

## Fact sheet

### Rental bonds

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The *Residential Tenancies and Rooming Accommodation Act 2008* (the Act) outlines the rules for collection, management and refund of rental bonds in Queensland. The Residential Tenancies Authority (RTA) administers the Act and holds bonds during a tenancy.

#### **What is a rental bond?**

A rental bond is money paid by the tenant at the start of a tenancy agreement. It is used as financial protection for the lessor in case the tenant breaches the terms of the agreement. A bond is sometimes referred to by other names such as a security deposit, linen deposit, key (or security card) deposit or pet bond. However, if it is money paid as protection over the property and its inclusions that is not rent – then it is a rental bond. It is paid in addition to rent or rent in advance.

#### **Does a rental bond have to be taken?**

The Act does not require a bond to be taken. However, most lessors/agents take bond money as security for the premises. They may need to claim a part or all of the bond money at the end of the tenancy if the tenant costs them money by damaging the premises, breaching the agreement or owing rent.

#### **When is a bond taken?**

A bond can be taken only after the prospective tenant is given a copy of the proposed tenancy agreement containing any special terms that apply to the tenancy, as well as copies of other paperwork such as park rules or body corporate by-laws.

#### **How does bond money get paid to the RTA?**

Bond money should only be paid after securing the tenancy and signing the tenancy agreement. The tenant or the property owner/manager can lodge the requested bond money with the RTA via the [RTA Bond Lodgement web service](#).

#### **Option 1**

The tenant can lodge and pay the requested bond money directly to the RTA via the RTA Bond Lodgement web service. The tenant and property owner/manager will receive an Acknowledgement of Rental Bond from the RTA as part of this process.

#### **Option 2**

The property owner/manager or person receiving the bond money must:

- give the tenant a receipt straight away, and
- lodge the bond money received within 10 days via the RTA Bond Lodgement web service.

#### **Option 3**

The tenant or property owner/manager can post the completed paper Bond lodgement form to the RTA with a cheque or money order.

#### **How much bond can be taken?**

For general tenancies the law says if the rent is \$700 or less per week, the maximum bond amount is four weeks rent. If the weekly rent is higher than \$700, the amount of bond should be negotiated between the lessor/agent and tenant. The law gives no maximum amount where the weekly rent is higher than \$700.

For moveable dwelling tenancies, the maximum bond is the same as two weeks rent, or if the electricity is connected to the premises in the owner's name, three weeks rent.

The maximum amounts stated in the Act apply to all bonds, no matter what they are called (e.g. pet bond) or how many bonds are taken.

There are different rules where accommodation is provided by an employer. Check with the RTA for more information.

### What if the tenant cannot afford the bond?

If the tenant cannot afford the bond money upfront, they may be able to:

- pay off the bond in instalments over time if the lessor/agent agrees by making part-payments via the RTA Bond Lodgement web service until the full amount is paid.
  - The person with the bond money (the tenant or property owner/manager) can lodge the first instalment for the bond to the RTA. Each time another part-payment is made, the person with the bond money can log on to the RTA Bond Lodgement web service to lodge and pay a bond top-up. This process continues until the requested bond amount has been paid in full. If the property owner/manager is lodging the bond, they must do this within 10 days of receiving it from the tenant.
  - The paper Bond lodgement form can also be used for customers who do not have access to RTA web services.
- take out a bond loan. Contact the Department of Housing and Public Works to find out more about bond loans and eligibility criteria.

### What happens to a bond?

Typically, bond money is lodged with the RTA before keys to the rental property are provided.

A person receiving bond money must lodge it within 10 days of receipt to the RTA for safekeeping during the tenancy. At the end of the agreement, either party can make a claim on the bond.

### Can a bond be transferred from one property to another?

Sometimes a tenant will want to transfer their bond from one property to another they are moving into. They can complete a *Change of rental property* form to change **only** the address of an existing rental bond. Bond amount, tenants/residents and property manager/owner cannot be changed.

If the new rental bond is less than the previous bond, complete a *Refund of rental bond* form for a partial bond refund before the *Change of rental property* form. If additional money is to be added for the new bond, lodge a bond top-up via the RTA Bond Lodgement web service, or complete a paper Bond lodgement form.

### How is a bond refunded at the end of a tenancy?

The tenant/s or property manager/owner can apply for the bond to be refunded once the notice ending the tenancy has expired. If no notice has been provided parties can apply for the bond to be refunded once the tenants have vacated the property.

#### If the parties agree

If the tenant/s and lessor/agent agree on how the bond is to be refunded, they should fill out the *Refund of rental bond* (Form 4) together and send it, signed by all parties, to the RTA. The RTA will refund the bond as directed on the form.

### If the parties don't agree

If the tenant/s and lessor/agent do not agree on how the bond is to be refunded, any party to the bond (tenant or lessor/agent) can fill in a *Refund of rental bond* and lodge it with the RTA without the other parties' signatures. The RTA will refund any undisputed amount from the first form processed and send the other parties a *Notice of claim*.

The person receiving the *Notice of claim* has 14 days to:

- dispute the claim by filling in a *Dispute resolution request* (Form 16) and sending it to the RTA, or
- agree with the other person's claim by signing the back of the *Notice of claim* and sending it to the RTA, or
- take no action.

It is important to note that if the party receiving the notice takes no action, after 14 days the RTA will refund the bond as requested on the first form received.

The RTA will send the *Notice of claim* to the tenant's last known address, which may be the rental premises they have just vacated. Tenants should always keep the RTA informed about changes to their forwarding address, in case there is a claim against their bond.

### What happens if a *Dispute resolution request* (Form 16) is sent to the RTA?

If dispute resolution is requested through the RTA, a conciliator will contact the parties and help them come to an agreement. If no agreement is reached, they will issue a *Notice of unresolved dispute*, allowing the parties to apply to the Tribunal for a decision to be made. There are tight time limits that apply.

Visit [www.qcat.qld.gov.au](http://www.qcat.qld.gov.au) for more information on applying to the Tribunal.

### Further information

For more information contact the Residential Tenancies Authority on 1300 366 311.

### Accessing RTA forms

The RTA's forms can be obtained electronically or in person by:

- [rta.qld.gov.au](http://rta.qld.gov.au)
- 1300 366 311
- Level 23, 179 Turbot St Brisbane



If you need interpreting assistance to help you understand this information, contact TIS on 13 14 50 (for the cost of a local call) and ask to speak to the Residential Tenancies Authority (RTA).

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### Disclaimer

This fact sheet is prepared for information only. The Residential Tenancies and Rooming Accommodation Act 2008 is the primary source on the law and takes precedence over this information should there be any inconsistency between the Act and this fact sheet.