



QUESTIONS

for the Self Storage Legal Network

Each month SSLN partners Carlos Kaslow and Scott Zucker will select a question from a SSLN subscriber on an important self storage legal issue and provide their best advice on dealing with the problem.

Question: *At our remote location, all we use is a kiosk for customer rentals and customer payments. We've run into problems with customers who are upset that they can't move in once they've filled out the paperwork and we've had problems with delinquent tenants who pay but can't gain immediate access since they've been over-locked. Is there liability to the facility if a customer pays and then can't get immediate access for use?*

Answer: Technology is a wonderful thing and the development of kiosks for self storage has been revolutionary to the extent that it does provide an around the clock service component to customers who want to rent units or pay their rent. It also provides a cost savings to operators to the extent they can save on employee time. The issue, as you have described it in your question, is the "expectation" of the tenant when they use the kiosk. If the tenant believes that they can sign a rental agreement and then immediately enter the facility to store their property, they will undoubtedly be disappointed to learn that they have to wait for a "live" employee to let them in. Similarly, if a tenant who has been over-locked due to nonpayment pays to get caught up but then has to wait until a "live" employee arrives to remove the over-lock, the customer could be upset about the delay. However, if the customer understands BEFORE using the kiosk what the limitations and restrictions are, there will be less chance of customer problems.

Therefore, if you are using kiosks at your facilities, it is important to prepare for your customer, at the time they rent from you, some instructions that explain how the kiosks can be used. Whether those instructions are contained in a rules and regulations sheet or an "FAQ" form, the customer needs to know what will happen if they use the kiosk.

So, for example, unless your facility chooses to keep all of its unrented units open (which we do not recommend), it

seems apparent that if a tenant signs a rental agreement at a remote facility or after hours that the rules should explain that the tenant will only be allowed to move in the next business day when a manager can arrive, unlock the selected unit and permit the move in. Again, as long as the tenant understands the timing before executing the agreement, there should not be any complaints about the delay.

We strongly recommend that a manager be on site when tenants move in. This is one way to avoid a situation where facility units are improperly used to store hazardous materials or perishables that result in rodents and insects. Remember the 2,000 old tires? Situations like that arise when tenants have the ability to move in without any controls.

As for the issue of why all units should be locked, too often tenants make the mistake of moving into wrong units or taking possession of "extra" units if their property does not adequately fit into one unit. All of these risks arise when tenants are permitted to move in without assistance and unused units are not locked.

What about the tenant who pays off their delinquency and seeks immediate entry into the facility? Again, those tenants should understand that they will not be permitted access until the next business day that the facility is open when the manager will remove the over-lock. This limitation should be contained in the rental agreement, rules and regulations or as part of the documents describing use of the kiosk. It would also be helpful if this information were posted on the kiosk itself. Lastly, it would be helpful to include this information on the receipt generated when payment is made.

Kiosks can be great tools for self storage businesses, but the facility owner must adapt this technology to the needs of both the facility and the facility's customers. If your customers know what to expect, there will be less risk of disappointment and complaints. ❖