay and must pay FCC Paragon any costs/rent/dilapidations that are recovered.
- G Warranted benefits will be withheld if the landlord or managing agent acting on their behalf acts without the consent or contrary to the advice of FCC Paragon.
- H If benefits are paid by us in respect of rent arrears or dilapidations and subsequent payments are received from the tenant, these payments must be forwarded to FCC Paragon without fail. FCC Paragon takes precedence over any other claimant.
- I Should a claim involve the rent element part of the warranty we may request proof that the tenant was still in occupation of the property at the time.
- J If you have not received a Smart Deposit Solution contract schedule or paid in full within 14 days of the contract start date, the warranty will not be in force.
- K All referencing pertaining to the issued Smart Deposit Solution contract must have been paid in full, and all documentation relating to the referencing must be retained. No claim will be honoured otherwise.
- L In the event that payment has been received after 14 days from the contract start date, a declaration issued by FCC Paragon will be required to be signed and returned. The declaration should only be signed to confirm that there are no rent arrears to date or circumstances that may give rise to a claim.
- M In the event of a claim or rent arrears occurring after renewal invitation and before renewal date, renewal may be declined and/or lapsed as per renewal declaration.
- N If in receipt of a claim closure letter, failure to adhere to the terms set out within it means no further consideration of benefit can be applied to this claim.
- O FCC Paragon reserves the right to pursue the tenant through the court in the name of the landlord or managing agent to recover any monies paid out.
- P During the warranty cover period FCC Paragon will only liaise with the managing agent acting on behalf of the landlord (if applicable). The managing agent is responsible for passing on all relevant information/correspondence to the landlord.
- Q In relation to claims, FCC Paragon will only liaise with the landlord/managing agent who has submitted the claim form.
- R Payment for the warranty needs to be received and cleared prior to the tenant being allowed occupation.

CANCELLATION

The landlord or managing agent acting on their behalf may cancel the Smart Deposit Solution contract at any time by giving 14 days of notice in writing. FCC Paragon may cancel the warranty contract at any time by giving notice in writing to the landlord or managing agent. No refunds are available in the event of cancellation by either party.

TERMINATION

The Smart Deposit Solution contract benefits will terminate on the earliest of the following events:

For the rent benefit:

- A The end of the tenancy
- B Failure to adhere to the renewal procedure
- C The landlord or managing agent acting on their behalf fails to pay the relevant Warranty contract fee when due

For the dilapidations benefit:

- A The end of the tenancy
- B Failure to adhere to the renewal procedure

Notifications of a claim will not be accepted if the date of non-payment of rent/dilapidations is after the termination of the Smart Deposit Solution contract. If the landlord or managing agent acting on their behalf does not keep to the terms of the Smart Deposit Solution contract they will not be entitled to any benefit.

TERMS OF COVER

For cover to continue under the Smart Deposit Solution contract the landlord or managing agent acting on their behalf must keep up to date, clear rental records. The Smart Deposit Solution contract will be withheld if the landlord or managing agent acting on their behalf acts without consent or contrary to the advice of FCC Paragon. The Smart Deposit Solution contract will not provide cover for any pre-existing events which would give rise to a claim.

The rental amount (not exceeding £2083.33) covered by the warranty is the amount stated on the Assured Shorthold Tenancy agreement or the amount referenced whichever is the lower (the Smart Deposit Solution does not provide cover for utility bills). This product will only be available throughout England and Wales and is subject to English law.

FCC Paragon reserves the right to amend the conditions of the Smart Deposit Solution contract without notice. Errors and omissions excepted. The Smart Deposit Solution is not transferable.

COMPLAINTS

It is always our intention to provide a first class standard of service however, if you do have cause for complaint, you should contact FCC Paragon in writing;

Janie Gaston (General Manager), FCC Paragon, 4/5 The Briars, Waterberry Drive, Waterlooville, Hampshire, PO7 7YH

If the matter is not resolved to your satisfaction, please write to:

The Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London, E14 9SR