



# The Property Ombudsman

## Statistics 2015/16



## ADR Regulations Approval

***Reporting Period: 20 July 2015 - 19 July 2016***

On 20 July 2015, TPO gained approval from the Chartered Trading Standards Institute (CTSI) and the National Trading Standards Estate Agency Team NTSEAT under the Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 (the Regulations).

TPO's ongoing approval is overseen by two competent authorities. NTSEAT is the competent authority for redress relating to property sales and CTSI are the competent authority for all of TPO's other jurisdictions (including lettings).

The statistics and commentary in this report cover the period 20 July 2015 to 19 July 2016 and reflect the approval requirements of Schedule 5 of the Regulations.

Further information regarding TPO's work in the property industry can be found in our Annual Reports and on our website.

### Frequent Systematic or Significant Issues

TPO has been providing an Ombudsman scheme to consumers of the property industry for over 25 years. Throughout that time there have rarely been issues which were both frequent and could be considered as systematic or significant. Where serious issues are found, these are addressed through TPO's internal disciplinary arrangements and/or by referral to a body authorised to take enforcement action (such as Trading Standards).

TPO is committed to helping property agents raise standards and provide a better service to consumers. TPO's Codes of Practice, approved by CTSI, provide consumers and agents with the

level of service they should expect from TPO agents. The Codes are reviewed on an annual basis to take into account new legislation and emerging practices.

Where TPO identifies new issues, the relationship with Warwickshire County Council Trading Standards, as the primary authority for TPO members, allows agents to benefit from [assured advice](#). This advice is taken into account when the TPO Codes are reviewed. The Codes also take into account issues raised by other bodies. For example, 2015 saw the issue of events fees on leasehold property sales being investigated by the Law Commission. TPO worked closely with the Law Commission and as a result updated the TPO Sales Code to include specific requirements for agents to enquire and disclose these additional, and sometimes unexpected, fees.

## **Common Issues**

Over the years TPO has dealt with a significant variety of issues. Most of the disputes referred to TPO are complex and comprise of multiple issues. Issues can arise at any point during property sales transactions and often involve the actions of a number of parties. Lettings disputes can be even more complex, with issues arising over years. Multiple tenancies with multiple tenants and, sometimes, multiple properties are common. The complexity of lettings disputes is reflected in the average time taken to deal with these cases. However, in all of TPO's jurisdictions there are two common recurring themes, namely communication and complaints handling shortcomings. Accordingly, TPO will be producing updated guidance to traders and consumers in the near future.

## **Timescales**

The higher time taken to resolve complex lettings disputes also reflects a period where TPO experienced a significant increase in referrals of lettings disputes. This resulted in additional staff being recruited and trained, along with the procurement and implementation of a new administration system. We are already seeing the benefits of both actions and expect the timescales across all jurisdictions to reduce over the next 12 months.

# ADR Regulations - Statistics

20 July 2015 to 19 July 2016

| SECTOR UNDER JURISDICTION | Sales | Lettings | Residential Leasehold Management | International | Buying Agents | Buying Companies | Search Providers | Removals |
|---------------------------|-------|----------|----------------------------------|---------------|---------------|------------------|------------------|----------|
|---------------------------|-------|----------|----------------------------------|---------------|---------------|------------------|------------------|----------|

| Disputes Received                        |       |       |     |   |    |   |    |    |
|------------------------------------------|-------|-------|-----|---|----|---|----|----|
| Number of domestic disputes received     | 4,198 | 8,041 | 687 | 9 | 23 | 9 | 21 | 90 |
| Number of cross-border disputes received | 0     | 0     | 0   | 4 | 0  | 0 | 0  | 0  |

| Disputes Rejected                                  |       |       |     |   |   |   |   |    |
|----------------------------------------------------|-------|-------|-----|---|---|---|---|----|
| a) Not complained to trader                        | 1,686 | 3,600 | 142 | 1 | 8 | 4 | 3 | 30 |
| b) Frivolous or vexatious                          | 0     | 0     | 0   | 0 | 0 | 0 | 0 | 0  |
| c) Dispute being considered elsewhere (e.g. court) | 515   | 1,340 | 305 | 7 | 1 | 0 | 1 | 3  |
| d) Claim value over £25,000                        | 0     | 0     | 0   | 0 | 0 | 0 | 0 | 0  |
| e) Not referred within 12 months                   | 31    | 39    | 5   | 0 | 0 | 0 | 0 | 0  |
| f) Dispute would impair effective operation        | 0     | 0     | 0   | 0 | 0 | 0 | 0 | 0  |

| Percentage of cases discontinued for operational reasons |   |   |   |   |   |   |   |   |
|----------------------------------------------------------|---|---|---|---|---|---|---|---|
|                                                          | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| Average time taken (days) to resolve: |    |    |    |    |    |    |    |    |
|---------------------------------------|----|----|----|----|----|----|----|----|
| a) Domestic disputes                  | 70 | 84 | 74 | 42 | 19 | 68 | 41 | 15 |
| b) Cross-border disputes              | 0  | 0  | 0  | 65 | 0  | 0  | 0  | 0  |

| Rate of compliance with Ombudsman decisions |        |        |      |      |      |      |      |      |
|---------------------------------------------|--------|--------|------|------|------|------|------|------|
|                                             | 99.84% | 99.68% | 100% | 100% | 100% | 100% | 100% | 100% |



## DCLG Approval

***Reporting Period: 1 January 2015 - 31 December 2015***

In April 2014, TPO gained accreditation from the Department for Communities and Local Government as an approved redress scheme for English lettings and (residential leasehold) managing agents. The statistics reflect the approval requirements of Article 7 of the Redress Schemes for Letting Agency Work and Property Management Work (Approval and Designation of Schemes) (England) Order 2013.

### Reducing Timescales

Lettings complaints are often complex. This is reflected in the time taken during 2015 to resolve lettings disputes. However, the timescales also reflect a period where TPO experienced a significant increase in referrals of lettings disputes. As a result additional staff were recruited and trained, along with the procurement and implementation of a new administration system. The longer reporting period (to July 2016) in the ADR statistics shows the benefits of both actions during the first part of 2016 - with the average time taken to deal with letting complaints being reduced to 84 days. We expect timescales across all jurisdictions to reduce further over the next 12 months.

### Statistics

The statistics on the following pages cover the period 1 January 2015 to 31 December 2015 and relate to English lettings and (residential leasehold) management agents registered with TPO.

Further information regarding TPO's work in the property industry can be found in our Annual Reports and on our website.

# DCLG Approval - Statistics

1 January 2015 to 31 December 2015

**Letting offices:** 13,615

**Residential Leasehold Management (RLM) offices:** 305

**Number of expelled Letting agents:** 10

**Number of expelled RLM agents:** 0

## Cases brought to TPO from:

- a) Landlords: 831
- b) Tenants: 829
- c) Freeholders: 5
- d) Leaseholders: 55
- e) Other: 7

## Why the complaint was referred to TPO:

- a) Deadlock between the parties: 1,744
- b) Complaint unresolved by in-house complaints process after 8 weeks: 253
- c) Scheme administrator's discretion: 0
- d) Other: 0

## Complaints resolved via:

- a) Mediation/other without formal review: 361 lettings, 5 RLM
- b) Formal review: 1,106 lettings, 23 RLM

## Total number of cases decided during the year:

- a) Upheld: 919 lettings, 20 RLM
- b) Non-support: 548 lettings, 8 RLM

**Average time taken for case to be decided (taken from date evidence provided by both parties to date decision issued):** 104 days lettings, 101 days RLM

## Awards made where complaints were upheld:

- a) Financial: 884 lettings, 20 RLM
- b) Non-financial: 35 lettings, 0 RLM
- c) Financial and non-financial: 0 lettings, 0 RLM
- d) Other: 0 lettings, 0 RLM

## Level of awards:

|    |                   | <i>Lettings</i> | <i>RLM</i> |
|----|-------------------|-----------------|------------|
| a) | £1 to £99:        | 82              | 5          |
| b) | £100 to £499:     | 590             | 14         |
| c) | £500 to £999:     | 130             | 1          |
| d) | £1,000 to £2,999: | 67              | 0          |
| e) | Above £3,000:     | 15              | 0          |

## Total compensation paid by:

- a) Lettings agents: £538, 207.03
- b) RLM agents: £4,301.00

***Breakdown of complaint issues by topic:***

|                                                            |     |
|------------------------------------------------------------|-----|
| <b>General Communication</b>                               | 759 |
| <b>Duty of Care</b>                                        | 150 |
| <b>Conflict of Interest</b>                                | 65  |
| <b>Advertising for new business (Canvassing)</b>           | 0   |
| <b>Market Appraisal</b>                                    | 53  |
| <b>Instructions and Terms of Business</b>                  | 155 |
| <b>Fair Contracts</b>                                      | 19  |
| <b>Fees and Charges</b>                                    | 59  |
| <b>Termination of Client Agreement</b>                     | 27  |
| <b>Subsequent Changes</b>                                  | 13  |
| <b>Marketing and Advertising</b>                           | 15  |
| <b>Letting Boards</b>                                      | 12  |
| <b>Published Material and Information about a Property</b> | 56  |
| <b>Viewings</b>                                            | 17  |
| <b>Access to Premises</b>                                  | 75  |
| <b>Offers</b>                                              | 233 |
| <b>Referencing</b>                                         | 260 |
| <b>The Tenancy Agreement</b>                               | 105 |
| <b>Inventories and Schedules of Condition</b>              | 118 |
| <b>Deposits</b>                                            | 82  |
| <b>Bonds</b>                                               | 2   |
| <b>Rent Collection</b>                                     | 153 |
| <b>Management</b>                                          | 772 |
| <b>Termination of a Tenancy</b>                            | 76  |
| <b>End of Tenancy - Deposits, Disputes and Damages</b>     | 304 |
| <b>Clients' Money</b>                                      | 40  |
| <b>In-house Complaints Handling</b>                        | 465 |
| <b>Referrals to the Ombudsman</b>                          | 36  |
| <b>Compliance Monitoring</b>                               | 0   |
| <b>Non-Compliance with the Code</b>                        | 10  |
| <b>Management of shared areas</b>                          | 6   |





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