

The Property Ombudsman

Statistics 2017/2018



ADR Regulations Approval

Reporting Period: 1 October 2017 – 30 September 2018

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 Alternative Dispute Resolution (ADR) schemes relating to property sales and CTSI are the competent authority for ADR in relation to TPO's other jurisdictions (excluding commercial property transactions).

The statistics and commentary in this part of the report cover the period 1 October 2017 to 30 September 2018 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 service 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 (Compliance Committee) and/or by referral to a body authorised to take enforcement action (such as Trading Standards).

TPO is committed to helping property professionals raise standards and provide a better service to consumers. TPO's Codes of Practice, approved by CTSI, provide consumers and property professionals with the level of service they should expect from TPO businesses. 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 resulted in a number of complaints was the issue of sellers facing the potential of paying two commission fees. This situation

can occur where a seller terminates an agreement with one agent and enters into another agreement with another agent. If the property is eventually sold to a buyer that the first agent has had some dealings with, it can be the case that both agents claim a commission fee. TPO's view is that where a consumer has been unwittingly placed in a position where two fees are due, the agents concerned should look to share the fee. The issue has been discussed in TPO's Consumer and Industry Forums and further work is currently being undertaken to identify how TPO can provide agents with the guidance they need to resolve disputes and stop the 'dual fee' circumstances arising in the first instance.

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 and Residential Leasehold Management (RLM) 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, RLM 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 and complaint handling 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 has produced on-line training for agents which deals specifically with complaint handling and communication.

Timescales

Timescales have remained consistent during this reporting period, with a significant reduction in the time taken to deal with complex RLM complaints. The reduction has been achieved through training additional staff to deal with RLM cases following Ombudsman Services decision to withdraw their redress scheme from the property sector. Timescales are expected to reduce in the next reporting period in line with the new administration system and Terms of Reference changes.

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 to other ADR networks.

1 October 2017 to 30 September 2018

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

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MHCLG Approval

Reporting Period: 1 January 2017 - 31 December 2017

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.

Statistics

The statistics cover the period 1 January 2017 to 31 December 2017 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.

MHCLG Statistics – English Letting and Managing Agents

1 January 2017 to 31 December 2017

TPO Letting offices: 13,509

TPO Residential Leasehold Management (RLM) offices: 509

Number of expelled Letting agents from TPO: 17

Number of expelled RLM agents from TPO: 0

Cases brought to TPO from:

- a) Landlords: 1,064
- b) Tenants: 857
- c) Freeholders: 4
- d) Leaseholders: 97
- e) Other: 7

Why the complaint was referred to TPO:

- a) Deadlock between the parties: Lettings: 1,726, RLM: 112
- b) Complaint unresolved by in-house complaints process after 8 weeks:
Lettings: 308, RLM: 12
- c) Scheme administrator's discretion: 0
- d) Other: 0

Complaints resolved via:

- a) Mediation/other without formal review: Lettings: 309, RLM: 14
- b) Formal review: Lettings: 1,183, RLM: 74

Total number of cases decided during the year:

- a) Upheld: Lettings: 975, RLM: 48
- b) Non-support: Lettings: 208, RLM: 26

Average time taken for case to be decided (taken from date evidence provided by both parties to date decision issued): 76 days Lettings, 87 days RLM

Awards made where complaints were upheld:

- a) Financial: Lettings: 759, RLM: 35
- b) Non-financial: Lettings: 79, RLM: 4

- c) Financial and non-financial: Lettings: 79, RLM: 4
- d) Other: Lettings: 0, RLM: 0

Level of awards:

		<i>Lettings</i>	<i>RLM</i>
a)	£1 to £99:	118	12
b)	£100 to £499:	564	30
c)	£500 to £999:	154	6
d)	£1,000 to £2,999:	88	1
e)	Above £3,000:	62	2

Total compensation paid by:

- a) Lettings agents: £772,027.49
- b) RLM agents: £14,660.00

Breakdown of what the complaints were about by topic:

General Communication	476
Duty of Care	72
Conflict of Interest	3
Advertising for new business (Canvassing)	1
Market Appraisal	38
Instructions and Terms of Business	63
Fair Contracts	15
Fees and Charges	11
Termination of Client Agreement	19
Subsequent Changes	3
Marketing and Advertising	5
Letting Boards	0
Published Material and Information about a Property	58
Viewings	3
Access to Premises	36
Offers	120
Referencing	120
The Tenancy Agreement	102
Inventories and Schedules of Condition	51
Deposits	35
Bonds	1
Rent Collection	68
Management	437
Termination of a Tenancy	66
End of Tenancy - Deposits, Disputes and Damages	131
Clients' Money	76
In-house Complaints Handling	183
Referrals to the Ombudsman	11
Compliance Monitoring	0
Non-Compliance with the Code	0



www.tpos.co.uk

Scheme contact information

The Property Ombudsman
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