



The Property Ombudsman

Annual Report 2013



Contents

4	The Scheme	LETTINGS:		52	Other Jurisdictions Commentary and Statistics
5	Foreword by the Chairman of the Council	20	Lettings Enquiries Statistics	54	Case Studies
6	2013 Headlines and Highlights	22	Lettings Casework Statistics	56	TPO Council
8	TPO in the Press	24	Case Studies	58	The Disciplinary and Standards Committee
9	Ombudsman’s Report	34	Case Studies in Brief	60	Independent Reviewer’s Report
15	Complaint Process	SALES:		62	Report from the Board
16	Membership Statistics	36	Sales Enquiries Statistics	64	Financial Report
17	Enquiry Statistics	38	Sales Casework Statistics	66	Compliance Tables
18	Cases Resolved Overview	40	Case Studies	68	TPO Staff
19	Cases Resolved in the last 5 years	50	Case Studies in Brief		

The Property Ombudsman Scheme

Who are we?

The Property Ombudsman (TPO) scheme has been providing consumers and property agents with an alternative dispute resolution service for 24 years. The scheme was originally established in 1990 as the Ombudsman for Corporate Estate Agents. In 1997 the scheme was renamed as the Ombudsman for Estate Agents, eventually becoming TPO in 2009 to reflect its broader jurisdictions relating to sales, lettings, search providers, residential leasehold management, chattels auctions, international and commercial property agents.

The Scheme

In June 2008 TPO was the first redress scheme to gain the status of an OFT Approved Estate Agents Redress Scheme under the provisions of the Consumers, Estate Agents and Redress Act 2007.

Both the TPO Code of Practice for Residential Estate Agents and the TPO Code of Practice for Residential Letting Agents received OFT approval under its Consumer Codes Approval Scheme. The TPO Code of Practice for Residential Estate Agents has now received approval under the Trading Standards Institute's Consumer Codes Approval Scheme.

What does TPO do?

TPO provides consumers with a free, impartial and independent alternative dispute resolution service of complaints against property agents (TPO scheme members). The Ombudsman's resolutions are designed to achieve a full and final settlement of the dispute and all claims made by either party. The Ombudsman can, where appropriate make compensatory awards in individual cases up to a maximum of £25,000 for actual and quantifiable loss and/or for aggravation, distress and/or inconvenience caused by the actions of an agent.

Redress not Regulation

The Ombudsman provides redress, where appropriate, to consumers whose complaints are considered on a case by case basis. The Ombudsman is not a regulator and does not have the authority to take regulatory or legal action against an agent, impose fines or dictate the way agents conduct their business.

Independence

The TPO Board charges scheme members an annual subscription however, it is the independent Council to whom the Ombudsman reports, the majority of which is made up of non-industry members. It is the Council who appoints the Ombudsman and sets his Terms of Reference i.e. how the complaint process operates.

Ombudsman Association

TPO is a full member of the Ombudsman Association and adheres to the organisation's principles of good governance for ombudsman schemes. The Ombudsman sits on the Association's Executive Committee.

Contact

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PropertyOmbudsman

Foreword

by the Chairman of the Council



Thanks to an amendment in the House of Lords, the Enterprise and Regulatory Reform Act now contains the mechanism for requiring lettings and managing agents to be part of a proper dispute resolution scheme. In the great majority of cases, this is likely to mean belonging to The Property Ombudsman scheme, so the new legislation marks a step forward for TPO (which already has over 11,000 letting and management offices in membership). It has been an anomaly that sales/estate agents have all had an obligation to be part of an ombudsman or similar redress scheme, while the work of lettings and managing agents has been excluded. We are grateful to the (then) Housing Minister, Mark Prisk, for taking this matter forward, in response to an amendment from Baroness Hayter (Labour Party) with support from Baroness Hanham (the Conservative Minister in the Lords).

As TPO's work expands and embraces more agents – and covers more of the work of the agents already in the fold – we need to sustain our effective and timely response to all those who bring us their complaints. Since TPO already receives over 16,000 enquiries each year, with over 2,000 cases going through all of the requisite processes, continuous improvement is needed to keep up with this level of demand for our services. But it

is highly advantageous for agents to get resolution for disputes that can otherwise drag on interminably, just as it is of vital importance to consumers to obtain redress when things have gone wrong.

TPO has been working with the Greater London Authority, through the Deputy Mayor for Housing, in its aspirations to enhance the rights of tenants in London. We have been working with the Department for Communities and Local Government on a Code of Practice for the industry. And TPO is engaged in discussions in Wales and Scotland where new measures are now in the pipeline. It is certainly encouraging that politicians are increasingly interested in the sector, not least because of the continuing growth of private renting over recent years. We intend to remain at the centre of deliberations on raising standards, as an independent voice working in partnership with the industry up and down the country.

One key ingredient in the protection for consumers – in this case for landlords – on which TPO has made progress has been in ensuring our members can and should have access to Client Money Protection insurance. In future this will be a significant component in the requirements on lettings and managing agents. In these and

other ways I hope TPO will continue to go from strength to strength in enhancing confidence in the sector.

I conclude with sincere thanks to Council Member Mary Wilson-Jones, for her many years of invaluable service to the TPO and, in particular, the creation and organisation of our Disciplinary and Standards Committee which takes to task agents who do not maintain the high standards we expect. Thanks go also to our energetic, high profile Ombudsman, Christopher Hamer, and all his team, for another year of excellent service for which the TPO Council is deeply appreciative.

A handwritten signature in black ink, reading 'Richard Best'.

Lord Richard Best OBE
Chairman of the Council

2013 Headlines and Highlights

INCREASE IN
COMPLAINT ENQUIRIES

23%

INCREASE IN CASES
RESOLVED

30%

RISE IN LETTINGS
CASES RESOLVED

43%

CASES RESOLVED VIA
MEDIATION PROCESS

600

LETTING OFFICES
JOINED TPO IN 2013

1,155

CASES RESOLVED

2,151

TPO LETTING OFFICES

10,903

TPO SALES OFFICES

12,462

TPO Code Approval

TPO's Code of Practice for Residential Estate Agents became the most widely used code approved by the Trading Standards Institute's Consumer Code Approval Scheme. All TPO members are now included in **Trading Standards'** searchable database aimed at connecting consumers with businesses who follow approved codes.

Presenting Best Practice

2013 saw the Ombudsman invited to speak at 23 conferences and events. These included 14 Association of Residential Letting Agents (ARLA) and National Association of Estate Agents (NAEA) events alongside other industry presentations where the single most requested topic was the application of the Consumer Protection from Unfair Trading Regulations (CPRs) to agents' work. TPO also exhibited at the Trading Standards, Citizens Advice and Negotiator/Property Drum conferences and once again welcomed a fact finding delegation from the Chinese government.

Consulting on the Issues

TPO responded to consultations from the OFT¹, BIS², and CLG³, along with the Welsh and Scottish Governments, providing detailed commentary and extensive data to assist their considerations.

Deciding Best Practice

2014 will see TPO conducting practical workshops at **ARLA** and **NAEA** conferences throughout the year. The first in Bristol was attended by over 70 agents who were presented with a complaint case and asked to reach their own decision on the dispute at hand. The workshops are also open to local non-affiliated members who will be invited by email throughout the year.

Publishing Best Practice

Over 20 articles covering matters of best practice were published in the property press dealing with issues such as social media etiquette, sale/let boards and anti-social behaviour. A further 120 case studies were published on our website as well as additional case studies and guidance specific to letting and sales CPR issues being published in 2013's two Interim Reports.

Turning up Twitter

Since its launch in January 2012 the **@TPOMB** Twitter account has become a vital source of information for both agents and consumers. Alerting followers to all things property, from legislative changes to matters of best practice, it is humbling to see that the account has gained over 6,000 followers in two years.



Mediated Resolutions

The success of the Early Resolution Team in late 2012 showed that straightforward issues need not always be resolved via the formal review process. Building on that success, 2013 saw a 68% rise in cases being resolved in this manner. For 2014 the new Assessment and Resolution Team has been increased and processes streamlined to provide both consumers and agents with a quicker route to redress.

Upwards Membership

TPO membership levels continued to grow with an additional 1,155 letting and management offices joining the scheme and voluntarily agreeing to act in accordance with the TPO Code of Practice. By 31 December 2013, the total number of offices registered with TPO has increased by 13% from 2012.

10,000th letting agent

TPO reached a new milestone in 2013 with more than 10,000 letting agents voluntarily registering with the scheme and following the lettings Code of Practice. Stockwood Lettings, an independent lettings agent based in Sherborne became TPO's 10,000th member to join the scheme (pictured below).



TPO

in the Press 2013

TPO's unique insight into the key issues affecting the property market featured in several high profile stories during 2013 where the Ombudsman provided briefings, interviews, market commentary, statistics, case studies and consumer tips.

The Ombudsman's work with broadcast and printed media enables the scheme to raise awareness of TPO and educate consumers on what service they should expect from property agents and how to complain if a dispute arises. Furthermore, the Ombudsman's relationship with the trade media provides a direct channel for TPO to share best practice advice on emerging issues and provide updates concerning new regulations and changes to legislation.

TPO's profile has grown significantly over recent years with key media contacts using TPO to research stories, gauge consumer sentiment and publicise case articles to help consumers understand the Ombudsman's role, the complaints process and TPO's Codes of Practice. The Ombudsman's close ties with industry regulators, government departments, trade bodies and consumer groups require TPO to play a pivotal role on steering groups and advisory boards, placing the scheme at the forefront of industry developments and regulatory reform.

TPO'S WORK WITH THE MEDIA:

- Media briefings
- Live interviews
- Market commentary
- Q&A advice
- Expert viewpoints
- Consumer case studies
- Consumer tips
- Live Twitter Q&As
- Statistics relating to consumer enquiries and complaints





Ombudsman's Report

“

The Enterprise and Regulatory Reform Act received Royal Assent in October 2013 and although that side stepped regulation it will bring about the requirement for all letting and residential leasehold (block) management agents to sign up with a redress scheme.

”





Christopher J Hamer
Ombudsman

Christopher Hamer took up his current post as The Property Ombudsman in December 2006. Prior to this he was the Private Secretary to the Parliamentary Commissioner, Director of Services at the Insurance Ombudsman Bureau and the General Manager at the Personal Investment Authority Ombudsman Bureau. Immediately before taking up his position as The Property Ombudsman he was in a global compliance role with a major international bank.

Ombudsman's Report

Increasing workload

During 2013 my office has seen a continuing increase in workload. Over the last seven years of my time as Ombudsman the number of new cases referred to me has increased by 151%, from 870 in 2007 to 2,187 last year. That increase is down to a greater number of agents in membership of the scheme and my taking on a broader jurisdiction than just sales agents, most notably lettings but also commercial, chattels and more recently linking with the Association of International Property Professionals for international transactions.

Lettings is now the biggest proportion (60%) of my work with 1,300 cases being received against a similar figure for 2012 of 1,087, an increase of 20%.

There are detailed statistics elsewhere in this report showing the split of work.

Letting standards

The spotlight on lettings has been consistent throughout 2013. The year also saw government passing new legislation, local authorities looking to license agents, the Mayor of London consulting on his rental strategy and with many other consultations about improving standards in agency, housing quality and regulating landlords.

At the risk of repeating previous annual reports, regulation of the letting agency sector in a consistent and robust fashion can only be achieved through legislation – voluntary initiatives to introduce controls are positive and mark out the agent willing to conform, but those agents willing to do so are not the ones who expose the consumer to risk. Despite many industry stakeholders being committed to this same message, we all have to accept that formal regulation of the private rented sector is off the agenda, certainly in this parliament. I suggest it should become a priority for the government after 2015.

Positive progress

That said, there have been some positive actions during 2013 in terms of controls and structure for the sector.

- (i) The Enterprise and Regulatory Reform Act received Royal Assent in October 2013 and although that side stepped regulation it will bring about the requirement for all letting and residential leasehold (block) management agents to sign up with a redress scheme. TPO have sought approval from the Department of Communities and Local Government to enable letting agents in England to register with the Scheme.

This brings about a degree of consistency with sales agents who have been required to register under CEARA since 2008. Roughly 65% of lettings agents are already with TPO so for many life will not change, but the remainder will need to take action. Importantly it will bring more agents within the scope of the Code of Practice and the comprehensive set of standards it defines.

- (ii) The devolved administrations in Scotland and Wales have their own consultations and strategies for introducing forms of regulation. This must be seen as positive but I would exercise a note of caution in that across the UK there needs to be a degree of consistency of approach. Both agents and consumers may transact business in the various administrations and the possibility of differing standards and requirements could be confusing.

- (iii) The Mayor of London's Rental Standard has a broader spread than just letting agents, expanding as it does into housing quality standards and landlord registration.

Landlord registration will be a huge exercise but anything that marks out the 'good' agent from the 'not so good' or downright disreputable has to be a positive. What is needed to compliment such initiatives is consumer education so that landlords and tenants alike understand what all this accreditation and standard setting means; and they can make informed choices with the realisation that agents who adhere to standards present less risk. The 'not so good' and downright disreputable will as a result, albeit over time, see their business tail off by natural selection.

- (iv) In 2013 the lettings sector was subject to a major ruling by the Advertising Standards Authority (ASA) requiring all non-optional fees for which a tenant will become liable to be disclosed along with the rental figure. The manner of this disclosure varies according to the medium used to market the property but the ruling follows the principles of the Consumer Protection from Unfair Trading Regulations (CPRs) 2008 in enforcing disclosure of material information relating to a prospective tenant's transactional decision at the earliest opportunity. Recognising that this was a major change to industry practice but one bringing about



greater clarity for consumers, I (along with a group of relevant stakeholders) met with the Committee of Advertising Practice (CAP) to discuss how the ruling could be practically implemented and the timescales in which that could be achieved. CAP found the approach helpful and subsequently issued constructive guidance and a clear timescale in which agents had to implement the changes. I encourage firms to ensure they have done what is required of them as enforcement action will be taken by the relevant authorities.

The provision of information to prospective tenants at the earliest opportunity has to be positive but my slight concern in this regard is the potential for some ambiguity to creep in as a result of the Office of Fair Trading's (OFT) expected guidance in relation to letting agency work. Whilst the OFT's responsibilities have now been reallocated, primarily to the Competition and Markets Authority, draft guidance on the application of CPRs, the ASA ruling and other areas such as holding deposits was issued for consultation in October 2013. Largely this was helpful but the draft appears to go beyond the ASA ruling (covering only non-optional fees incurred before the start of the tenancy) by proposing that fees incurred during the life of the tenancy should also be disclosed. The ASA ruling brought about consistency – agents know what to disclose, tenants know what to expect. The OFT's stance potentially means lack of certainty about what information and how much will be available and what tenants can expect to see.

The Consumer Protection from Unfair Trading Regulations

As can be seen, much is happening in the property sector. The majority is lettings specific but of course, continuing to hang over both lettings and sales agents are the CPRs. I know from speaking to groups of agents and from the cases I review that there is still uncertainty and a lack of firm understanding about the impact of these regulations. I still see agents referring to the Property Misdescriptions Act (PMA) and claiming that they did not need to disclose or would not have disclosed certain information about the property. Agents need to accept that the PMA was repealed in October 2013 and it no longer plays any part in the considerations of property agents.

NAEA/ARLA, RICS and TPO have all provided information to agents about the CPRs through guidance notes and presentations. The CPRs form a major part of consumer protection legislation and agents must ensure that disclosure of material information at the earliest opportunity becomes a mantra for them.



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Providing information to buyers and tenants

In my Annual Report for 2012 I suggested that consumers would be better protected by a specific requirement that relevant information about all aspects relating to a property was disclosed in a formal document prepared by the seller. Somewhat jocularly I further suggested this sounded like a Home Information Pack (HIP). Having thought about this over the past year and seen the way various rulings, initiatives, proposals and regulations require prospective tenants and buyers to be fully informed at the earliest opportunity, it really has to be a sensible idea that if someone is going to spend a significant amount of their money on renting or buying a property, they should have available to them details of everything about the property – whether that is material or not. And unlike the ‘old’ HIP, such a document should include a home condition report, including information such as when the heating was installed, if it has been subject of a flood and how often, to what depth, proximity of flood plains etc, subsistence issues, proximity to schools/prisons/graveyards etc. In my view it is right that the seller provides that and it is right that the buyer has everything that they need to know readily presented to them.

For agents, it would not relieve them of their responsibilities under CPRs but such a document would certainly assist in them being aware of whether they need to draw any extra information to the buyer’s attention. It will contribute to a reduction in failed transactions and therefore a reduction in consumer dissatisfaction and complaints.

Floods

At the time of writing, for many unfortunate people floods will be foremost in their minds. I was recently asked by a TV station whether I expected to see a spike in complaints from people accusing agents of misdescribing the property through not telling them that the area was liable to flooding. I responded that as many of the people suffering from this phenomenon would have owned their houses for perhaps many years, I did not think that complaints against agents would necessarily increase and in any case, some of the areas currently affected have been prone to previous incidents. Of course anyone buying or renting a house now, regardless of the agent’s obligations under CPRs, must carry with them an awareness of the potential for floods given the publicity attached to the national situation and I would expect



diligence from both agents and consumers in this regard. I think though that the real concern will be perhaps two to three years in the future when floods, forgotten by other than those affected, will not be a prominent consideration for prospective buyers and tenants.

I therefore impress upon agents that this is a particular area of attention and diligence when being asked to market properties whether for sale or let. Local knowledge, as local professionals, will need to be applied. If the owner of a house by a river advises that he has never been flooded then that could well be the situation but the agent should be ‘on notice’ that things may not be as they have been stated and make further enquiries.



Complaint Issues

Following on in this report are a number of case studies in relation to the different aspects of jurisdiction. They relate to various issues such as property descriptions, referencing and holding deposit complaints, many of which make specific reference to the CPRs.

I hope that the feedback and learning points on these issues and how I determine the resulting disputes, assists agents in identifying how they can change their approach to avoid complaints arising or if they do, how they can stop them escalating. Dealing with the dissatisfaction is clearly the best approach and research I have seen shows that 74% of people complaining merely want the matter put right¹. The message here is that if you deal with the matter properly when it arises, it is easily resolved. Other research I have noted, albeit in another sector, indicates that good complaints handling can increase profit by between 2% and 3%². That benefit results from enhanced reputation (the customer is satisfied because the agent acted promptly); less resources needed to action escalating complaints so that more resources can be put on to 'productive' work; and shortcomings in systems and operations identified through collation of information relating to complaints. Again benefits accrue to both consumer and agent.



The message here is that if you deal with the matter properly when it arises, it is easily resolved



And finally...

The team in Salisbury display absolute commitment to what they do, in diligently and impartially considering the enquiries and formal cases referred to my office. Our workload, as I have noted, continues to grow and I thank all for their determination to keep on top of that workload and for their continued enthusiasm and application to the task.

Handwritten signature of Christopher J Hamer.

Christopher J Hamer
Ombudsman

1. the consumer action monitoring search

2. research by the Legal Ombudsman

The Complaint Process

THE OMBUDSMAN CAN CONSIDER COMPLAINTS:

STAGE 1 Initial Contact

The First Contact Team determines whether the complaint falls within the Ombudsman's Terms of Reference (i.e. if it can be considered). If the complaint can be accepted, the Team will establish whether it has completed the agent's in-house complaint process. If the complaint is straightforward, the Team will often resolve the matter at this stage. The Team will signpost consumers to the most appropriate organisation where the complaint falls outside the Ombudsman's remit.

STAGE 2 Mediation

Following receipt of the signed Complaints Form and supporting documentation, the Assessment and Resolution Team will consider if the dispute could be resolved without a formal review. The Team will then attempt to resolve the dispute, contacting both parties and, where appropriate, negotiating a resolution.

STAGE 3 Progressed to Formal Review

If the dispute cannot be resolved via the mediation process, the Case Management Team will contact the agent to request their company file and their formal response to the complaint.

STAGE 4 Formal Review

The case is allocated to a Case Officer who conducts a full and impartial investigation of the complaint, considering all the submissions provided by both parties. The Case Officer then produces a report with recommendations for the Ombudsman.

STAGE 5 Proposed Decision

The Ombudsman considers the report and issues his Proposed Decision to the unsupported party first and then the supported party.

STAGE 6 Representation

Each party is provided with the opportunity to accept or represent against the Proposed Decision.

STAGE 7 Final Decision and Award

Following consideration of any new evidence, the Ombudsman will issue his Final Decision. If the complainant accepts the Final Decision and an award has been made, the Case Management Team will check that it has been paid by the agent. If the complainant has not accepted the Final Decision, they remain free to pursue the matter elsewhere.

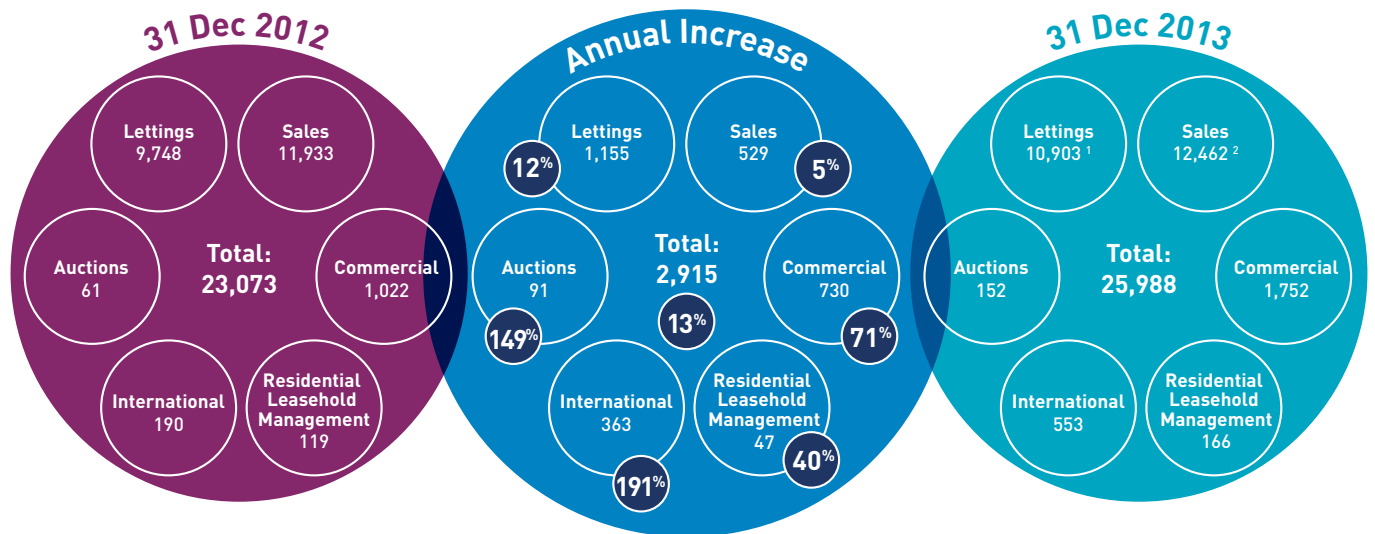
- Made against agents registered with TPO.
- Which have completed the agent's in-house complaints process.
- Where the issue came to the complainant's attention within 12 months of a written complaint being issued to the agent.
- Which are referred to TPO within 6 months of the date of the agent's final response.

THE OMBUDSMAN CANNOT CONSIDER COMPLAINTS:

- Which have not previously been presented to the agent as a formal written complaint.
- Which are being dealt with by a Court or a regulatory body, unless both parties have agreed to place that action on hold.

The Ombudsman can use his discretion where he considers complaints to be either frivolous or vexatious.

Membership Statistics



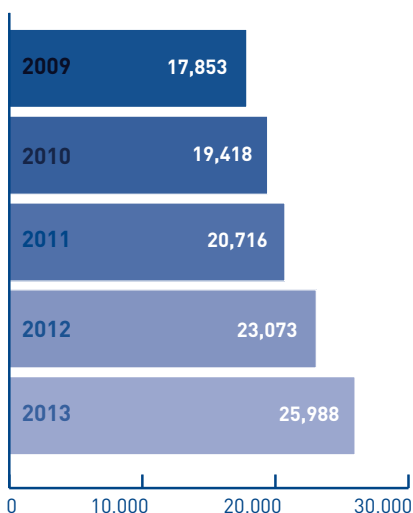
Last year saw **overall membership** levels **increase by 13%**, which included **1,155 new letting agent offices** all of which voluntarily registered with TPO, agreeing to act in accordance with the TPO Code of Practice for Residential Letting Agents.

In addition, **319 acquisition (buying) agents registered** with TPO and are included within the sales figures.

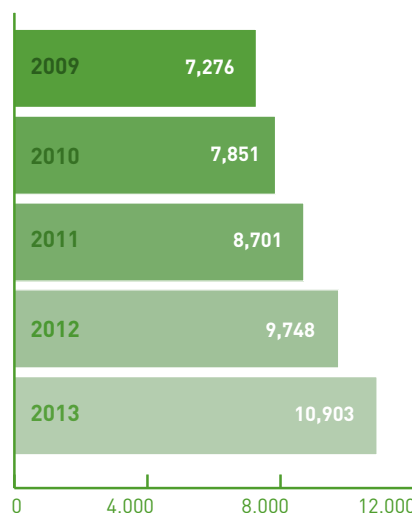
Last year also saw a large increase in membership of agents dealing in international property. This

increase will continue following the Association of International Property Providers (AIPP) asking TPO to become the redress scheme for their members from 1 January 2014.

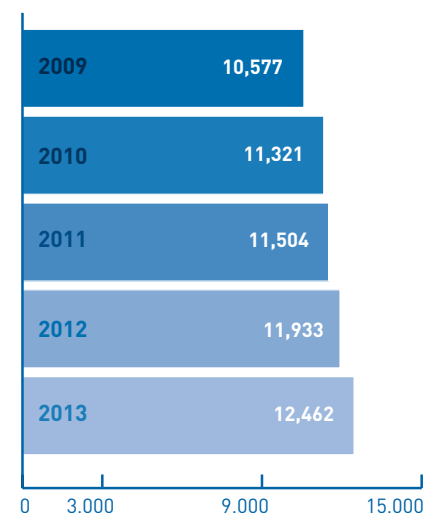
Overall TPO Offices - 2009 to 2013



TPO Letting Offices - 2009 to 2013



TPO Sales Offices - 2009 to 2013



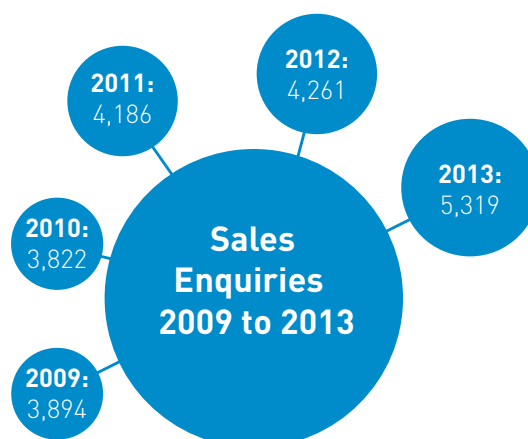
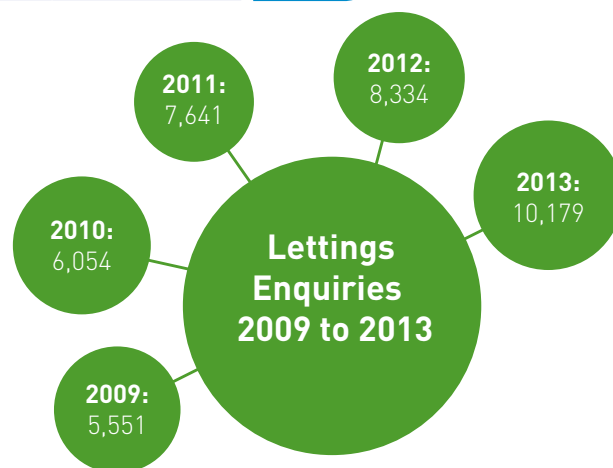
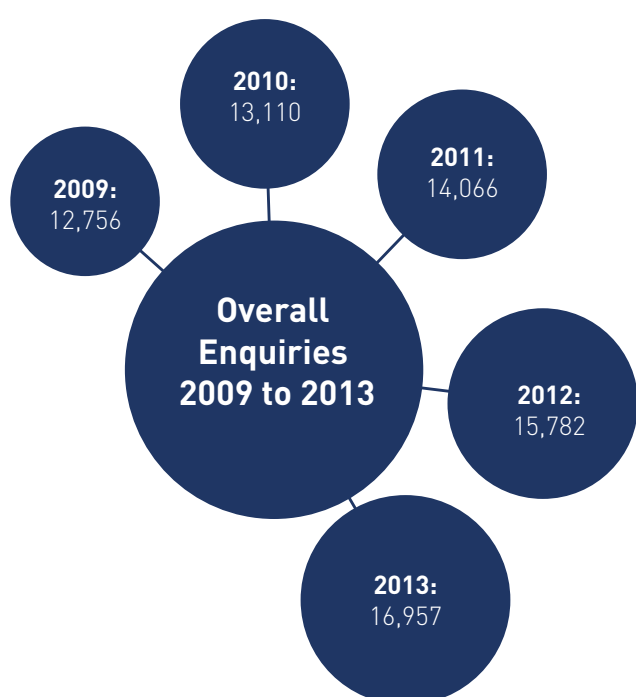
¹ Includes 277 property management only agents
² Includes 319 acquisition (buying) agents and 176 online only agents

Enquiries Statistics

Complaint Enquiries ¹	2012	2013	Increase
Lettings	8,334	10,179	1,845
Sales	4,261	5,319	1,058
Leasehold Management	482	614	132
Commercial	196	235	39
Property Codes	25	18	-7
Auctions (Chattels)	0	13	13
International	23	0	-23
Complaint Enquiries Total	13,321	16,378	3,057
Agent ² /General Enquiry	2,461 ³	579	-1,882
Overall Enquiry Total	15,782	16,957	1,175

Up
23%

Up
8%



¹ The figures reflect the number of individual (potential) disputes referred to TPO, not the number of contacts related to each complaint enquiry

² Non-membership enquiries relating to best practice and other issues

³ During 2012 TPO received a considerable number of enquiries from property agents and the media regarding proposed changes to legislation and how this would impact on their business. As a result of some of these changes during 2013 the Ombudsman produced guidance for both sales and letting agents concerning the Consumer Protection from Unfair Trading Regulations available at www.tpos.co.uk

Cases Resolved in 2013

Overview

CASES CONSIDERED, REVIEWED AND RESOLVED

Resolved via	2012 ¹	2013	Increase
Lettings			
Mediated Resolutions	203	358	76%
Formal Reviews	688	915	33%
Lettings Total	891	1,273	43%
Sales			
Mediated Resolutions	142	236	66%
Formal Reviews	589	601	2%
Sales Total	731	837	15%
Other Jurisdictions²			
Mediated Resolutions	12	6	-50%
Formal Reviews	17	35	106%
Other Total	29	41	41%
Total	1,651	2,151	30%

¹ 2012 figures adjusted to include recalculated early resolution cases

² Residential leasehold management, commercial, international, auctions and property codes compliance board cases

Cases Resolved in the last 5 years

OVERALL CASES RESOLVED

2009

1,052

2010

1,083



2011

1,339



2012¹

1,651



2013

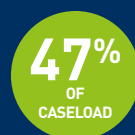
2,151



RESOLVED LETTINGS CASES

2009

490



2010

525



2011

769



2012¹

891



2013

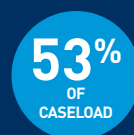
1,273



RESOLVED SALES CASES

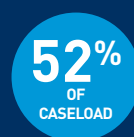
2009

562



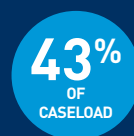
2010

558



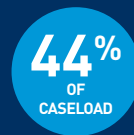
2011

570



2012¹

731



2013

837



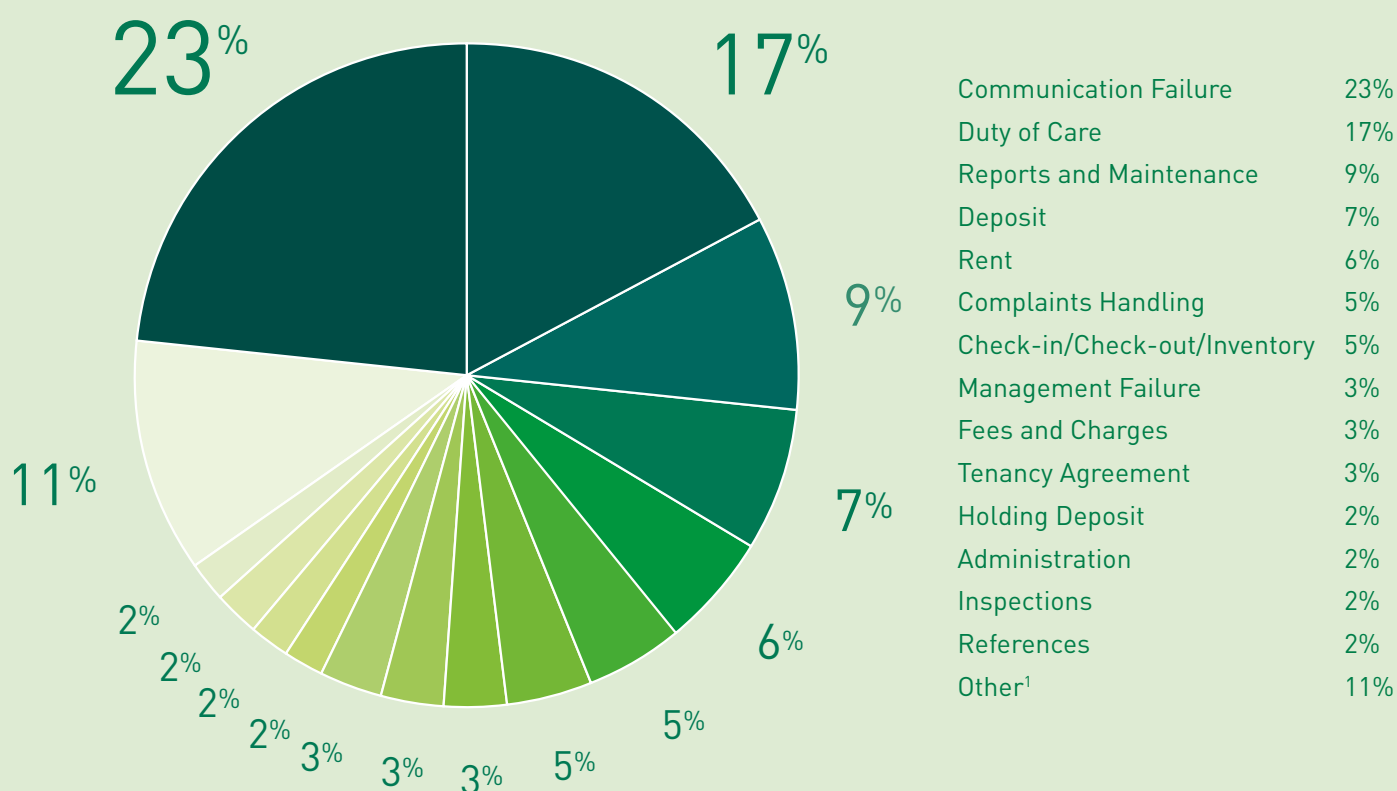
¹ 2012 figures adjusted to include recalculated early resolution cases

Lettings Enquiries

Statistics

Lettings Enquiries	2012	2013	Increase
Within Terms of Reference	5,702	6,876	21%
Outside Terms of Reference	511	459	-10%
Against non TPO Agent	2,121	2,847	34%
TOTALS	8,334	10,179	Overall 22%

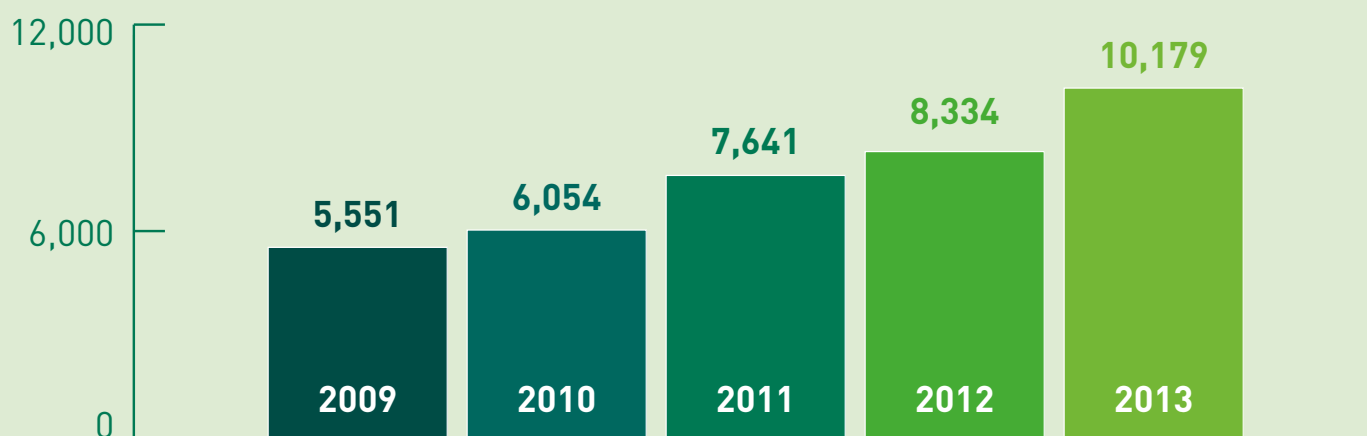
Letting Issues Reported to TPO



¹ Other issues included marketing, keys, viewings, conflict of interest, EPCs, electrical testing and gas safety testing.

- Whilst enquiries relating to TPO agents **increased by 21%**, enquiries relating to letting agents not registered with TPO **increased by 34.2%** underlining the importance of forthcoming mandatory redress requirements for letting and management agents.
- On average, each letting enquiry involved 11 contacts with the parties concerned to determine the issues and progress towards a resolution. This figure increased to 29 contacts if the enquiry reached the early resolution or formal review stage.
- **A total of 13,877 separate issues** were raised by consumers, over half of which related to service.

Individual Complaint Enquiries 2009 to 2013



Lettings Casework Statistics

Lettings Caseload	2012 ¹	2013	Increase	Increase
Total Cases Received	1087	1300	213	20%
Total Cases Resolved	891	1273	382	43%
Resolved via:				
Mediated Resolution	203	358	155	76%
Formal Review	688	915	227	33%

Mediated Resolutions	2012		2013	
	Resolution	Split	Resolution	Split
Non-Support ²	118	58%	197	55%
Conciliation ³	85	42%	161	45%
Total Resolutions	203		358	

Formal Reviews	2012 ⁴		2013	
	Decisions	Split	Decisions	Split
Non-Support	166	24%	190	21%
Support	522	76%	725	79%
Total Formal Reviews	688		915	

Complainant	2012 ⁵		2013	
	Cases	Split	Cases	Split
Landlord	482	54%	642	50%
Tenant	398	45%	596	47%
Other	11	1%	35	3%

Awards	2012	2013
£1 to £99	112	108
£100 to £499	343	534
£500 to £999	64	83
£1,000 to £2,999	21	40
Above £3,000	5	8
Total Value of Awards	£177,031.06	£318,452.59
Average Lettings Award	£325	£412

Total value up
80%

Average up
20%

¹ 2012 figures adjusted to include recalculated early resolution cases

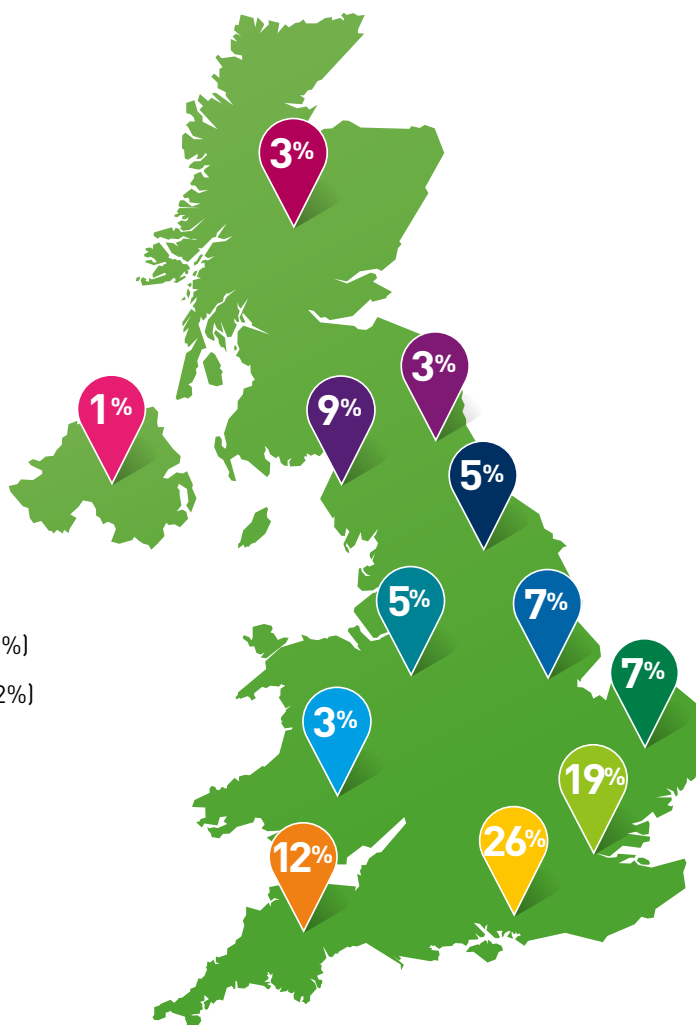
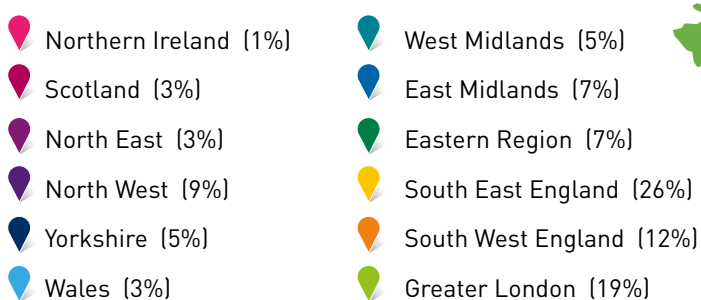
² Early non-support cases are disputes where it is clear early on that the Ombudsman would not support the complaint

³ Agent shortcomings identified and resolution negotiated between both parties

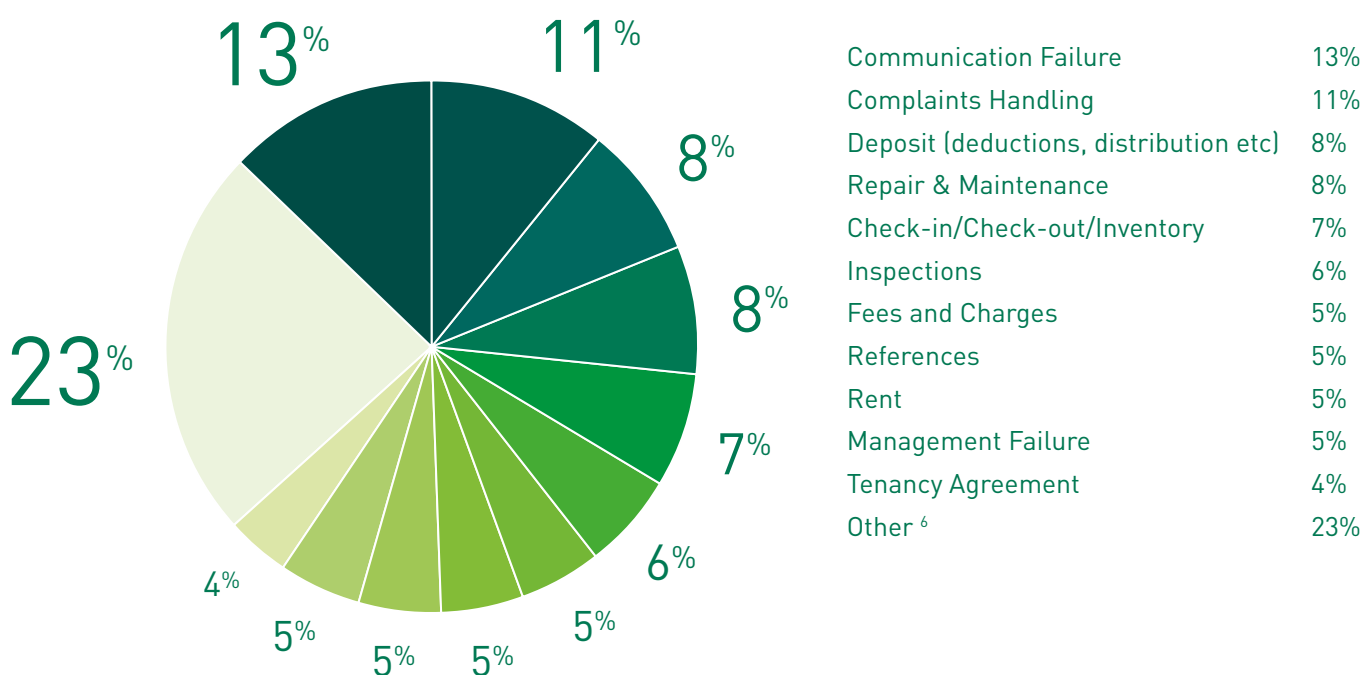
⁴ 2012 figures adjusted to remove recalculated early resolution cases

⁵ 2012 figures adjusted to include recalculated early resolution cases

Formal reviews by area 2013



Issues investigated



⁶ Other issues include holding deposits, marketing, keys, viewings, conflict of interest, EPCs, electrical testing and gas safety testing.

Lettings

Case Studies

Fully furnished(ish)

Complaint

Following the prospective tenants applying to rent the property, the Agent conducted negotiations regarding the furniture owned by the Landlords, Mr and Mrs A, which was to be removed. The negotiations did not reach a mutual agreement and the prospective tenants withdrew from the transaction. Mr and Mrs A subsequently complained that the Agent had removed the majority of furniture from their property, despite it being marketed as 'furnished' and that the subsequent withdrawal of the prospective tenants had deprived them of the opportunity to receive rent, particularly since they had declined another set of prospective tenants from another letting agent.

Investigation

When considering the submissions from both parties, it became clear that despite the property being advertised as 'furnished', both the prospective tenants and Mr and Mrs A had agreed, subject to negotiation, that items of furniture could be removed prior to the commencement of the tenancy. There was some initial uncertainty as to

what the two parties were willing to agree to before the tenancy started. Nonetheless, the Agent appointed a contractor to remove a significant amount of furniture from the property without consulting Mr and Mrs A first. However, it was also clear that the Agent had compensated Mr and Mrs A by reimbursing the cost of the removal contractor's invoice. More importantly, the submissions revealed that the proposed tenancy did not reach fruition because Mr and Mrs A and the prospective tenants could not agree on the issue of who should pay for the storage of the additional furniture that could not fit in the property's adjoining garage.

Outcome

Although I supported an element of this complaint to the extent that the Agent should have sought the proper authority to remove the furniture, given that they had paid for the removal and return of Mr and Mrs A's items, I considered this to be a suitable resolution in the circumstances. I also considered that the Agent's actions had not directly led to the breakdown in the proposed tenancy.

Learning

In this case, whilst the property was being marketed as 'fully furnished' it was clear that the Landlords would (to an extent) be flexible regarding the items that could be removed. As such, best practice would have seen the Agent taking steps to define what items could have been removed and their storage arrangements prior to or at the point the prospective tenants applied for the tenancy. Phrases such as 'fully furnished', 'unfurnished' or 'partly furnished' will be considered as material information by prospective tenants, therefore, suitable explanations including detailed inventories should be made available as soon as possible. This is especially relevant if, at the time of viewings, an existing tenant's furnishings and possessions are present.

Problems down below

Complaint

The prospective tenant, Mr B, viewed the property (a ground floor flat) that was advertised as benefitting from a cellar. At the time of the viewing Mr B and the Agent discovered that the stairs to the cellar had been broken by a contractor who had been working in the property. The contractor had not reported the damage to the Agent or the landlord. According to the Agent, he informed Mr B that he would be surprised if the landlord would mend the stairs. The comment was subsequently disputed by Mr B, following his withdrawal from the transaction, who claimed that the Agent had told him to pay an administration fee of £120 and that they would let him know what was to happen with the cellar.

Investigation

In addition to the differing accounts of events, Mr B claimed that whilst subsequently attending the branch office and making a passing comment about the cellar, a different member of staff informed him that the cellar was to be blocked off. On this basis, Mr B immediately withdrew from the proposed let and demanded the return of his administration fee, which the Agent refused.

Outcome

I pointed out that whatever the Agent may or may not have said to Mr B at the viewing, from that point on, the Agent had been put 'on notice' that the property may not be as advertised and that the benefit of the cellar represented material information to the prospective tenant. Consequently, the Agent should have asked further questions of the landlord to satisfy themselves as to exactly what would happen with the advertised cellar. Answers to those questions should have then been speedily relayed to Mr B. However, they did not unequivocally inform Mr B that the cellar would be unavailable until one month later. I, therefore, directed the Agent to reimburse Mr B's £120 and I made an additional award of £75 for the unnecessary aggravation, distress and inconvenience that the Agent's shortcomings had caused.

Learning

Paragraph 4f of the TPO Code of Practice requires agents to comply with the Consumer Protection from Unfair Trading Regulations (CPRs) by taking all reasonable steps to make sure that all statements made about a property, whether oral, pictorial or written, are accurate and are not misleading. Clearly, in this case, continuing to progress a tenancy on the basis that the cellar was included, when it was not and failing to inform Mr B of the development in a prompt manner, represented a potential misleading omission under the CPRs.

Serial fraudster

Complaint

Following the tenancy commencing problems arose in relation to the credibility of the tenants following a request from a third party for the refund of £6,700 paid from their credit card without their permission for the deposit and advance rent. The Landlords, Mr and Mrs C, subsequently complained that the Agent (instructed on a tenant find only basis) had failed to undertake the necessary referencing checks on the tenants which, had they done so, would have exposed the applicants as serial fraudsters.

Investigation

In this case, both tenant applicants used aliases and provided fake documentation to support their application. In fact, only one of them took possession of the property and promptly sub-let it to a number of sub-tenants without authority and without passing on further rent to Mr and Mrs C. The Agent had only referenced one applicant on the understanding that he was to pay the rent. He provided documentation including a copy of his passport, bank statements, pay slips and a previous landlord's reference. After viewing the documents, I considered that it was not obvious they were fakes or that the Agent should have necessarily been put on notice from this information that there was anything wrong with the application. However, it was also clear that the Agent had failed to check some of the references provided. In particular, they failed to contact the previous landlord to determine the veracity of the written reference which had stated that the applicant had been resident at an unnamed address in the UK for the previous four years. Nor did I see any evidence of an employer's reference

being taken. No form of ID or proof of address and residence was taken for the other applicant. Significantly, no credit checks were made for either applicant. I concluded that, if such checks had been undertaken, it was possible, but not certain, that the fraudulent applications may have been discovered; it was unclear if the aliases used and the related information belonged to real people or were fictional.

Outcome

I was persuaded that the Agent should have had concerns about the applicants when they proposed to pay approximately £6,700 to cover advance rent and the security deposit with a third party's credit card. Instead, the Agent relied on a fraudulently signed written authority to deduct the money from that credit card. It transpired that the innocent third party had not given his authority to make this payment and the monies stolen from him had to be returned by Mr and Mrs C. The Agent compensated Mr and Mrs C for the full amount and made a further goodwill offer of £1,000 in recognition of their shortcomings in service. I deemed this offer to be fair and reasonable compensation. In making this decision, I was satisfied that the Agent had recognised their part in the significant aggravation, distress and inconvenience experienced by Mr and Mrs C, particularly when they discovered that they had been the victims of serial fraudsters, who were subsequently convicted of this and other similar offences. I also took into account that the Agent was also a victim of the fraudulent activity, suffering income loss as a result, and that they had taken steps to ensure similar failings did not occur again.

Learning

Section 7 of the TPO Code of Practice requires agents to be diligent in checking for potentially fraudulent applications, especially when they are conducting the referencing procedure themselves and not using a referencing provider. Not only do thorough checks assist in highlighting potential problems to the landlord, they also benefit the agent by identifying potentially problematic issues at an early stage which, if left un-addressed, often lead to significant losses in time, resources and income in the future.

A tale of two tenancies

Complaint

Upon application for the tenancy, the prospective tenants, Mr and Miss D, were charged a holding deposit/administration fee of £500 which, following their references being declined, was withheld by the Agent. Mr and Miss D complained that the fee was unfair, especially as the Agent had not fully considered all of the referencing information provided.

Investigation

From the documentary evidence provided, Mr and Miss D had failed referencing following the Agent receiving a report highlighting that Mr D was committed to his existing tenancy for another six months. However, I also observed that the Agent had received a letter from the letting agents for Mr D's existing tenancy showing that an early release would be agreed if Mr D found a suitable tenant to take his place. I considered that the Agent had not taken into account the circumstances of the situation in declining the application and withholding the holding

deposit in full. Further, whilst I agreed with the Agent that the agreement with the prospective tenants clearly explained this charge, it was also clear that the fee contained a degree of penalty and excess profit, given that if the tenancy had proceeded to completion, the fee would reduce by £150.

Outcome

Paragraph 6j of the TPO Code of Practice requires that deductions from deposits for administration where a tenancy does not proceed must be fair, reasonable, take account of the work done and the facts of the situation. On this basis, I directed the Agent to refund £150 of the holding deposit and made an additional award of £100 compensation for the fact that the Agent had also continued marketing the property after taking the holding deposit and had thereafter encouraged Mr and Miss D to apply for another property with every prospect that they would forfeit yet another £500, given that their references were unchanged.

Learning

It is simply neither fair nor reasonable to charge consumers for work which has not been undertaken or to charge two differing fees for the same service, with one carrying an element of penalty.



Unemployed monies

Complaint

Upon instruction the Landlord, Mr E, agreed with the Agent that prospective tenants would be charged a holding deposit which, in the event that the tenancy did not proceed, would be divided up with £200 due to him and £100 to the Agent. A prospective tenant was found who paid the £300 holding deposit but had to withdraw from the tenancy after subsequently losing his job. The Agent refunded the full £300 and Mr E complained that he had not received his £200.

Investigation

After considering the documentary evidence, it became apparent that the prospective tenant had withdrawn from the tenancy only four days after paying the holding deposit. Furthermore, it was also apparent that the potential tenant had yet to complete and submit an application form for the tenancy.

Outcome

I was satisfied that the Agent had acted appropriately in the circumstances, which was in accordance with OFT guidance and the TPO Code of Practice. I was not persuaded that Mr E had been financially disadvantaged in the short period of time between the monies being paid and the potential tenant withdrawing. This was especially true in light of the Agent's policy not to remove the property from the market until the holding deposit had cleared and the application form had been returned in order to commence referencing. As neither had occurred prior to the potential tenant's withdrawal of his offer, I was not persuaded to support the complaint.

Learning

In this case, given that the Agent had incurred no administration costs and Mr E had not suffered any loss of marketing, it would not have been either fair or reasonable to retain the holding deposit. This is especially true given that the prospective tenant had yet to formally apply for the tenancy by completing the appropriate forms. As per Paragraph 6j of the TPO Code of Practice any deductions from holding deposits for administration costs must be fair, reasonable and take account of the actual work completed.



An expensive conversation

Complaint

The day after Mr and Mrs F, the prospective tenants, viewed the property, they paid the Agent a holding deposit of £280. Later the same day the landlord accepted their offer however, the next day, for reasons undisclosed, Mr and Mrs F withdrew from the proposed tenancy and requested the return of their monies. The Agent refused, pointing out that as per the terms and conditions of that payment, following the landlord's acceptance of their offer, the holding deposit became non-refundable.

Investigation

Whilst the Agent stated that they had explained the terms of the holding deposit to Mr and Mrs F before payment was made, I found that they had failed to provide the prospective tenants with written terms relating to the refund or forfeiture of the holding deposit before both accepting payment and the landlord accepting their offer. As such, I considered that the Agent had failed to act in accordance with Paragraph 6g of the TPO Code of

Practice and, instead, had acted unfairly in retaining the deposit in its entirety when Mr and Mrs F had confirmed their withdrawal from the proposed tenancy within twenty-four hours of having paid the holding deposit.

Outcome

Paragraph 6j of the TPO Code of Practice, allows agents to make reasonable deductions from holding deposits in order to cover appropriate expenses. In this case the Agent claimed that they had incurred £280 of costs. I accepted that the Agent may have incurred some costs in respect of processing Mr and Mrs F's offer however, I did not consider the sum of £280 to be reasonable especially given that the prospective tenants withdrew 24 hours after payment of the holding deposit. Accordingly, I supported the complaint and, taking into account that it was Mr and Mrs F who withdrew from the transaction, directed the Agent to reimburse £180 of the holding deposit.

Learning

Paragraph 6g of the TPO Code of Practice requires agents to ensure that they set out in written form any significant tenancy pre-conditions and terms of the letting, especially those that include any potential liability for fees, prior to an applicant's offer being formally accepted by a landlord. In this case, whilst the Agent had provided Mr and Mrs F with these terms, they did not do so in written form until after the landlord had accepted their offer. Put simply, verbally informing prospective tenants of the terms of potential fees prior to accepting payment is not acceptable.

Cold nights, warm days

Complaint

The prospective tenants, Mr and Miss G, claimed that the Agent had misled them by stating that the property benefited from electric night storage heaters when, in fact, they were ordinary electric heaters. Upon finding out this information Mr and Miss G withdrew from the tenancy and asked for a refund of their holding deposit. The Agent refused, claiming that the prospective tenants had not asked them to investigate the matter.

Investigation

In considering this complaint, it was evident that Mr and Miss G did raise the issue of what kind of heating was at the property during the first of their three viewings. In response, the Agent claimed that the representative who conducted the viewing had advised that he did not know what type the heaters were and suggested that Mr and Miss G contact the Agent's office directly in order to find out. The prospective tenants did not dispute this statement and I was unable to find any evidence of them doing so. However, in such circumstances, I would also expect the Agent to have followed this matter up with the landlord, regardless of whether or not the matter had been raised directly with their office by Mr and Miss G.

That said, Mr and Miss G chose to pay a holding deposit to reserve the property following their third viewing and despite not seeking clarification over what kind of heating was installed at the property.

Outcome

In these circumstances, I found that whilst contractual, it was also fair and reasonable for the Agent to have retained the holding deposit, as Mr and Miss G had chosen to withdraw citing an issue they knew remained outstanding prior to committing themselves. However, I was critical of this misunderstanding having occurred in the first place as, if the Agent had sought the appropriate clarification from the landlord about the heating, Mr and Miss G may possibly have made a more informed decision about whether to commit financially to the property. I supported the complaint to that extent and made an award of £200, equivalent to half of the holding deposit, for the aggravation and inconvenience the Agent's shortcomings had caused.

Learning

Where a prospective tenant questions an aspect of the property and that question requires further investigation, the onus falls on the agent to progress that enquiry and report back in a timely fashion. By not doing so prior to the consumer making a transactional decision, the agent risks receiving claims of omitting or withholding what could potentially be considered material information, as defined under the CPRs.



The CPRs are quite clear in that not divulging material information to the consumer is deemed a misleading omission



Blot on the landscape

Complaint

A few days after moving in to the property, Mrs H, the tenant, arrived home to find the boundary hedge removed and her countryside view replaced with a substantial building site relating to the neighbour's building project. Mrs H complained to the Agent that had she known that the countryside property was to be next to a building site for a prolonged period, she would not have applied for the tenancy. The Agent claimed that they were unaware that building works were being planned and stated that, as the landlords had already paid Mrs H an amount in compensation, the matter had already been dealt with.

Investigation

Whilst the Agent had denied prior knowledge of the building works, it was apparent from their file that the landlords had previously informed them that the neighbour had received planning permission to build an extension and that it was likely that the project would cause noise during the day over a period of months.

Furthermore, it was clear that the landlords had confirmed this position in the document that the Agent had received as part of their letting particulars process. I also noted that the Agent had provided conflicting and inconsistent information in their various responses to Mrs H.

Outcome

I pointed out that under Paragraph 4f of the TPO Code of Practice, the Agent was required to act in accordance with the CPRs. Regulation 6 of the CPRs required the Agent to disclose material information and that by not doing so it was highly likely that their action would be deemed as a misleading omission. I, therefore, supported the complaint and regardless of the payment made by the landlords, I considered that the Agent's failures and subsequent attempts to cover up their shortcomings merited an additional award of £300.

Learning

The CPRs are quite clear in that not divulging material information to the consumer is deemed a misleading omission. In this case, part of the property's appeal was its countryside location with its associated views, therefore, it was clear that any building works which impacted on that aspect would be considered material information by the average consumer. Indeed, if it is apparent that there are any known building works which may impact on a potential tenant's enjoyment of the property, the details should be disclosed to the potential tenant before they have made a transactional decision.

Guarantors, references, inspections...

Complaint

The Landlords, Mr and Mrs I, complained that the Agent had failed to carry out the appropriate referencing on the tenant prior to the commencement of the tenancy or to advise them about the need for a guarantor. They also claimed that the Agent had failed to carry out agreed services, specifically; inspections of the property and the provision of a suitable inventory. In addition, Mr and Mrs I asserted that the Agent used threatening behaviour in an attempt to prevent the complaint being brought to my Office.

Investigation

The Agent had chosen to undertake the referencing process themselves rather than utilising a specialist third party provider and their submissions failed to demonstrate that proper referencing had been undertaken. There was no documentary evidence to confirm that the tenant's employer had provided details of earnings other than a handwritten note on the tenant's application form which indicated that confirmation of earnings appeared to have been obtained verbally from the employer's switchboard operator. I did not consider this to be acceptable. In addition, whilst the Agent claimed that they had carried out a search on the tenant's previous address to determine any adverse history, their file contained an email from the tenant explaining that she had previously been living with her ex-boyfriend in his property and then staying with her parents for the last few weeks. Accordingly, I did not expect the search to highlight any issues. Regarding the inspections and inventory, the Agent had failed to obtain

a signed agreement from Mr and Mrs I and it was not clear whether they were to be instructed on a tenant find or full management basis. Furthermore, the Agent accepted that their video inventory was of poor quality and did not accurately record the details of the property. Finally, whilst there was no evidence to suggest that the Agent used threatening behaviour in an attempt to stop the complaint progressing to my Office, the Agent failed to demonstrate clear and unambiguous communications with Mr and Mrs I especially regarding the handling of their initial complaint.

Outcome

Regarding the referencing issues, I supported the complaint but pointed out that irrespective of the thoroughness of that process, it would not have guaranteed that a tenant would meet their rental payment obligations. Indeed, I reiterated that the tenancy agreement provided the landlords with the mechanism to claim losses from the tenant for alleged failures under that agreement. I also criticised the Agent for failing to obtain signed terms of business, especially as it was evident that Mr and Mrs I were unsure as to whether they had agreed to full management or tenant find only service. Overall, I pointed out that as the Agent was fully aware that Mr and Mrs I were new to the rental market, they should have taken additional care when dealing with them. I made an award of £800 for the avoidable aggravation, distress and inconvenience caused by their poor communications and failure to properly carry out referencing or complete an appropriate inventory.

Learning

Ensuring that the landlord is full aware of the services the agent is providing and the fees they intend to charge are basic requirements which should always be set out in writing and signed by both parties. Furthermore, if an agent is conducting the referencing process themselves, that process should be meticulously documented to show the appropriate steps taken and the results obtained.

Re-depositing the problem

Complaint

Following the end of the tenancy and the tenant, Miss J, not receiving her deposit monies, she complained that Agent had failed to keep her informed about which protection scheme the deposit was registered with; that the Agent had not advised her how to dispute the landlord's claims on the deposit and that the Agent had transferred the deposit to the landlord without her agreement. In addition, Miss J pointed out that despite requesting the same, the Agent had failed to provide her with the name and contact address of the landlord within the required timescale.

Investigation

Whilst the Agent claimed to have informed Miss J of the change in deposit schemes during the tenancy, they were unable to substantiate their claims. There was no information which indicated that they had ever informed Miss J about her deposit being re-registered with another tenancy deposit scheme, provided her with any rules about the new scheme, or provided a new deposit registration certificate. It was also apparent that the

Agent took steps, without consulting Miss J, to contact the deposit scheme to unprotect the deposit and failed to inform her that she had ninety days in which to contest the deductions, which meant that the deposit was forfeit in its entirety to the landlord. Finally, it was clear that contrary to the requirements of Paragraph 8d of the TPO Code of Practice, the Agent had failed to provide Miss J with the landlord's name and contact details within the required 21 day timescale.

Outcome

In this case, the Agents actions were not only unfair towards Miss J, they breached the requirements of Paragraphs 8p, 12d and 14a of the TPO Code of Practice, depriving Miss J of the opportunity to have her dispute with the landlord independently adjudicated on by the deposit scheme. I, therefore, supported the complaint and mindful of the fact that Miss J was still in negotiations directly with the landlord over the deposit monies, made an award of £300.

Learning

Put simply the security deposit monies are the tenant's monies until such times as they are deemed otherwise. If a tenant does not agree to a landlord's proposed deductions, the tenancy deposit scheme provides the mechanism for the dispute to be resolved. It is simply not acceptable to fail to provide a tenant with the prescribed information required to allow them to instigate the deposit scheme process.



Case Studies

in brief

Disappearing deposit

In this case, the Tenant alleged that the Agent had failed to protect his security deposit and had not returned this money to him at the end of the tenancy. The Agent claimed that the deposit had been registered with a tenancy deposit protection scheme, but that the monies had been stolen by a member of staff against whom they were pursuing legal proceedings. However, the Agent presented me with no evidence to support their account that the deposit had been registered and held in a separate client account. I pointed out that it was for them to pursue their ex-employee and I was not persuaded that the Tenant should have to wait for that event or the Agent's successful insurance claim to repay the money as they had promised to do. I advised the Agent that ultimately they were responsible for the actions of their staff member and for securing the deposit in a protected account, and I directed the Agent to reimburse the Tenant in respect of the deposit funds. As the Agent had exposed the Tenant to undue risk, had failed to handle the deposit in accordance with their obligations under Paragraph 8l of the TPO Code of Practice and had been less than transparent in some of their communications with the Tenant, I supported the complaint and made an award totalling £3,100, of which £2,730 represented the return of the security deposit.

Guaranteed referencing?

The Landlords claimed that the Agent failed to inform them that the tenants could not pass referencing without a guarantor and, in obtaining a guarantor without their consent, denied them the opportunity to reject the tenants' application. The Landlords also claimed that the Agent failed to confirm the subsequent actions they took to pursue the tenants and guarantor for costs relating to alleged damage. I supported the complaint for two reasons. Firstly, contrary to their obligations under Paragraph 7f of the TPO Code of Practice, the Agent did not inform the Landlords that the tenants had failed to pass the referencing criteria and required a guarantor. However, I did note that the guarantor had passed the referencing criteria. Secondly, it was apparent that the Agent had failed to respond to the Landlords' requests for details of the action they had taken to pursue the tenants and the guarantor for rent arrears and, as a result, had created the impression that were actively chasing them. Whilst I pointed out that the Agent was not responsible for the tenants' shortcomings in relation to their obligations set out in the tenancy agreement, I supported the complaint and made an award of £400 for the avoidable distress, aggravation and inconvenience caused to the Landlords.

Switched behind their back

The Sellers had been marketing the property without success and made an appointment with the Agent to discuss the possibility of letting. Unbeknownst to the Sellers, the Agent had, at the time of the appointment, instructed the switching of utility provider for the property. As a result of the Agent's actions, the Sellers then encountered long lasting difficulties in having the utilities switched back to their original provider. The Agent was unable to provide any evidence which persuaded me that the Sellers had instructed the Agent and it was clear that no tenancy had been discussed, no prospective tenants were in place and no management service had been requested. Clearly there was no justification for the Agent having acted how they had and I also criticised them for their subsequent lack of communication and poor complaints handling. Overall, given that the Sellers had suffered eight months of difficulty prior to referring the matter to my Office, I considered an award of £750 was appropriate.

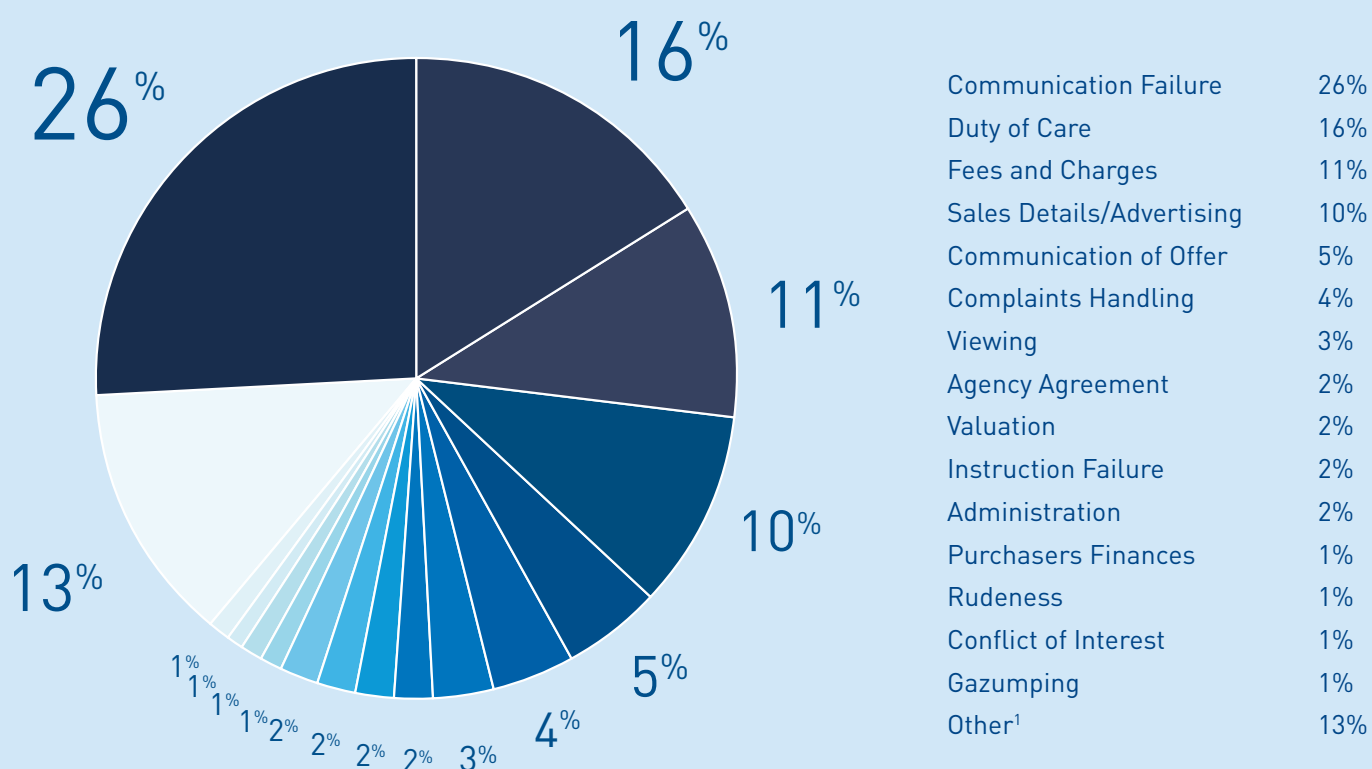


Sales Enquiries

Statistics

Sales Enquiries	2012	2013	Increase	Increase
Within Terms of Reference	3,186	3,890	704	22%
Outside Terms of Reference	204	303	99	49%
Against non TPO Agent	871	1,126	255	29%
TOTALS	4,261	5,319	1,058	Overall 25%

Sales Issues Reported to TPO

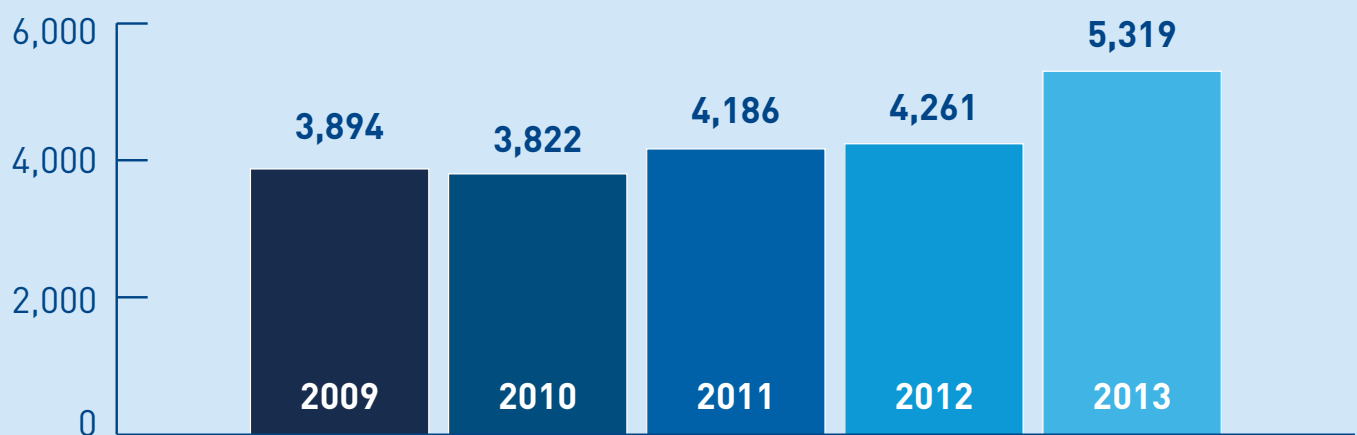


¹ Includes enquiries relating to other issues such as EPCs, keys, sale boards, HIPs, deposits and cooling off periods.



- Whilst enquiries relating to **TPO agents increased by 22%**, enquiries relating to sales agents not registered with TPO **increased by 29%**.
- On average, each sale enquiry involved 8 contacts with the parties concerned to determine the issues and progress towards a resolution. This figure increased to 15 contacts if the enquiry reached the early resolution or formal review stages.
- A total of **6,815 separate issues** were raised by consumers, over half of which related to service issues.

Complaint Enquiries 2009 to 2013



Sales Casework Statistics

Sales Caseload	2012 ¹	2013	Increase	Increase
Total Cases Received	738	843	105	14%
Total Cases Resolved	731	837	106	15%
Resolved via:				
Mediated Resolution	142	236	94	66%
Formal Review	589	601	12	2%

Mediated Resolutions	2012		2013		Formal Reviews	2012 ⁴		2013	
	Resolution	Split	Resolution	Split		Decisions	Split	Decisions	Split
Early non-Support ²	97	68%	153	65%	Non-Support	228	39%	177	30%
Conciliation ³	45	32%	83	35%	Support	361	61%	424	70%
Total Resolutions	142		236		Total Formal Reviews	589		601	

Complainant	2012 ⁵		2013	
	Cases	Split	Cases	Split
Seller	491	67%	529	63%
Buyer	208	28%	269	32%
Other	32	5%	39	5%

Awards	2012	2013
£1 to £99	84	66
£100 to £499	249	323
£500 to £999	21	32
£1,000 to £2,999	23	16
Above £3,000	3	7
Total Value of Awards	£114,927.91	£173,811.62
Average Sales Award	£302	£391

Total value up
51%

Average up
30%

¹ 2012 figures adjusted to include recalculated early resolution cases

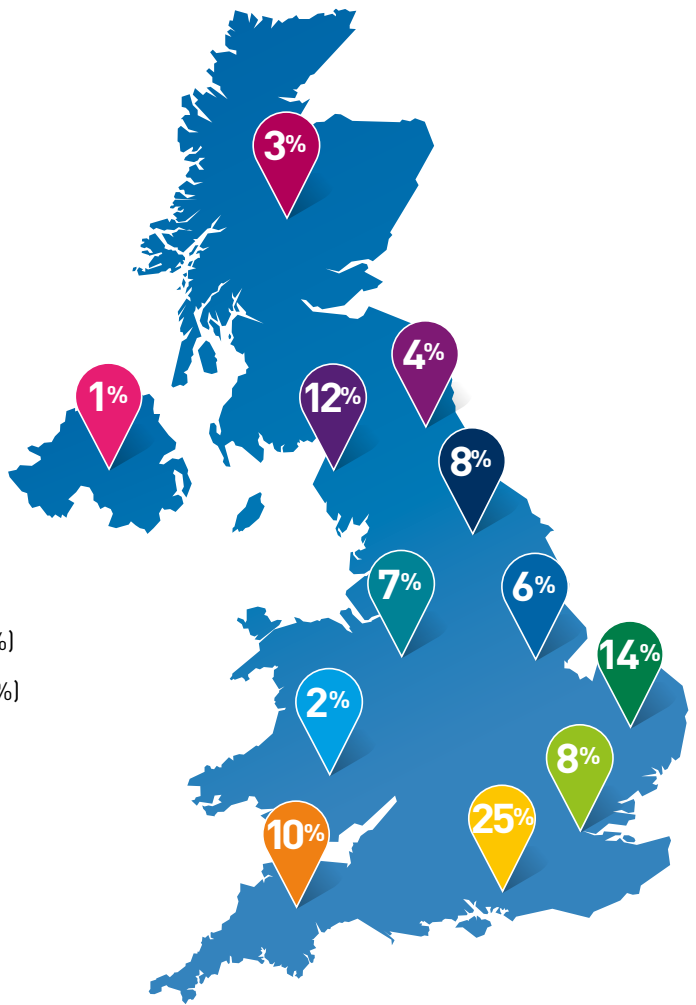
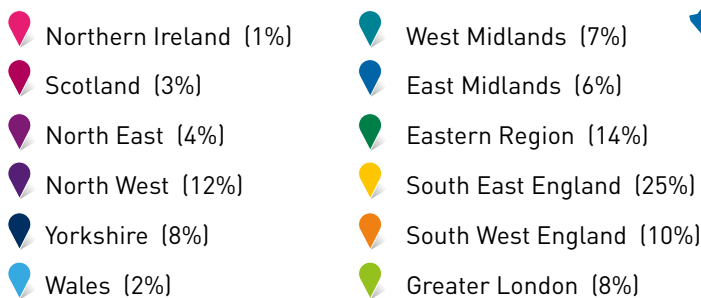
² Early non-support cases are disputes where it is clear early on that the Ombudsman would not support the complaint

³ Where agent shortcomings are identified and a resolution (normally a goodwill offer) is negotiated between both parties

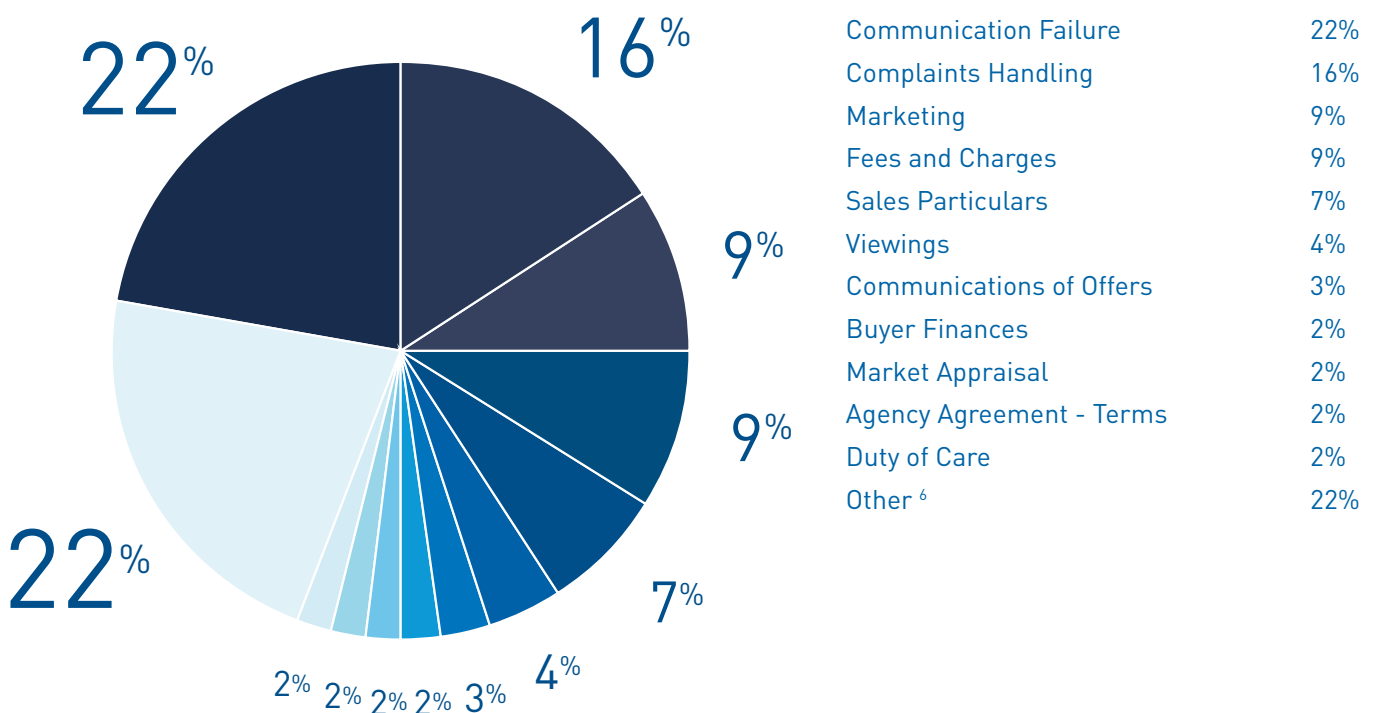
⁴ 2012 figures adjusted to remove recalculated early resolution cases

⁵ 2012 figures adjusted to include recalculated early resolution cases

Formal reviews by area 2013



Issues investigated



⁶ Includes complaints in relation to various issues such as conflict of interest, EPCs, keys, , duty of care, sale boards, gazumping, deposits and cooling off periods.

Sales

Case Studies

A transparent issue

Complaint

In this case, Mr and Mrs A, the potential buyers, claimed that the Agent failed to check the PVCu windows and doors which had been installed by the sellers were compatible with the property's grade II listed status, adding that this had caused them to enter into a long and drawn out transaction that did not proceed to fruition.

Investigation

The sellers had purchased the property 30 years previously and had applied for listed status soon after, which was granted. When viewing the property, Mr and Mrs A queried the addition of PVCu windows and doors and asked if these were compliant with the listed status. They said that they were assured by the Agent that everything was fine. However, their subsequent survey raised concerns over alterations that had been carried out, stating that these had possibly been made without consent, including the addition of PVCu windows, doors and conservatory. A planning enforcement officer then visited the property and instructed the sellers to replace certain fixtures and fittings with materials that were suited to the grade II listed status and met certain requirements. After assuring Mr and Mrs A

that they would be involved in decisions regarding the replacement windows and doors and commencing work, the sellers then withdrew from the sale stating that they wanted to carry out the work without the involvement of a third party.

Outcome

I took into consideration that despite the result of the survey and subsequent order from the planning enforcement officer, Mr and Mrs A had maintained their interest in the property and regularly expressed their desire to continue with the purchase. However, it was also clear that the Agent should have been 'on notice' regarding the alterations and should have conducted their own enquiries as to whether they were compliant with the grade II listed status. That said, even if problems been identified at the start of the marketing process, this would have unlikely deterred Mr and Mrs A. I considered that a degree of avoidable aggravation and distress had been caused by the Agent's failure to carry out further enquiries, but I was not persuaded that they were responsible for the subsequent costs incurred by Mr and Mrs A. Indeed, Mr and Mrs A acknowledged that their losses had been caused by the sellers' decision to withdraw. I supported the complaint and made an award of £150.

Learning

When dealing with listed buildings, I expect agents to identify any apparent alterations which may not be consistent with the property's status. Clearly the installation of PVCu windows and a conservatory to a grade II listed building was an obvious alteration which should have put any professional agent 'on notice' that further investigation was required. Furthermore, agents should be aware that the results of their investigation would likely constitute material information to the average consumer under the CPRs.

An uninspected inspection pit

Complaint

Following their purchase of the property, the buyers, Mr and Mrs B, raised a complaint with the Agent, pointing out that although the particulars detailed that the garage benefitted from a vehicle inspection pit, there was actually no such facility.

Investigation

Considering the submissions provided by both parties, it was apparent that the Agent's market appraisal and initial sales particulars made no reference to an inspection pit. Indeed, the property had been previously marketed via another agent whose sales particulars also made no reference to an inspection pit. However, the Agent argued that on being informed by the seller's son of the apparent existence of the inspection pit, they amended the sales particulars accordingly, yet did not attend the property to verify its existence, taking the information provided by the son in good faith.

Outcome

Given that there was no record of the existence of the inspection pit in the Agent's notes or the previous agent's marketing material, I considered that the Agent was put 'on notice' that the information provided by the seller's son should have been verified before the property particulars were amended. I, therefore, considered that the Agent had not demonstrated that they fully adhered to their obligations under Paragraphs 5h and 5i of the TPO Code of Practice, by taking reasonable steps to ensure the property details were accurate. I supported the complaint and made an award of £200. In reaching that decision, I advised Mr and Mrs B that as the buyers, they also had a responsibility to satisfy themselves that the property met their requirements and if the inspection pit was a material factor in them purchasing the property, then I would have also expected them to take steps to verify its existence during viewings. It was certainly not an aspect that an average consumer would consider material to their purchase.

Learning

Amending property particulars to include additional aspects without verifying their existence is simply bad practice. Paragraphs 5h and 5k of the TPO Code of Practice, points out that not only should property particulars be legal, decent, honest and truthful in accordance with the relevant advertising codes, the CPRs require agents to take all reasonable steps to ensure that all statements made about a property are accurate and not misleading. In this case reasonable steps would have involved attending the property to determine whether or not there was an inspection pit.

A secret garden

Complaint

The Agent marketed the property, (which formed part of an estate that the Agent had managed for over ten years), as in need of modernisation and updating. The potential buyer, Mr C, was fully aware of this fact when offering for the property however, he argued that he did not become aware that there was actually no garden; that the property was listed; and that it had septic tank drainage located on someone else's land until some way into the transaction.

Investigation

Given that the Agent had managed the property for a long period of time, I considered that they were aware that the property was listed and, as such, any works would have to be compatible with its listed status. I considered this to be material information any buyer would need to be aware of. Furthermore, whilst the property was advertised as benefitting from a small rear yard and a small rear garden, this was clearly not the case, as Mr C found out when viewing the property again after his offer had been accepted and finding that a fence had been erected

cutting off the garden element. Again, I considered this to be material information any buyer would need to be aware of. Finally, I also pointed out that the drainage arrangements would have been known to the Agent and that, given the location of the septic tank, this would also likely constitute material information for any buyer.

Outcome

Overall, I was extremely critical of the Agent for failing to divulge important information to Mr C at a much earlier stage which, given the nature of that information, should have been disclosed prior to the first viewing. That said, when considering the level of award I noted that even when provided with this information, Mr C continued to progress the transaction which subsequently broke down due to reasons not connected with those aspects of his complaint. I supported the complaint and awarded £500 for the inconvenience and aggravation which the Agent's omissions had caused to Mr C. However, in the circumstances I did not consider recompense for his legal and survey costs to be appropriate.

Learning

In this case the Agent had withheld material information and, instead, provided misleading information (regarding the garden) contrary to the TPO Code of Practice and most likely in breach of the CPRs. Put simply, if an agent is aware of any information which, if known to a buyer, may have caused them to make a different transactional decision, that information must be disclosed at the earliest opportunity.



Whilst the Property Misdescription Act previously provided agents with the ability to withhold information unless specifically asked, the Act's repeal and the enforcement of the CPRs means agents can no longer operate in this manner.



Cultivating the boundaries

Complaint

Following her successful purchase of the property, Mrs D, the buyer, complained that the Agent had failed to disclose that the sellers did not own the entire garden (as depicted in the sales particulars) and were, at that time, in the process of obtaining possessionary title for the land that they did not own but which they had cultivated as their garden.

Investigation

The Agent accepted that the sellers had made them aware of the circumstances pertaining to the garden before they prepared the sales particulars however, they argued that both the Property Misdescription Act (PMA) and the sellers' approval of the sales particulars mitigated their responsibility to disclose this information. I did not agree and pointed out that as of October 2013,

the PMA was no longer in existence. However, I also noted that Mrs D had proceeded to purchase the property despite having been told by the sellers during the first viewing, that they did not own the entire garden and that they had not yet obtained possessionary title.

Outcome

I was critical of the Agent's failure to clarify the circumstances of the garden in the sales particulars, in accordance with what they knew and their responsibilities under Paragraph 5h of the TPO Code of Practice. However, as Mrs D was aware of the issue from the outset, I was not persuaded that she had been misled by the sales particulars to the extent that she had relied on the accuracy of the description of the garden when she took the decision to make an offer for the property. I supported the complaint and made an award of £200.

Learning

Whilst the Property Misdescription Act previously provided agents with the ability to withhold information unless specifically asked, the Act's repeal and the enforcement of the CPRs means agents can no longer operate in this manner. If information is known which is clearly significant to any potential buyer, it should be disclosed at the earliest opportunity. In this case, clarification regarding the title issues of the garden should have been included in the sales particulars.



Associated services

Complaint

Following the completion of the purchase, the buyer, Miss E, raised a number of complaints with the Agent regarding the pressure placed on her to use their associated conveyancing service, their record keeping concerning her offers and their subsequent complaint handling process.

Investigation

Regarding the 'recommendation' to use the Agent's associated conveyancing service, the Agent acknowledged that they told Miss E that it was a condition of the sale to use their conveyancer but argued that they had negotiated a reduction in the purchase price to encourage this. However, the Agent failed to provide any evidence to substantiate their claim that this condition of sale originated from the seller, as opposed to them. I also found the Agent had been careless when providing a quote to Miss E for the cost of their conveyancing service, which turned out to be inaccurate and lower than what was subsequently charged. I was also unable to locate any contemporaneous records of

Miss E's first two offers which was inconsistent with their obligations under Paragraphs 7a and 7b of the TPO Code of Practice. Finally, it was apparent that when faced with Miss E's allegations, the Agent had failed to undertake a proper investigation within the timescales required by the TPO Code.

Outcome

The Agent clearly failed to demonstrate that they had adhered to their obligation under Paragraph 7c of the TPO Code of Practice not to discriminate against Miss E by making it a condition that their associated conveyancing service must be used if the property was to be purchased. Furthermore, their failures to keep proper records of Miss E's offers and, when challenged, conduct a proper investigation in accordance with their responsibilities under the TPO Code of Practice, persuaded me that despite successfully buying the property, Miss E had been unnecessarily subjected to avoidable distress, aggravation and inconvenience. I, therefore, made an award of £400.

Learning

Unless the seller has instructed the agent to only offer the property to potential buyers who agree to use the agent's associated services, all offers received for the property must be passed to the seller promptly and in writing. Indeed, for such a scenario to be acceptable, I would expect the agent to be able to demonstrate that the seller was specifically made aware and agreed to the terms restricting the marketing of his property in this way and for the sales particulars to explicitly state these requirements so that all potential buyers were fully aware of the restrictions.

West is not the new east

Complaint

Following her purchase of the property, the buyer, Ms F, asserted that the Agent had misrepresented the property by listing incorrect directional aspects on the sales particulars and that, as a result of this misinformation she would experience ongoing inconvenience until such times as she sold the property.

Investigation

Ms F stated that during her second viewing of the property, the aspect described on the sales particulars as a west facing reception room and east facing bedroom, was discussed with the Agent who attempted to show her the compass points pertaining to the aspect but the smartphone application would not work. Ms F pointed out that the aspect described in the sales particulars indicated that the party wall was the north wall, making the property less exposed and easier to heat. However, when she moved into the property, she became aware that the details provided by the Agent relating to the aspects of the property were incorrect. Ms F pointed out that the Agent was instructed to conduct a survey of the

property and that she was not informed of this error once the survey had been concluded. The Agent did not dispute Ms F's assertions but argued that they had no record of her attaching any importance to the aspects in question until after the purchase, therefore, their error was not relevant to her decision to purchase the property.

Outcome

The fact that Ms F sought reassurance and clarity from the Agent in regard to the aspects of the property during the second viewing demonstrated that this was an important factor to her when considering the purchase. Accordingly, I was of the view that having been unsuccessful in the attempt to reassure Ms F about the property's aspects using a smartphone application, it was remiss of the Agent not to seek further clarification on the matter. I considered that the Agent's failings had caused and would continue to cause significant ongoing aggravation and inconvenience to Ms F, therefore, I made an award of £1,000.

Learning

If the various directional aspects of a property are to be promoted as a benefit to potential buyers, it is essential that the agent takes reasonable steps to verify those aspects. Furthermore, the agent should be prepared to demonstrate the accuracy of such statements during viewings, especially if questioned. Inaccurate statements about a property will be considered as misleading under the TPO Code of Practice and the CPRs.

More problems down below

Complaint

Upon making an agreeable offer, the potential buyers, Mr and Mrs G proceeded to instruct solicitors and a surveyor. Unfortunately, during this process it came to light that the basement, described in the sales particulars as having been converted to a further room that could be used a bedroom, did not have the required permission. Mr and Mrs G withdrew from the transaction and complained that the Agent's sales particulars had misled them.

Investigation

The Agent argued that it was not their role to investigate building regulation approval for properties they market. Broadly, I agreed that it is beyond an estate agent's role and expertise to do so. However, I pointed out that I expect agents to be aware from professional experience that conversion of storage spaces such as lofts and cellars into habitable rooms requires building regulation approval. The Agent also pointed out that their sales particulars contained the caveat that the information was believed to be accurate but was not guaranteed as such. Whilst this was the case, I did not consider this broad disclaimer to be sufficient to alert applicants to the potential problem in a case such as this.

Outcome

In the absence of any specific statement to the contrary, I considered that Mr and Mrs G would have reasonably understood the Agent's sales particulars as indicating that the basement could be used legally as a habitable room and that the conversion complied with the requirement for building regulation approval. I did not consider that the duty fell to Mr and Mrs G to satisfy themselves that the property was suitable for their needs as the CPRs placed the onus on the Agent to be diligent in determining the precise position in relation to describing the aspects and facilities of the property to avoid misleading prospective buyers. In this case the Agent took no such action and I supported the complaint making an award of £700 with reflected Mr and Mrs G's abortive costs as well as an element of distress, aggravation and inconvenience.

Learning

Caveat emptor no longer exists in relation to an Agent's responsibilities under the repealed Property Misdescriptions Act. As the professional instructed to market the property, I expect agents to be aware of the building requirements surrounding conversions to basements, attic and rooms as well as common extensions. If such a conversion is apparent, it is the agent's duty under the CPRs to take the appropriate steps to ensure that they satisfy themselves that the necessary permissions have been obtained. If such permissions cannot be produced, a suitable warning specific to the issue, should be included on the sales particulars. General disclaimers are not suitable.

Storage not included

Complaint

In this case the potential buyers, Mr and Mrs H, viewed the property four times before entering into negotiations where a mutually agreeable price was agreed. However, during the conveyancing process it came to light that the storage arrangements described on the draft sales particulars did not form part of the sale. Unfortunately, the transaction broke down and Mr and Mrs H sought reimbursement of their costs from the Agent.

Investigation

The property in this case was a leasehold top floor flat which was shown as benefitting from an area recorded as 'eaves storage' in the floor plan and further described as 'lots of storage with a potential roof terrace'. According to the Agent, they had no reason to believe that the eaves space was not included and in support of their position stated that they mentioned the eaves in a valuation letter sent to the seller who made no mention of the eaves in her reply. I examined the letter in question which constituted an email report approximately 900 words long in which the Agent had discussed all aspects of the property, devoting one sentence to the benefit of the eaves storage in freeing up space. I noted that the seller had responded briefly but her email in no way amounted to her agreeing that the eaves were to be included as part of the sale.

Outcome

Given that the seller had not approved the sales particulars and that it is often the case that eaves areas are owned by the freeholder, I was surprised that the Agent had chosen to specifically promote this aspect of the property, relying only on a short response from the seller which did not clarify the position either way. I considered that the Agent should have been on notice that there was a potential issue, taken reasonable steps to clarify the position and further explained the matter to Mr and Mrs H at the outset. Clearly this information was material to Mr and Mrs H and, indeed, any potential buyer, therefore, I supported the complaint and made an award of £995 which took into account Mr and Mrs H's abortive costs.

Learning

I expect an experienced and knowledgeable estate agent to recognise that in the case of a top floor leasehold apartment it is sometimes the case that an area described as eaves belongs to the freeholder and as such is not part of the leasehold property available for sale. Such knowledge and experience, in my view, should put an agent 'on notice' that further enquiries are needed (reasonable steps) in order to establish whether the eaves form part of the property in question before describing the eaves as such.

A licence to rent

Complaint

Mr and Mrs I, the buyers, were investors who approached the Agent with a view to buying a rental property suitable for their needs. The Agent duly provided them with the details of the property which included rental values and was being sold with a sitting tenant. Mr and Mrs I proceeded to purchase the property, however, two years later, after being contacted by the local council, Mr and Mrs I complained to Agent that they had neglected to inform them that the property fell under the Council's selective licensing scheme which, in their opinion had devalued the property.

Investigation

The Agent argued that the seller had not informed them of the scheme at the point the property was being marketed and, therefore, could not be held liable for the omission. I noted that the local licensing scheme had come into force six months before the property had been marketed by the Agent, yet there was no mention of the scheme's existence in the sales particulars. Mr and Mrs I also provided documentary evidence substantiating

their claim that they were investors and not looking to purchase a property to occupy themselves which could have excluded the property from the licensing arrangements. Furthermore, Mr and Mrs I had obtained confirmation that not only had the local council written to all of the local agents several months before the scheme came into force, but that they had also sent representatives to visit relevant agent offices to explain the details of the scheme.

Outcome

I rejected the Agent's view that they were not on notice about the selective licensing scheme and, given their responsibilities to divulge information that was potentially material to the Mr and Mrs I investment decision, should have informed Mr and Mrs I about the scheme but failed to do so. Such a failure did not accord with the Agent's obligations under Paragraphs 5h and 10b of the TPO Code of Practice and the CPRs, causing Mr and Mrs I aggravation, distress and inconvenience as well as financial expenditure. Accordingly, I made an award of £1,000 in compensation.

Learning

In recent years many local authorities have introduced licensing schemes either for rental properties or landlords themselves. It is reasonable for consumers to expect agents to have a good local knowledge and an awareness of the regulations imposed on both local and national levels. Ignorance or choosing to withhold information are not acceptable excuses for failing to disclose important information to consumers.



According to the information provided by the seller, the only time the property had been flooded whilst in her ownership was five months before Mr and Mrs J's offer was received



Awash with problems

Complaint

The complainants, Mr and Mrs J, bought a property in the knowledge that five months prior to making their offer the property had been flooded. The property was situated near the sea and a river. A year after the purchase, the property was flooded again and, according to Mr and Mrs J, was at risk to flooding on an additional three separate occasions. Mr and Mrs J alleged that the Agent withheld information and deceived them about the true nature of the risk of flooding.

Investigation

According to the information provided by the seller, the only time the property had been flooded whilst in her ownership was five months before Mr and Mrs J's offer was received; this was what was stated in the property information form that was completed as part of the conveyancing process and the Agent also passed on information about this incident to Mr and Mrs J. It was later discovered that the grounds of the property had been flooded 11 years previously and the seller had not disclosed this information. I was therefore satisfied that the Agent had no knowledge of this incident and

should not have necessarily obtained that knowledge through their local experience. I was not able to come to a judgement on the seller's actions but it seemed that Mr and Mrs J's solicitors raised no concerns about the potential of flooding to the property even though they were aware of the flooding five months previously.

Outcome

Although I had some sympathy for Mr and Mrs J, in the circumstances, I was not persuaded that the Agent had misdescribed the property or that they withheld vital information from them. I concluded that the Agent would have had local knowledge of the area the property was located in, but they would not necessarily have known the history of the particular property. Either way the Agent had informed Mr and Mrs J of the recent flooding.

Learning

As I have mentioned in my report, anyone buying or renting a house now, regardless of an agent's obligations under CPRs, must carry with them an awareness of the potential for floods and I would expect diligence from both agents and consumers in this regard. This is a particular area where local knowledge, as local professionals, will need to be applied. If the owner of a house by a river advises that he has never been flooded then that could well be the situation but the agent should be 'on notice' that things may not be as they have been stated and make further enquiries.

Case Studies

in brief

Seaside blues

The buyer, Mrs K, approached her local branch of a national agent, advising that two of her friends had recently moved to a particular seaside town and that she had decided she would also like to relocate there. The Agent dutifully noted her specific property requirements and made contact with their office in the seaside town in question where a suitable property was found. Mrs K went on to purchase the property, moving in soon after. However, a few weeks later she contacted the Agent to express her dissatisfaction that the seaside town in question was not to her taste, given that it was somewhat run down and that the seagulls displayed vicious tendencies when she tried to dine al fresco on her balcony. She argued that the Agent should have divulged this information to her prior to the purchase and requested compensation to assist in her relocation. I pointed out that although this was clearly information material to any buyer, the average consumer would be expected to have first ascertained whether the town or city they wished to move to was suitable for their needs. I did not support the complaint.

Once, twice, four times the cost

This complaint concerned the Agent allegedly providing inaccurate or incomplete information fundamental to Mr L's (the buyer) decision to make an offer. The information concerned the service charge which the Agent had described as £500 per year to Mr L. However, this was not confirmed by the managing agents in the course of conveyancing enquiries who indicated that the cost was nearer to £2,000 per annum. In their defence, the Agent argued that they had known it was £2000 but, based on what the seller had told them, they considered that it would go down to £500 per year when the sale completed. I was unpersuaded by the Agent's claim especially as it became apparent that there were inconsistencies in what the seller told them and that earlier information from the managing agents gave cause to question the accuracy of the seller's claim about it going down to this level. I concluded that the evidence supported Mr L's account and I upheld the complaint making an award of £769.23, which covered abortive costs and an element of distress, aggravation and inconvenience.

Dead but not forgotten

The complainant, Mr M was unusual in that he represented a local community group who had concerns about the Agent's marketing of a property situated within a local cemetery. Specifically Mr M raised issues concerning the property particulars not explaining that the cemetery and property were grade II listed; that the property was within the grounds and shared access with the cemetery; that a gravestone shown in a photograph was not included in the sale and that there was no warning explaining the possibility of human remains being buried within the property's boundaries. I was critical of the Agent for not disclosing the property's situation, access arrangements and listed status. I considered this to be material information any buyer would wish to know before viewing the property and their omissions to be in breach of Paragraph 5h of the Code of Practice. Regarding human remains, it was apparent from the Agent's file that the possibility had

turned into a reality for the seller who had previously disclosed that the remains of one body had been found and that investigations to determine the existence of other bodies were ongoing. Whilst I explained that the matters concerning ownership and removal of the remains were outside of my jurisdiction, I again criticised the Agent for not disclosing material information. However, in relation to the gravestone, I was not persuaded that the average consumer would have expected this to be included in the sale any more than the inclusion of any adjacent building in photographs generally used for marketing purposes. Overall, I supported the complaint and directed the Agent to correct the position. However, as Mr M and the group he represented had experienced neither financial loss nor inconvenience, I did not make an award of financial compensation. I am unable to make punitive awards.



Other Jurisdictions

Commentary and Statistics

My jurisdiction also extends to the resolution of disputes relating to personal search organisations, residential leasehold management agents, international agents (based in the UK), chattels auctions and commercial property agents.

This year has seen an increase in membership relating to these areas of my jurisdiction, yet a similar increase was not reflected in the relatively small caseload figures. The increased membership levels once again underline the growing awareness amongst these agents of the positive benefits that independent redress brings to both their consumers and their businesses. More consumers are becoming aware of their free route to

Enquiries	2012	2013	Change
Residential Leasehold Management	482	614	132
Commercial	196	235	39
Property Codes Compliance Board	25	18	-7
International	23	0	-23
Auctions (Chattels) ¹	0	13	13
TOTAL	726	880	154 / 21%

Cases Received	2012	2013	Change
Residential Leasehold Management	13	17	5
Commercial	15	24	9
Property Codes Compliance Board	4	2	-2
International	0	0	0
Auctions (Chattels)	0	1	1
TOTAL	31	44	13 / 42%

Mediated Resolutions	2012	2013	Change
Residential Leasehold Management	7	2	-5
Commercial	4	4	0
Property Codes Compliance Board	1	0	-1
International	0	0	0
Auctions (Chattels)	0	0	0
TOTAL	12	6	-6 / -50%

¹ Property auction figures are included within the Sales statistics



redress, which often saves them and the agents time and potentially expensive legal costs.

Buying Agents, from 1 January 2014, are required to follow the new TPO Code of Practice for Buying Agents.

Commercial agents registered with TPO are obliged to follow the TPO Code of Practice for Commercial and Business Agents. Residential leasehold management

agents are required to follow the TPO General Membership Obligations and registered auctioneers are required to act in accordance with similar TPO General Membership Obligations and the National Association of Valuers and Auctioneers (NAVA) Rules of Conduct. Search organisations are required to act in accordance with the Search Code produced by the Property Code Compliance Board. A code specifically relating to international agents is currently being formulated.

Formal Reviews and Awards	Residential Leasehold Management	Commercial	Property Codes Compliance Board	International	Auctions (Chattels)	TOTAL
Complaint Supported	66% (8/12 cases)	40% (8/20 cases)	100% (3/3 cases)	n/a	n/a	31
Average Award	£247	£200	£701	n/a	n/a	44
Change	5	9	-2	0	1	13/42%

Other Jurisdiction

Case Studies

Property Codes Compliance Board – Lofty ambitions

Two years after purchasing their property, Mr and Mrs A relied on search information when deciding whether or not they required planning permission to build a loft conversion. They decided that they could proceed without planning permission and built the conversion. Shortly after completing the project they were informed by the Council that retrospective planning permission was required and that alterations to the loft conversion were needed for that to be granted, which meant they incurred unforeseen costs. They subsequently complained to the Search Provider. I found that the condition attached to a historical planning permission affecting the property which restricted permitted development was not made available to the Search Provider by the Council when they carried out the search. I accepted that Mr and Mrs A had been caused aggravation, distress and inconvenience in connection with this matter but did not consider it to be attributable to the Search Provider in the circumstances. The reason that this information was not initially recorded by the Council was unknown. I was also of the view that, regardless of the restrictive condition, in the circumstances it was not advisable for Mr and Mrs A to have relied on the information contained within a search that was almost two years old and did not reflect the most up to date information. I advised that it would have been prudent for Mr and Mrs A to have made the appropriate enquiries with the Council prior to starting the loft conversion.

Property Codes Compliance Board – Chimney issues

Having purchased the property, Mr B became aware that there were building regulations applicable to the property, specifically relating to the removal of the lower part of a chimney breast, that had not been identified by the Search Provider during the conveyancing process. Mr B complained to the Search Provider, who accepted that they had provided an inaccurate search report and made a goodwill offer of £300, which Mr B rejected. Having considered the documentary evidence provided to me, I was satisfied that the Search Provider had not complied with the Search Code of the Property Codes Compliance Board (PCCB), in so far as they had failed to 'accurately report the most up-to date available information and risks associated with the property from the sources consulted'. However, I was not persuaded that Mr B had demonstrated to my satisfaction that the Search Provider's error had, in fact, devalued the property. Whilst I did not make an award in relation to Mr B's claim that the Search Provider's shortcoming had devalued his property, I did make an award of £571.50 for the avoidable aggravation, distress and inconvenience resulting from the admitted error. The award also included a direction to reimburse Mr B for the cost of the search fee of £71.50.

Residential Leasehold Management – Ground rent arrears

The leaseholder, Mrs C claimed that the managing Agent had failed to resolve gardening issues at the property for a period of 14 months, had incorrectly referred the pursuit of her ground rent arrears to solicitors and had failed to refund her for a ground rent discount agreed with the freeholder. I found that Mrs C had suffered avoidable aggravation, distress and inconvenience over a period of 14 months by having to repeatedly chase the Agent to obtain progress updates for the garden. However, it was clear from the Agent's file that they had been dealing with the issue over this period and that the delays experienced were due to third parties. Regarding the ground rent discount, it was apparent that the Agent had facilitated the agreement between Mrs C and the freeholder, yet had not reimbursed Mrs C causing her further inconvenience. I, therefore, supported the complaint concerning the garden issues on the basis that the Agent had not kept Mrs C sufficiently updated over the 14 month period. I also supported the complaint concerning the ground rent discount and made an award of £168.75 for the aggravation, distress and inconvenience caused to Mrs C and for the refund of the discount on the ground rent. However, I was of the view that the Agent had acted reasonably in commencing legal proceedings against Mrs C for the ground rent arrears, given that they had ensured Mrs C had received sufficient and repeated notice of this possibility.

Commercial – Selling and renting

Mr and Mrs D (commercial tenants and business sellers) claimed that the Agent had verbally agreed to waive marketing fees for the business sale if they entered into a tenancy agreement for the property they were to formally let, also through the Agent. They further claimed that the Agent had agreed to them occupying the property 'rent free' until all repair work had been carried out by the landlord, yet the work relating to the roof and the removal of electrical meters at the property had not been completed at the point the rent started to be demanded. I noted that the sole selling rights agreement entered into by Mr and Mrs D for the sale of their business clearly explained that if the contract was terminated by either party then the cost of marketing was payable by Mr and Mrs D. I explained that I was unable to come to a decision with any degree of confidence on alleged conversations that I was not party to and that, in this case, other than the agency agreement, neither party were able to provide any contemporaneous information to support their account of the conversation concerning the marketing fees. In the absence of any information to the contrary, I considered that the Agent was entitled to pursue the agreed marketing fees. Regarding the property, it was apparent that the complaints in relation to the ongoing repair work concerned the decisions and subsequent actions of the landlord rather than the Agent. Furthermore, the tenancy agreement provided Mr and Mrs D with a definitive six month rent free period which was not connected to the completion of works by the landlord. In relation to the Agent's role, their file demonstrated that they had maintained regular contact with Mr and Mrs D over the progress of the works, therefore, I was not persuaded to support the complaints.

Council Members



1. Lord Richard Best OBE

Lord Best has been the Chairman of the TPO Council since April 2009. He is also President of the Local Government Association: Chairman of Hanover Housing Association. He is Chairman of the All Party Parliamentary Group on Housing and Care for Older People: Vice-Chairman of the All Party Parliamentary Group on Urban Development: Treasurer of the All Party Group on Housing: Vice President of the Town and Country Planning Association: Chairman of the Private Rented Sector Policy Forum: he Chaired the Housing and Ageing Population: Panel for Innovation: Chaired the Commission on the Future of Housing in Northern Ireland: Chaired the CLG/ LGA Housing Commission: Deputy Chairman, Westminster City Council Standards Committee: Patron of the Housing Association Charitable Trust: He has previously acted as Chief Executive of the Joseph Rowntree Foundation and as Chief Executive of the Joseph Rowntree Housing Trust.

2. Hilary Bainbridge

Hilary Bainbridge is a part-time Ombudsman with the Financial Ombudsman Service and the Lay Assessor of complaints about PhonepayPlus. Previous roles include being Deputy Local Government Ombudsman, a

Director of Investigations for the Parliamentary and Health Service Ombudsman and a Mental Health Act Commissioner.

3. Noel Hunter OBE

Noel Hunter is Vice President and a member of the Board of the Trading Standards Institute, the professional body representing trading standards officers throughout the UK. During 2010 he was also appointed Chair of the Management Board of the Homebuilders Consumer Code. He also chairs the Board of WCS care group of social care companies and is Vice Chairman of the Myton Hospices Group. He serves as a Warden (Director) of the Birmingham Assay Office. He has previously served as a Director of the National Consumer Council and the Banking Code Standards Board, as Chair of the Steering Board of the National Measurement Office and as a member of the Financial Services Authority Consumer Panel.

4. Victor Olowe

Appointed in October 2013, Victor Olowe is a leadership consultant at Winzest Consulting, specialising in treating customers fairly. Prior to this role, he was Chief Executive of the Council for Licensed Conveyancers for five years. He is currently non-executive director for the Consumer Codes Approved Board established by the Trading



The role of the Council is to:

1. Appoint the Ombudsman.
2. Set the Ombudsman's Terms of Reference.
3. Ensure the Ombudsman's independence.
4. Approve the Ombudsman's budget.

Standards Institute. He is also a lay non-executive member of the Law Society's Conveyancing Quality Scheme Assessment Panel and the Professional Conduct Committee of the Bar Standards Board. Previous roles include being Head of Practice Standards at the Law Society/Solicitors Regulation Authority, Quality Manager with Pictons Solicitors and Liaison Manager at the former Legal Aid Board, now Legal Aid Agency.

5. April Stroud

April Stroud is a Principal Lecturer in Law at Southampton Solent University. She lectures in land law and regulation and has also lectured in other areas of law such as trusts. She was awarded Law Teacher of the Year for her innovative book 'Making Sense of Land Law' in 2005. She has also held positions in management and market research and from 2004 to 2006 was a representative on the Hyde Housing Association Board.

6. Vivienne Sugar

Vivienne Sugar is a Fellow of the Chartered Institute of Housing. Currently she is Chair of Consumer Focus Wales and until December 2013 was Chair of the National Regeneration Panel (advising the Welsh Government on regeneration policy and investment). She served seven years as a local authority Chief Executive (City and County

of Swansea) and prior to that was Director of Housing (in Cardiff and Newport Councils). She works part time as Director of her own management consultancy firm.

7. Mary Wilson-Jones

Retired from the Council October 2013.

Industry Representatives:

8. Bill McClintock

Bill McClintock is the Board Chairman of The Property Ombudsman (TPO) Ltd and was appointed in January 2004. He also served as Chief Operating Officer for TPO Limited from 2003 until December 2011. He has been connected with estate agency for 50 years and is a Fellow of the Royal Institution of Chartered Surveyors and a Fellow of The National Association of Estate Agents.

9. Gerry Fitzjohn

Gerry Fitzjohn is currently Vice Chairman of The Property Ombudsman (TPO) Ltd having been appointed in 2010. He also serves as Chief Operating Officer of TPO having taken up the post at the beginning of 2012 and has served on the TPO Board since 2000. Gerry Fitzjohn was previously a Director of Countrywide Plc and has been involved in estate

agency for over 39 years. Gerry also attends the TPO Disciplinary and Standards Committee as a Board representative.

10. Michael Stoop

Michael started in estate agency with Winkworth & Co in September 1976 and by 1986 he became the Managing Director. In September 1992 he joined the Legal & General Group where he was instrumental in setting up Legal & General Franchising Ltd. Michael joined TPO's Board in November 2003 and was a member of TPO's Disciplinary and Standards Committee from 2008 to 2012. Michael is also a Fellow of the Royal Institution of Chartered Surveyors and the National Association of Estate Agents and a Member of the Association of Residential Lettings Agents.

Secretary to the Council: Stephanie Spencer

The Disciplinary and Standards Committee (DSC)

The Role and Membership of the DSC

The DSC consists of three Council members and deals with disciplinary issues about agents, generally as a result of a referral by the Ombudsman because of significant breaches of the Codes of Practice. A few cases are referred by TPO's membership staff because of other serious compliance issues. 2013 saw the retirement of the founding DSC Chairman, Mary Wilson-Jones. We will miss her wealth of knowledge and enormous commitment to the work. Current members are April Stroud, Victor Olowe and Hilary Bainbridge.

DSC work in 2013

The number of such cases requiring DSC involvement remains very small in comparison to the number of member agents. The DSC completed consideration of issues involving 28 agents during 2013 (compared to 19 in 2012), out of a membership of over 23,000 offices in January 2013. However some agents were referred by the Ombudsman because of failings in several cases each. The DSC worked on a total of 47 cases (involving 36 agents) at some point during the year. As previously, the majority involved lettings agents, and most related to failures to pay awards.

	Agents					Cases			
	Lettings	Sales	Compliance	Total		Lettings	Sales	Compliance	Total
Brought forward from 2012	4			4		7			7
New in 2013	23	7	2	32		28	10	2	40
Worked on in 2013	27	7	2	36		35	10	2	47
Settled/awards paid	13	2		15		15	2		17
Expelled (or left or closed)	9	4		13		15	7		22
Work completed in 2013	22	6		28		30	9		39
Carried forward	5	1	2	8		5	1	2	8

Outcomes

Where there is a reasonable hope of future compliance, the DSC generally prefers to keep agents in the scheme and bound by the Codes of Practice - in the interests of consumers. In 44% of cases the award was paid, and any other necessary action taken, following DSC involvement. A number of defaulting agents had several cases each, which in part is why this figure is lower than last year. However it is still a significant success rate, when considerable effort has been made before referral to the DSC to secure payment of awards. 2013 saw the first oral hearing of an appeal against a DSC decision to expel: that agent eventually paid the award.

However 13 agents never complied. Most did not appear to be trading by the point when the DSC closed the case, so consumers should not be affected in future by those agents' poor practices (unless the same person sets up a new company), though it also meant that a number of complainants did not receive awards they were due. Unfortunately, even the Courts cannot guarantee to enforce awards, especially if the business has folded. Any such agents which might still be in business were expelled from TPO membership or, if they had already left, were excluded (if they were to reapply). In a couple of the very worst cases TPO has assisted in police investigations into possible criminal activity - where money due to landlords for rent, or given as deposits towards purchases may have been stolen. Sadly there will always be a few unscrupulous people who will behave in that way.

Although there is little point in publicity where agencies have closed, and it would be inappropriate where prosecution is pending, press releases were issued on three expulsions:

Direct Residential Lettings Limited – Hove
London Rentals Ltd – Golders Green London
Lexton Property Services – Leyton, London



Hilary Bainbridge
DSC Chairman

Secretary to the DSC:
Janet Fitzpatrick

Independent Reviewer's Report for 2013

The Role of the Independent Reviewer

A consumer or agent who is not satisfied with the service received from TPO in handling a case may invoke the service complaints procedure. This comprises three stages. In the first instance the complaint goes to the Ombudsman, secondly to the Chairman of the Council and finally, if necessary, to me. I act completely independently and once I have made my decision, there is no further appeal available within the TPO Scheme.

My Terms of Reference limit my consideration to service complaints, i.e. the way complaints have been handled, the work of the Office and the conduct of its staff. If I uphold a service complaint I may recommend to the Ombudsman that an apology be made and/or that appropriate compensation be paid (equivalent to that which the TPO would itself award against a firm in similar circumstances) for any damage, distress or inconvenience caused by the shortfall in level of service given. If my recommendation were not accepted by the Ombudsman (which has not yet happened) I would refer the matter to the TPO Council.

2013 Workload

There were a total of 28 service complaints during the year (17 in 2012), 10 of which progressed from the Ombudsman to the Chairman of the Council; 6 of these remained unresolved and were referred to me.

Two of these cases were brought by landlords, complaining primarily about the letting agents' tenant referencing procedures, and both had incurred considerable financial loss due to default by their tenants. The third concerned a purchase where the complainant blamed the agent for poor advice and failure to ensure the property was a suitable purchase in her circumstances. The fourth involved a vendor who had had to pay the full sales fee to two different agents. The fifth was from potential purchasers claiming they had been misled by the agent's sales particulars regarding some terms of the lease, resulting in them incurring unnecessary costs before they withdrew from the purchase. The sixth case was a procedural issue brought by a letting agent where the Ombudsman had determined that he had jurisdiction to consider a tenant's complaint but the agent had been unable to accept his reasoning and had refused to submit his formal response to the complaint while the service complaint was under consideration.

In most of these cases, it became apparent on examination that the service element of the complaint was small in relation to the complainant's dissatisfaction with the Ombudsman's decision and, in two cases, his proposed award. These complainants, having received a final decision, were discontented with the TPO process and were essentially unable - despite repeated explanations - to recognise the limits placed on the Ombudsman's jurisdiction by his Terms of Reference (e.g. that he cannot impose fines on agents for deficiencies in their Terms of Business or their failure to comply with parts of the Code of Practice which were not relevant to the particular complaints they had raised). Two cases mostly rested on the lack of written contemporaneous evidence to support the complainants' contentions, but they were unable to accept that the Ombudsman could not base his decision on uncorroborated oral statements which had been denied by the agent.

I found no shortfall in the level of service in any of these six complainants had received, other than some delays in the jurisdiction and case review processes due to the heavy workload at the time, for which TPO had already apologised.

Audit work

My role here is to examine a sample of enquiries and cases brought to the TPO to check that the prescribed internal procedures are being properly followed and that service response-time targets are being met. At Council's request, to bring my report in line with the reporting period for other TPO activities, I have conducted this audit for the 16 months September 2012 to December 2013 and presented my findings to the Ombudsman and to Council.

I am pleased to record that I again found no case in which I considered the Ombudsman failed to conform to his Terms of Reference. The internal procedures were also properly followed in every case I examined.

Service targets were generally met, even though workloads were running significantly above forecast levels for much of the period. There was, however, a significant delay in the then First Contact/Jurisdiction sections during the September to November period of 2012, and a shorter delay continued into the first half of 2013. For cases proceeding to formal review, the Charter service target of 16-18 weeks quoted to complainants was met on average, but a significant proportion of cases took more than 20 weeks during the first quarter of 2013, sometimes due to delays by agents in providing required information or responding to adverse reviews. However, complainants were always given explanations for the delays and kept informed of the progress of their complaints.



Cyril Lanch
Independent Reviewer

“

I am please to record I again found no case in which I considered the Ombudsman failed to conform to the Terms of Reference

”



Report from the Board of the Property Ombudsman Limited

Last year was another period of Scheme development, increased membership and various changes in legislation which will bring about further development of the Scheme during 2014.

Scheme Governance

It is vital to the Scheme that the independence of the Ombudsman is maintained and that complaints from the public are dealt with independently and at no cost to them. The costs must therefore be borne by the scheme members who have a contract with The Property Ombudsman Limited.

In order to achieve independence for the Ombudsman there is a Council which has a majority of independent members. This Council directs the Ombudsman and he reports to them on a regular basis.

The Property Ombudsman Limited is a company limited by Guarantee and its directors are drawn from the industry and professional bodies. In addition the Chairman of the Board and Chief Operating Officer are board members. It is responsible for the contract with the scheme members, membership, compliance and company accounting functions.

Financial Results

I am pleased to confirm in 2013 income was maintained. However our costs increased due to the workload received by the office requiring additional staff to ensure that cases were properly resolved within a reasonable timescale.

The Ombudsman's report details the caseload of initial enquiries and cases requiring full review which shows a 23% increase in complaint enquiries and a 30% increase in cases resolved.

The Property Ombudsman Limited is a 'not for profit' company whose net assets remain strong at £1,329,962, but there was a deficit of £84,485 after tax of £5,302 for

the year. The profit and loss account and balance sheet are shown on pages 64 and 65.

Membership

The Scheme continues to grow with the great majority of residential sales and letting offices operating in the UK being TPO members. We estimate that the agents in membership represent over 90% of all sales offices.

In 2013, the requirement for letting agents to be a member of a redress scheme remained optional, however, we continued our strong growth in this highly important sector with over 1,150 new offices joining during the year under report. This result means that at the year-end we had over 10,900 member offices that had joined voluntarily and agreed to operate their businesses in accordance with the TPO Lettings Code of Practice.

We expect a further increase in the overall numbers when the mechanism to require all residential letting and management agents to join an approved redress scheme (contained within provisions of the Enterprise and Regulatory Reform Act) comes into force at some point this year.

Following the trend in 2012, the other categories of membership also showed excellent growth with Commercial Sales, Commercial Lettings, International and Chattels all displaying encouraging increases in membership numbers.

Buying Agents Code

During 2013, following detailed discussions with those agents that act for buyers rather than sellers, we created a code specifically for this category of business. The TPO Buying Agent Code came into effect on

The role of the TPO Board is to:

1. Manage the business of the Company.
2. Raise sufficient funds from registered agents to administer the scheme.
3. Represent the registered agents.

1 January 2014 and we anticipate the number of buying agent members will grow throughout the coming year.

The Office of Fair Trading and Trading Standards Institute

The OFT was dissolved at the end of March 2014 and they have passed the responsibility for the approval of codes under the Consumer Code Approval Scheme to the Trading Standards Institute (TSI). The TPO Sales Code has already received TSI approval and member agents are now able to display the TSI logo along with the TPO logo in window displays, on stationery and customer facing media.

At the time of writing we have completed stage one of the approval process for the TPO Lettings Code and we are progressing our application for full TSI approval.

Redress Scheme for Residential Lettings.

The TPO Board and Council were two of many bodies that successfully persuaded the Government to require all residential lettings and management agents to register with a redress scheme. The mechanism for legislation

is to be enacted during 2014 and TPO has applied for its redress scheme to be an approved scheme within the terms of the Enterprise and Regulatory Reform Act. We anticipate welcoming new members and believe this legislation will benefit both consumers and those working in the industry.

Looking Forward

As the recovery matures, we expect confidence to grow and the recent increase in the numbers of sales and lettings in the housing markets to continue during the coming year.

Finally I must thank Gerry Fitzjohn, Chief Operating Officer, the Membership and Compliance teams for their hard work and dedication throughout the year and look forward to their continued support in 2014.



Bill McClintock
Board Chairman

Board Members

The following directors have held office since 1 January 2013:

Bill McClintock (Chairman)
Gerry Fitzjohn (Vice Chairman)
Tom Harris, Countrywide
Dorian Gonsalves, Belvoir
Ed Mead, Douglas and Gordon
David Newnes, LSL Property Services plc
Lady Janet Oakes, Connells
Michael Robson, Andrews

Paul Smith, Spicerhaart
Michael Stoop, Xperience
Jonathan Haward, County Homesearch
Peter Fuller, Romans
Mark Hayward, National Federation of Property Professionals
Peter Bolton King, Royal Institution of Chartered Surveyors
Richard Lance - Secretary

Financial Report

of The Property Ombudsman Limited

Extract from the Accounts, The Property Ombudsman - A Company Limited by Guarantee

Profit and Loss Account for the year ended 31 December 2013

	2013	2012
	£	£
Turnover	2,347,600	2,366,444
Cost of sales	(8,548)	(51,229)
Gross surplus	2,339,052	2,315,215
Administrative expenses	(2,444,982)	(2,363,920)
Other operating income	236	-
Operating surplus / (deficit)	(105,694)	(48,705)
Other interest receivable and similar income	26,512	33,354
Surplus on ordinary activities before taxation / (deficit)	(79,182)	(15,351)
Tax on surplus on ordinary activities / (deficit)	(5,302)	(6,671)
Total incoming resources / (outgoing)	(84,484)	(22,022)

Summary of accounts:

These summarised accounts may not contain sufficient information to allow for a full understanding of the financial affairs of the Company. For further information, the full accounts, including the unqualified auditor's report on those accounts and the Directors' Annual Report, should be consulted. Copies of these can be obtained from: The Property Ombudsman, Milford House, 43-55 Milford Street, Salisbury, Wiltshire, SP1 2BP

Auditor's Statement

As Auditors to the Company we have reviewed the summarised accounts above and consider that they are consistent with the full accounts, on which we gave our unqualified opinion.

A K Coldwell (Senior Statutory Auditor) for and behalf of Moore Stephens (South) LLP
Date of approval of the full accounts 24 March 2014.

Balance Sheet at 31 December 2013

	2013	2012
	£	£
Fixed assets		
Tangible fixed assets	169,293	197,807
Investments	8	8
	<u>169,301</u>	<u>197,815</u>
Current assets		
Stocks	13,828	6,849
Debtors	196,173	217,244
Cash at bank	2,014,651	2,038,311
	<u>2,224,652</u>	<u>2,262,404</u>
Creditors amounts falling due within one year	(1,063,991)	(1,045,773)
Net Current assets	<u>1,160,661</u>	<u>1,216,631</u>
TOTAL NET ASSETS	<u><u>1,329,962</u></u>	<u><u>1,414,446</u></u>
Capital and reserves		
Retained reserves	1,329,962	1,414,446
Members' funds	<u><u>1,329,962</u></u>	<u><u>1,414,446</u></u>

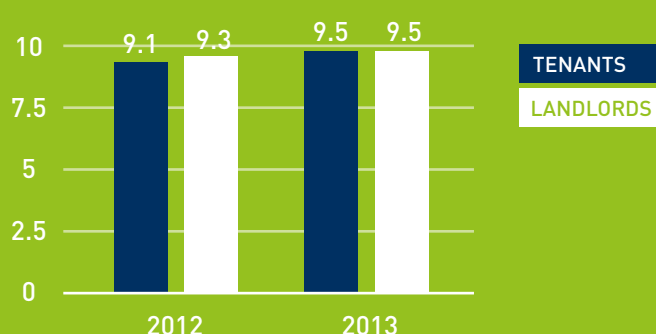
Approved for and on behalf of the Board 24 March 2014, **W A McClintock - Director**



Compliance Tables

2013 Lettings Data

Satisfaction (ratings out of 10)



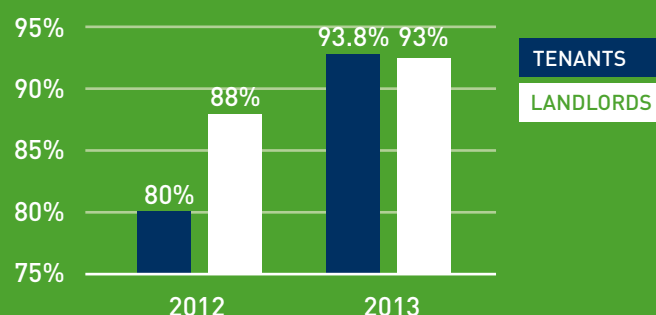
Tenants and Landlords were asked: If the firm (1) Acted professionally at all times (2) Was friendly (3) Understood my requirements (4) Showed a good knowledge of local market conditions (5) Helped in the negotiations between landlord and tenant.

Recommended



Tenants and Landlords were asked: If they would recommend the letting agent to friends.

Code compliance



Tenants were asked: Did the firm (1) Make you aware of their membership of the Ombudsman scheme (2) Tell you whether or not the property was still to be marketed after your offer had been accepted until the tenancy agreement was in force (3) Confirm that any deposits paid to them at the beginning of the tenancy are held in a separate bank account for clients (4) Give you the opportunity to review the tenancy agreement before signature (including terms relating to duration, rent, deposits, fees, charges and repair obligations) (5) Provide an inventory of furniture, fittings and equipment to record the initial condition of the property and/or contents.

Landlords were asked: Did the firm (1) Make you aware of their membership of the Ombudsman scheme (2) Advise you on a rental figure reflecting current market conditions, supported by comparison with similar properties and locations (3) Provide you with their written Terms of Business, confirming your requirements and clearly explaining all fees and charges (4) Agree the viewing arrangements with you and comply with these arrangements (5) Ask whether or not the property should stay on the market after the offer was accepted (6) Take due care in obtaining references of potential clients.

Lettings Improvement Tables

Satisfaction

	2011/2012 (average)	2013
TENANTS	9.05	9.5
LANDLORDS	9.45	9.5
OVERALL	9.2	9.4

Compliance

	2011/2012 (average)	2013
TENANTS	78.6%	93.8%
LANDLORDS	84.1%	93%
OVERALL	81.3%	93.4%

Responses. From the landlords and tenants surveyed, 510 responses were received.

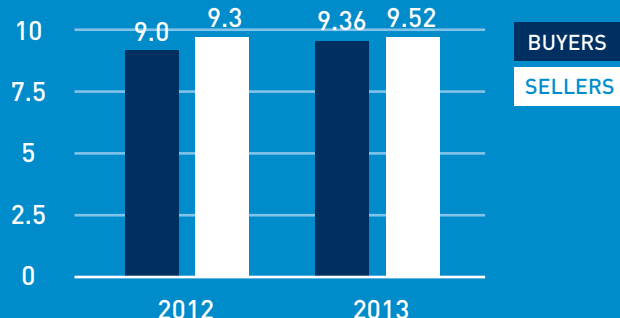
Monthly Surveys for the TSI Consumer Code Approval Scheme

General comment

As part of the Trading Standards Institute's Consumer Code Approval Scheme, TPO carries out regular agent monitoring which includes mystery shopping alongside consumer surveys conducted by independent research firms (Referenceline and Ipsos MORI) outside of the influence of property agents and TPO. In 2013, 733 mystery shopping telephone calls were conducted with TPO sales and lettings agents. The survey results are shown below.

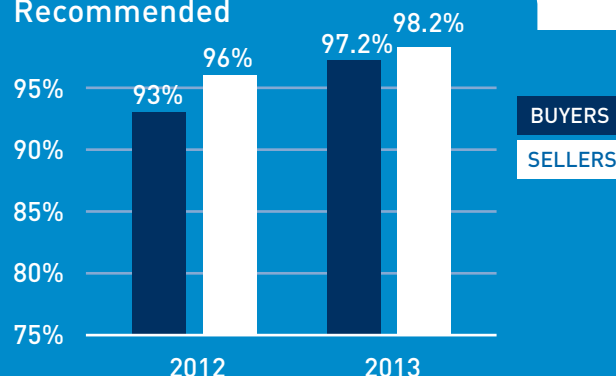
2013 Sales Data

Satisfaction (ratings out of 10)



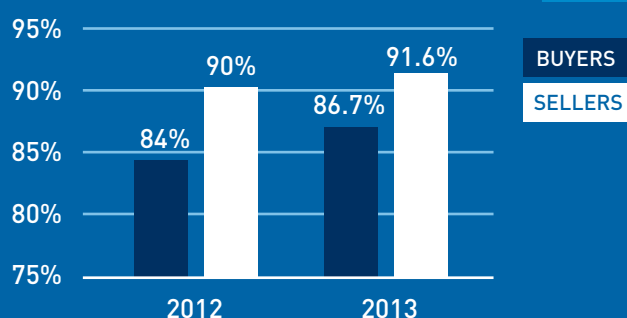
Buyers and Sellers were asked: If the firm (1) Acted professionally at all times (2) Was friendly and understood their requirements (3) Showed a good knowledge of local market conditions (4) Helped in the negotiations between buyer and seller.

Recommended



Buyers and Sellers were asked: If they would recommend the sales agent to friends.

Code compliance



Buyers were asked: Did the firm (1) Make you aware of their membership of the Ombudsman scheme (2) Give you accurate information about properties (3) Tell you if the property was kept on the market after your offer was accepted or if it was later put back on the market (4) Accept your offer without attaching any conditions.

Sellers were asked: Did the firm (1) Make you aware of their membership of the Ombudsman scheme. (2) Clearly explain their fees, expenses and business terms and confirm this in writing before marketing your property. (3) Make clear whether or not they wish to offer other services (such as mortgages) to potential buyers of your property. (4) Ask you to confirm the accuracy of the draft particulars before marketing your property. (5) Agree the viewing arrangements with you and comply with these arrangements. (6) Confirm all offers in writing. (7) Ask you whether or not the property should remain on the market after the offer was accepted.

Sales Improvement Tables

Satisfaction

	2004 to 2012 (average)	2013
SELLERS	9.2	9.52
BUYERS	8.8	9.36
OVERALL	9.1	9.42

Compliance

	2004 to 2012 (average)	2013
SELLERS	89.4%	91.6%
BUYERS	82.85%	86.7%
OVERALL	86.45%	89.4%

Responses. From the buyers and sellers surveyed, 4,690 responses were received.

TPO Staff List

As at 31 December 2013

Ombudsman	Christopher J Hamer	Complaints Operations Manager	Amanda Stiggants
PA to Ombudsman	Stephanie Spencer	Assistant Manager - First Contact First Contact Team	Karen Hill Lucy Buckle Danika Briggs Vicky Charters Jennifer Cree Gemma Currie Carole French Rebecca Hudson Mark Mallard Ruth Price Richard Small Laura Twigg
Casework Director	Jane Erskine	Assistant Manager – Jurisdiction Jurisdiction Team	Debra Aitken Lynn Howlett Kimberley Saunders Annemarie Simpson-Wild
Senior Case Officer (Legal)	Kate Chandler	Assistant Manager - Case Management Case Management Team	Joanne Beatty Roz Butcher Emma Carey Victoria Lally Marc Mundy Susan Russell Victoria Stones Aimee Webb
Senior Case Officer (Data Protection)	Sandra Pooke	Press & Communications Manager	Gemma Stacey
Senior Case Officers	Colin Dixon Maria Evans	Business Development & Project Manager	Sarah Sartin
Senior Case Officers (Team 1)	Josephine Bailey	Policy Manager	Peter Habert
Team 1 Case Officers	Lucy Horne Samantha Horsfield Laura West	HR & Facilities Manager	Sue Hurst
Senior Case Officer (Team 2)	Patrick Lewis	Operations & Support Assistant	Chloe Doak
Team 2 Case Officers	Amy Gibbs Christine Rowland-Jones	Senior Finance Assistant	Louisa Dawson
Senior Case Officer (Team 3)	Alan Bowers	Finance Assistant	Anne Hall
Team 3 Case Officers	Frances Forster Gemma Jordan Laura Strong		
Senior Case Officer (Team 4)	Peter Habert		
Team 4 Case Officers	Simon Humphreys Matthew Tucker		
Early Resolution Officers	Anya Browne Charlotte Mawson Sarah Watson Stephen Wells Kirstie Williams		

TPO MEMBERSHIP

Chairman of TPO Board
Bill McClintock

Vice Chairman of TPO Board / and Chief Operating Officer of TPO Ltd
Gerry Fitzjohn

Membership Manager
Emma Harris

Senior Membership Administrator
Nicole Lake

Membership Administrator
Bob Burke
Marie Drewitt

Membership Compliance Manager
Janet Fitzpatrick

Membership Compliance Senior Administrator
Kathryn Blanchard

www.tpos.co.uk



The Property Ombudsman

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Membership Enquiries Tel: 01722 335 458

Fax: 01722 332 296

E-mail: admin@tpos.co.uk

Website: www.tpos.co.uk



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