



# The Property Ombudsman Statistics 2016/17



## ADR Regulations Approval

**Reporting Period: 20 July 2016 – 30 September 2017**

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 (excluding commercial property transactions).

Following clarification that TPO's reporting date has changed to 1<sup>st</sup> October, the statistics and commentary in this report cover the period 20 July 2016 to 30 September 2017 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 27 years. Throughout that time there has 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 (Disciplinary and Standards Committee) 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 a regular basis to take into account new legislation and emerging practices.

An example of where TPO identified a practice that had caused a number of complaints was the issue of requesting pre-contract deposits from buyers. The seller (often a developer) may request that a buyer pays a deposit (which goes towards the purchase or is forfeit if the buyer withdraws) to show their commitment to the purchase. However, there is no standard form of contract and TPO received complaints where the terms and conditions of the deposit had not been properly explained to the buyer. As a consequence the TPO Code of Practice for Residential Estate Agents was updated to include the obligation for terms and conditions to be provided in writing and agreed by the buyer and seller before any money was paid.

### **Common Issues**

Over the years TPO has dealt with a significant variety of complaints. Most of the disputes referred to TPO comprise of multiple issues. Issues can arise at any point during property sales transactions and often involve the actions of a number of parties. Letting 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 and, especially, residential leasehold management disputes is reflected in the average time taken to deal with these cases. However, in all of TPO's jurisdictions there is a common theme of communication shortcomings. Property transactions are stressful for the parties involved therefore managing expectations through regular and meaningful communication is essential to keep things on track. Accordingly, TPO will be considering whether to produce guidance and training on this wide-ranging issue.

### **Timescales**

Following the significant increase in letting disputes experienced during the last reporting period TPO recruited and trained additional staff along and implemented a new administration system. This has resulted in a reduction in timescales. Timescales are now expected to remain at a steady rate, subject to fluctuations in the number of complaints referred to TPO (of which TPO experienced a 27% increase in the first quarter of 2017).

### **Cross-Border Disputes**

TPO does not receive many cross-border disputes where the complainant is located in another EU member state and utilises the service of a UK property agent. Where we do, disputes are dealt with on a case by case basis, with no need to refer other ADR networks.

## ADR Regulations - Statistics

20 July 2016 to 30 September 2017

| SECTOR UNDER JURISDICTION | Sales | Lettings | Residential Leasehold Management | International | Buying Agents | Buying Companies | Search Providers | Removals | Chattels and Auctions | Building Warranties |
|---------------------------|-------|----------|----------------------------------|---------------|---------------|------------------|------------------|----------|-----------------------|---------------------|
|---------------------------|-------|----------|----------------------------------|---------------|---------------|------------------|------------------|----------|-----------------------|---------------------|

| Disputes Received                        |       |        |     |    |   |    |    |     |    |   |
|------------------------------------------|-------|--------|-----|----|---|----|----|-----|----|---|
| Number of domestic disputes received     | 5,073 | 10,647 | 996 | 14 | 8 | 15 | 33 | 228 | 13 | 9 |
| Number of cross-border disputes received | 13    | 59     | 4   | 0  | 0 | 0  | 0  | 7   | 0  | 0 |

| Disputes Rejected                                  |       |       |     |   |   |   |    |    |   |   |
|----------------------------------------------------|-------|-------|-----|---|---|---|----|----|---|---|
| a) Not complained to trader                        | 2,107 | 4,885 | 271 | 9 | 2 | 1 | 10 | 67 | 5 | 0 |
| b) Frivolous or vexatious                          | 0     | 0     | 0   | 0 | 0 | 0 | 0  | 0  | 0 | 0 |
| c) Dispute being considered elsewhere (e.g. court) | 844   | 2,069 | 500 | 4 | 2 | 7 | 2  | 10 | 4 | 9 |
| d) Claim value over £25,000                        | 0     | 0     | 0   | 0 | 0 | 0 | 0  | 0  | 0 | 0 |
| e) Not referred within 12 months                   | 33    | 51    | 6   | 0 | 0 | 0 | 0  | 0  | 0 | 0 |
| f) Dispute would impair effective operation        | 0     | 0     | 0   | 0 | 0 | 0 | 0  | 0  | 0 | 0 |

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

| Average time taken (days) to resolve: |    |    |    |    |    |    |    |    |    |   |
|---------------------------------------|----|----|----|----|----|----|----|----|----|---|
| a) Domestic disputes                  | 48 | 50 | 87 | 10 | 36 | 24 | 48 | 45 | 15 | 0 |
| b) Cross-border disputes              | 85 | 79 | 97 | 0  | 0  | 0  | 0  | 33 | 0  | 0 |

| Rate of compliance with Ombudsman decisions (%) |     |       |     |     |     |     |     |     |     |     |
|-------------------------------------------------|-----|-------|-----|-----|-----|-----|-----|-----|-----|-----|
|                                                 | 100 | 99.65 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |



## DCLG Approval

***Reporting Period: 1 January 2016 - 31 December 2016***

In April 2014, TPO gained accreditation from the Department for Communities and Local Government as an approved redress scheme for English letting 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 2016 to resolve lettings disputes. However, the timescales also reflect a period where TPO experienced a significant increase in referrals of lettings disputes. Additional staff were recruited and trained, along with the implementation of a new administration system. The longer reporting period (to October 2017) in the ADR statistics shows the ongoing benefits of both actions during the first part of 2017 - with the average time taken to deal with letting complaints being reduced to 82 days. We expect timescales across all jurisdictions to reduce further over the next 12 months.

### Statistics

The statistics cover the period 1 January 2016 to 31 December 2016 and relate to English letting 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 Statistics – English Letting and Managing Agents

1 January 2016 to 31 December 2016

**TPO Letting offices:** 14,613

**TPO Residential Leasehold Management (RLM) offices:** 372

**Number of expelled Letting agents from TPO:** 12

**Number of expelled RLM agents from TPO:** 0

## **Cases brought to TPO from:**

- a) Landlords: 757
- b) Tenants: 677
- c) Freeholders: 5
- d) Leaseholders: 75
- e) Other: 84

## **Why the complaint was referred to TPO:**

- a) Deadlock between the parties: L 808 RLM 67
- b) Complaint unresolved by in-house complaints process after 8 weeks: L 148 RLM 12
- c) Scheme administrator's discretion:
- d) Other:

## **Complaints resolved via:**

- a) Mediation/other without formal review: 254 lettings, 9 RLM
- b) Formal review: 1320 lettings, 64 RLM

## **Total number of cases decided during the year:**

- a) Upheld: 1091 lettings, 51 RLM
- b) Non-support: 229 lettings, 13 RLM

**Average time taken for case to be decided (taken from date evidence provided by both parties to date decision issued):** 82 days lettings, 72 days RLM

## **Awards made where complaints were upheld:**

- a) Financial: 1024 lettings, 44 RLM
- b) Non-financial: 45 lettings, 1 RLM
- c) Financial and non-financial: 22 lettings, 2 RLM
- d) Other: 0 lettings, 0 RLM

## **Level of awards:**

|                      | <i>Lettings</i> | <i>RLM</i> |
|----------------------|-----------------|------------|
| a) £1 to £99:        | 63              | 3          |
| b) £100 to £499:     | 585             | 38         |
| c) £500 to £999:     | 154             | 0          |
| d) £1,000 to £2,999: | 70              | 2          |
| e) Above £3,000:     | 30              | 3          |

## **Total compensation paid by:**

- a) Lettings agents: £646,241.48
- b) RLM agents: £20,451.39

*Breakdown of what the complaints were about by topic:*

|                                                            |     |
|------------------------------------------------------------|-----|
| <b>General Communication</b>                               | 781 |
| <b>Duty of Care</b>                                        | 172 |
| <b>Conflict of Interest</b>                                | 19  |
| <b>Advertising for new business (Canvassing)</b>           | 5   |
| <b>Market Appraisal</b>                                    | 61  |
| <b>Instructions and Terms of Business</b>                  | 115 |
| <b>Fair Contracts</b>                                      | 32  |
| <b>Fees and Charges</b>                                    | 30  |
| <b>Termination of Client Agreement</b>                     | 16  |
| <b>Subsequent Changes</b>                                  | 9   |
| <b>Marketing and Advertising</b>                           | 14  |
| <b>Letting Boards</b>                                      | 3   |
| <b>Published Material and Information about a Property</b> | 103 |
| <b>Viewings</b>                                            | 7   |
| <b>Access to Premises</b>                                  | 90  |
| <b>Offers</b>                                              | 252 |
| <b>Referencing</b>                                         | 285 |
| <b>The Tenancy Agreement</b>                               | 112 |
| <b>Inventories and Schedules of Condition</b>              | 109 |
| <b>Deposits</b>                                            | 80  |
| <b>Bonds</b>                                               | 3   |
| <b>Rent Collection</b>                                     | 169 |
| <b>Management</b>                                          | 872 |
| <b>Termination of a Tenancy</b>                            | 87  |
| <b>End of Tenancy - Deposits, Disputes and Damages</b>     | 305 |
| <b>Clients' Money</b>                                      | 73  |
| <b>In-house Complaints Handling</b>                        | 449 |
| <b>Referrals to the Ombudsman</b>                          | 40  |
| <b>Compliance Monitoring</b>                               | 0   |
| <b>Non-Compliance with the Code</b>                        | 1   |
| <b>Management of shared areas</b>                          | 0   |



# www.tpos.co.uk

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