



The Property
Ombudsman

Annual Report 2017



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 Search for registered Agents: www.tpos.co.uk/find-a-member

Foreword by the Chair of the Council

Baroness Diana Warwick



Baroness Diana Warwick
Chair of the Council

I was delighted to be appointed in open competition as chair of TPO Council in May 2017, and to pick up the reins from Lord Richard Best who has so ably steered TPO for the last ten years. Although new to the world of the Ombudsman, I bring a wealth of experience in Housing, Governance and Standards which I will put to good use during my term of office.

And it looks like my term of office will be a very busy one with a determined approach by Government to put all aspects of Housing at the top of the agenda. The Ombudsman and her team have responded to 5 sets of government consultations ranging from the Tenant Fees Bill, through rogue landlords in the private rented sector, to client money protection and improving the home buying and selling process, a considerable increase in workload but essential in influencing Government. From my perspective, the policy landscape is complex and dynamic. We all need somewhere safe and pleasant to call home and yet navigating the purchase, lease or let of a property is by no means a simple process. Given the huge number and value of transactions in the Sales and Lettings markets, the potential for consumer detriment is high, so I welcome the Government's intention to simplify and to regulate.

The Property Ombudsman continues to play a major part in providing consumer redress when things go wrong. More than that, as the Annual Report

demonstrates, TPO plays a major role in raising standards for all consumers in the United Kingdom by investing time and effort into sharing best practice through the TPO Codes of Practice. The Ombudsman and her team of adjudicators judge the actions of agents against the Codes so that decisions are consistent and clear. The Codes represent best practice and reflect the fact that the vast majority of agents, by adopting the Codes, choose to adopt high standards. And where agents fail to meet the standards and pay awards made by the Ombudsman, then the Council has delegated its authority to a Disciplinary and Standards Committee, which can exclude or expel an agent from the Scheme.

I set this out to remind us all that an Ombudsman Scheme such as TPO does have teeth and it can and does raise standards. I look forward to TPO continuing to evolve and grow in the face of the rising workloads you will see in this report, and in the policy changes that lie ahead.

Baroness Diana Warwick
Chair, TPO Council

Ombudsman's Report

TPO has been resolving consumer disputes against property agents for 27 years. As the UK's largest Government-approved property redress scheme, we have built a highly skilled workforce who understand the industry they work in, and who have the highest commitment to customer service of any organisation I know.

- Our customer service team provide detailed, expert advice and signposting to guide consumers to the right place
- Our evaluation and dispute resolution advisors help to bring things to an early resolution
- Our adjudicators are highly skilled in looking at the evidence when things go wrong, and where possible put things right without the cost, expense and stress of going to court

My thanks go to each and every one of them for the patient, expert work that they do.

My Deputy, Jane Erskine and I have taken TPO out onto the road as much as possible in 2017 – see pages 16 and 17, and we intend to extend our reach going forward through videos and webinars. We will continue to do all we can to inform and educate, providing feedback through our National Conference (on 13th June 2018) our Annual Reports, our case studies, the primary

advice we offer with Propertymark, our masterclasses and now, with an added dimension of on-line training for front line staff to understand the consumer protection regulations.

“We believe a single Ombudsman is better placed to set best practice, which will raise standards in the industry, clarify the position for consumers, and provide value and quality decision making against single codes of practice.”

Innovating to meet the needs of consumers and the industry

We do not share the view that existing redress arrangements are broken but we acknowledge that there are significant gaps within the property sector that need to be addressed. Throughout 2017, we looked carefully at how we could improve, expand and create capacity through innovation, modernisation and renewal.

Innovation has come with the introduction of Yomdel, which is an on-line chat facility available all hours of the day and night. Yomdel have worked with us to focus on the nature of complaints and provide early information to help consumers decide for themselves whether they need to lodge a complaint against a service provider.



Katrine Sporle,
Ombudsman



Jane Erskine,
Deputy Ombudsman

Modernisation has come in the shape of business process review prior to upgrading our CRM and case handling software systems. We are confident of increasing our efficiency and effectiveness of complaint handling and will be rolling out a new system later this year.

Renewal has come through a comprehensive review of the Ombudsman's Terms of Reference which will be introduced at the same time as the new systems are rolled out. Key changes include shorter response times for both parties and the simultaneous issuing of proposed decisions to both consumer and agent. This is an important move. It will benefit both parties by emphasising fairness and transparency throughout the process. And it will significantly speed up decision making.

The future of redress

As we go to print with this annual report, which represents a significant amount of remedial action on behalf of consumers – to the tune of £1.36million – we will also be responding to the Government's consultation on a single Ombudsman.

We believe that there should be only one Ombudsman per sector. We believe a single Ombudsman is better placed to set best practice, which will raise standards

in the industry, clarify the position for consumers, and provide value and quality decision making against single codes of practice that are applicable to all. We believe that a single Ombudsman should work in clear partnership with robust regulation and effective enforcement. But we cannot see one Ombudsman being effective for the whole of the private and social sector. We think there should be a single Ombudsman for the private property sector and a single Ombudsman for the social sector with clear partnership working between the two.

Whatever happens this will not take place overnight and we pledge ourselves to finding positive solutions to the needs of consumers and the industry for the foreseeable future, as well as working in partnership with all stakeholders to find the right solutions.

Above all we are here for consumers when things go wrong. We are here to put things right. And we are here to continue to provide a platform for learning, education and improvement throughout 2018 and beyond.

Katrine Sporle
Ombudsman

2017 in Numbers: ENQUIRIES & COMPLAINTS RECEIVED



23,841
CONSUMER
ENQUIRIES

+68%
from 2016

This includes 6,458 enquiries received via the 24/7 online chat service

3,658
COMPLAINTS

+3%
from 2016



SALES
COMPLAINTS

1,165
 11%

LETTINGS
COMPLAINTS

2,165
 8%

OTHER JURISDICTIONS
COMPLAINTS

328
 33%

TPO'S OTHER JURISDICTIONS

Residential Leasehold Management, Commercial and Business Agents,
Buying Agents, Residential Property Buying Companies, Auctions,
International Agents, Building Warranties, Removals and Search Providers.

2017 in Numbers: AWARDS

The Property Ombudsman instructed agents to pay awards worth

£1.36 MILLION

+11% from 2016



The highest award paid by an agent

£25,000



Total Sales award

£360,178

+4% from 2016



Total Lettings award

£931,092

+18% from 2016

The average Sales award

£532

+34% from 2016

The average Lettings award

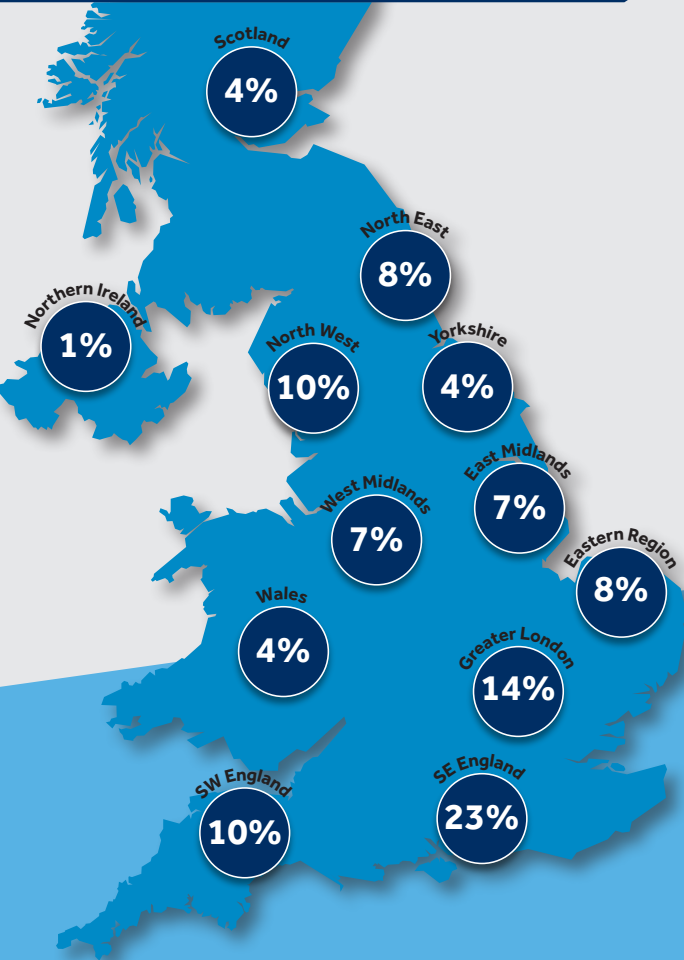
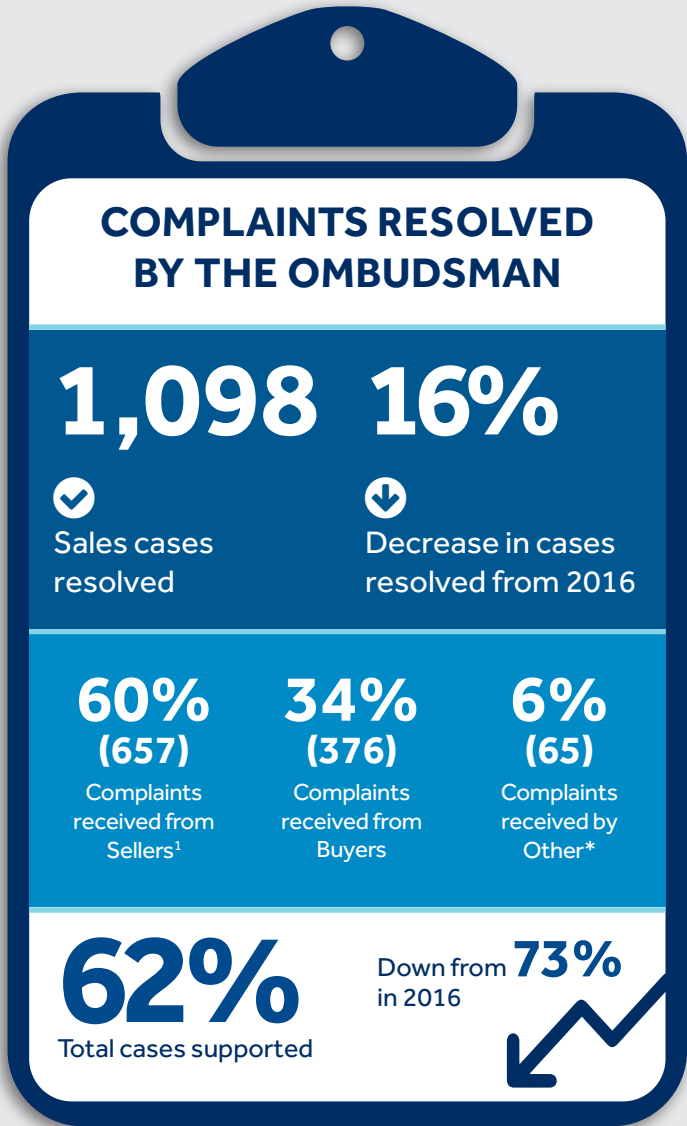
£625

+18% from 2016

2017 in numbers: SALES

TOP CAUSES OF SALES COMPLAINTS

- COMMUNICATION AND RECORD KEEPING
- MARKETING AND ADVERTISING
- INSTRUCTIONS, TERMS OF BUSINESS, COMMISSION AND TERMINATION
- IN-HOUSE COMPLAINTS HANDLING



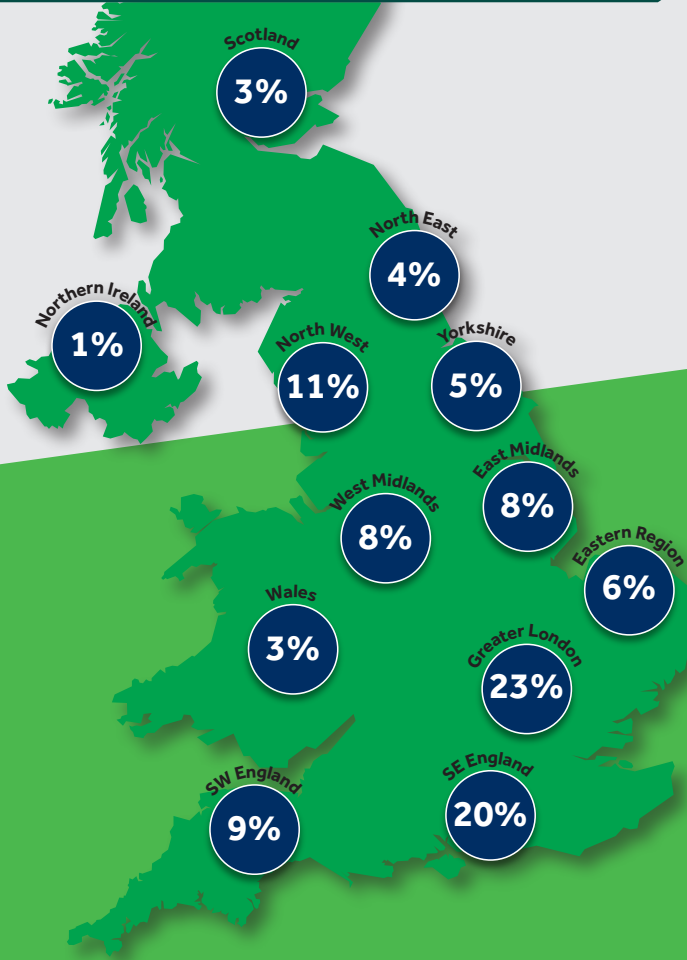
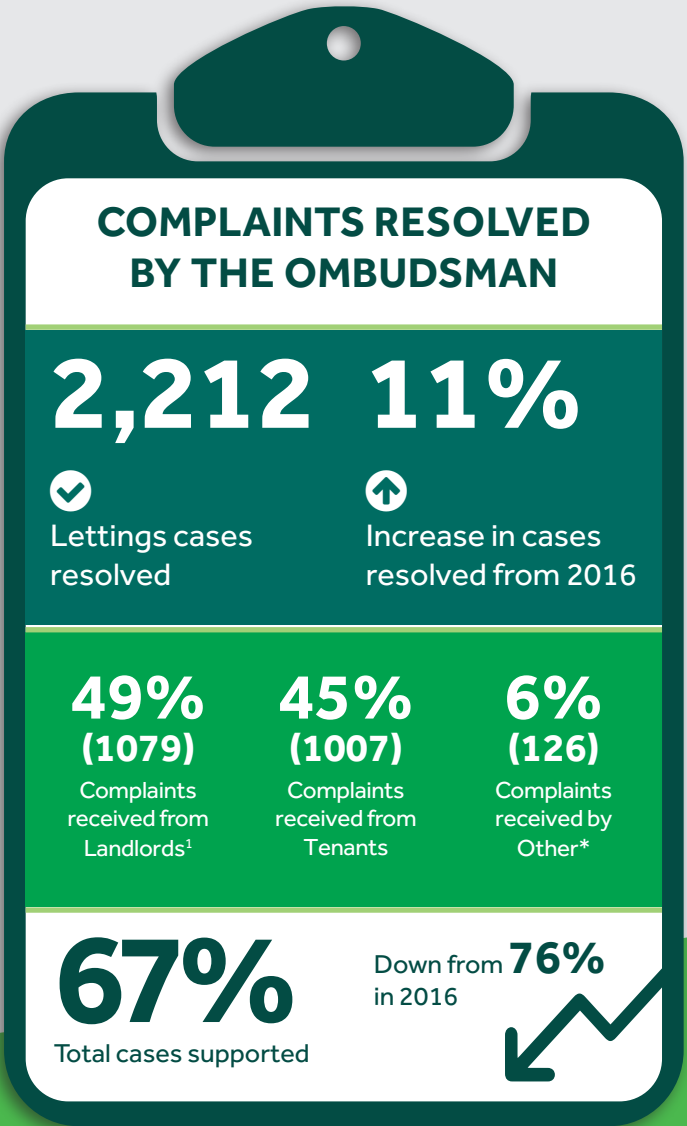
SALES COMPLAINTS BY AREA

* TPO can also consider sales complaints from small businesses, charities and third parties affected by the actions of the agent.

2017 in numbers: LETTINGS

TOP CAUSES OF LETTINGS COMPLAINTS

- MANAGEMENT
- COMMUNICATION AND RECORD KEEPING
- TENANCY AGREEMENTS, INVENTORIES AND DEPOSITS
- IN-HOUSE COMPLAINTS PROCEDURE



LETTINGS COMPLAINTS BY AREA

* TPO can also consider lettings complaints from small businesses, charities and third parties affected by the actions of the agent.

71%

consumers would use TPO membership as a factor when choosing a future property agent

70%

of respondents stated they had a financial award or resolution made

73%

of complex cases were supported in whole or in part



Tenants were the most frequent type of respondent in 2017

✓ Consumer Survey Review 2017

Survey measures on two main factors: Service and Decision /Resolution Satisfaction

63%

Overall consumer service satisfaction for 2017

53%

Overall consumer decision / resolution satisfaction for 2017

STAFF ARE HELPFUL

CLEAR INFORMATION GIVEN ABOUT THE PROCESS

QUICK RESPONSE TIME

CONSUMER KEPT UP TO DATE

STAFF ARE KNOWLEDGEABLE

DECISION/RESOLUTION WAS CLEARLY EXPLAINED

FAIR DECISION/RESOLUTION IN THE CIRCUMSTANCES

ALL ISSUES DEALT WITH

BOTH SIDES ARE FULLY CONSIDERED

REFERENCE TO TPO CODE CLARIFIED

✓ Agent Survey Review 2017

Survey measures on two main factors: Service and Decision /Resolution Satisfaction

80%

Overall member agent service satisfaction 2017

72%

Overall member agent decision / resolution satisfaction for 2017

CLEAR INFORMATION GIVEN ABOUT THE PROCESS

STAFF ARE HELPFUL

QUICK RESPONSE TIME

MEMBER AGENT KEPT UP TO DATE

STAFF ARE KNOWLEDGEABLE

FAIR DECISION/RESOLUTION IN THE CIRCUMSTANCES

ALL ISSUES DEALT WITH

BOTH SIDES ARE FULLY CONSIDERED

DECISION/RESOLUTION WAS CLEARLY EXPLAINED

REFERENCE TO TPO CODE CLARIFIED

TPO Agents and Codes of Practice

The Property Ombudsman (TPO) scheme is the largest Government-approved property Ombudsman scheme. More than 95% of Sales Agents and 85% of Letting

Agents in the UK are TPO agents, the majority of which have voluntarily opted to abide by TPO's Codes of Practice.



Search for registered agents:

www.tpos.co.uk/find-a-member

TPO'S CODES OF PRACTICE

TPO is the only property organisation to have its own Codes of Practice approved by the [Consumer Code Approval Scheme](#) (CCAS), which go above and beyond the law to protect consumers.

TPO's Codes are reviewed regularly to ensure they take into account legislative changes, emerging trends and

system issues highlighted through the Ombudsman's work. The Code Working Groups include consumer and industry representation which ensures that the Codes always remain fit for purpose.

Find out more about TPO's Codes here: www.tpos.co.uk/members/codes-guidance



TPO IS APPROVED BY



1. Total number of departments/branches signed up to TPO from all jurisdictions (registration and membership). These departments operated from 19,107 physical branch offices
2. Total number of sales departments/branches signed up with TPO (membership and registration)
3. Total number of Lettings departments/branches signed up with TPO (membership and registration)

Case summaries

TPO's free, fair and impartial service is a genuine alternative to the small claims courts.

The Ombudsman is not a regulator, but TPO Agents can be held to account for their actions against the best practice obligations set out in the scheme's approved **Codes of Practice**.

TPO's Codes set standards for agents that go above and beyond the law to protect consumers from unfair practices and raise industry standards.

Each case is different, but the way the Ombudsman reviews them is exactly the same. The real-life consumer case summaries in this section provide a snapshot of the varied and complex cases that TPO deals with on a daily basis. To read the summaries in full, please click the link under each case or visit [www.tpos.co.uk >news >case-studies](http://www.tpos.co.uk/news/case-studies).

SALES – OFFER AND FEES



This dispute concerned an offer received on a property for sale and the commission fee payable.

The agent was instructed by sellers on a Sole Agency Agreement to market a property for an initial asking price of £295,000. The fixed fee agreed was £4,560 plus VAT (£5,472), but the sellers also took advantage of a promotion that the agent was offering. That agreement stated that if the sale price achieved was less than 95% of the asking price, they would qualify for a significantly reduced fee of £500 inclusive of VAT.

A buyer made an offer of £281,000 equating to 95.25% of the asking price, meaning the sellers did not qualify for the promotional offer.

The sellers agreed to accept the buyer's offer, however, some months later the sellers discovered that a prior offer, only £1000 less, was made but not submitted to them. This offer would've qualified the sellers for the promotional fee, meaning that they would have been better off financially if they had accepted the lower offer.

The Ombudsman supported the complaint and all parties accepted the decision.

To see the case summary in full, visit:-



www.tpos.co.uk/news-media-and-press-releases/case-studies/item/offer-and-fees-dispute

LETTINGS – MARKET VALUE AND RENT RISES



A landlord alleged that the agent did not charge market rent or implement rental increases allowed for by the tenancy agreement during the ten-year period in which the property was let, until this was specifically requested by the landlord.

The agent commented that the property required refurbishing and that, as such, they did not feel that rent increases could be justified. They also said that there was no obligation upon them to consider annual rental increases during periodic tenancies.

The Ombudsman accepted that the agent may have felt any increase to the rent was unjustified because of the condition of the property. Depending on the rental market, it may also often be in a landlord's interest to retain a reliable tenant at a lower rent than to risk void periods and potentially unreliable tenants at a higher rent. However, the agent should have explained their position to the landlord and given the landlord the opportunity to consider renovations to the property to support any increase in rent. As it was, concerns were not raised with the landlord regarding the standard of décor and furnishings in the property until 2016.



Find out the Ombudsman's decision here:- www.tpos.co.uk/news-media-and-press-releases/case-studies/item/market-value-and-rent-rises



DUAL FEE DISPUTE: WHO CAN CLAIM COMMISSION?

In this case, the Ombudsman was asked to decide on a dual fee dispute, with two agents pursuing a seller for commission fees, both claiming introduction of the buyers. The seller was elderly, bereaved and lacked experience and knowledge of the sales process.

The seller instructed Agent A on a sole basis, but terminated the instruction and switched to Agent B, again on a sole agency basis. Although introduced by Agent A, the buyers were not in a position to proceed at the time. A few weeks later, when the buyers' circumstances changed they resubmitted their offer but to Agent B, who was now marketing the property.

A dual fee situation resulted, with the seller having paid Agent B's fee but subsequently pursued, nearly a year later, for a fee from Agent A, who had discovered the sale via Land Registry records.

Both agents had a contractual claim to a commission fee. So, it was for the Ombudsman to decide the matter in terms of what was fair and reasonable for the consumer.

Read the case in full here:-



www.tpos.co.uk/news-media-and-press-releases/case-studies/item/dual-fee-dispute-who-can-claim-commission

IT'S RAINING, IT'S POURING... AND THE WAIT IS GETTING BORING

The leaseholder in this case complained of failures on the part of the managing agent for the block in dealing with and resolving the issue of a water leak at the property.

The water leak was caused following a period of very heavy rain when an overflow of water from the balcony of the flat above leaked into the ceiling and down the interior walls of the complainant's property.

The agent was not available on the day of the leak and took three days to respond to the complainant. They said they were trying to contact the tenants in the above property to resolve the issue and also needed the insurers' consent to carry out any repairs. They asked the complainant to wait for this before instructing a contractor to repair the damage to the property.

It took six months after the water leak had occurred for the agent to obtain the necessary authority to allow the complainant to arrange for the repairs to be carried out in their flat.

Find out more about this case and the Ombudsman's decision in full here:-



www.tpos.co.uk/news-media-and-press-releases/case-studies/item/it-s-raining-it-s-pouring-and-the-wait-is-getting-boring





FACING FACTS: THE COSTLY CONSTRUCTION TYPE OF A PROPERTY

Buyers contacted TPO regarding their property which they purchased in 2011 and were now encountering difficulties trying to sell.

The buyers had bought a PRC property. PRC properties were built using pre-reinforced concrete materials which were subsequently considered defective. Because of this, such properties became 'unmortgageable' unless repairs were carried out by an appropriate scheme (a PRC scheme).

The buyers purchased the property with mortgage funding; the nature of the construction was discovered during the conveyancing, but the purchase completed because the mortgage lender was satisfied that the property had been repaired by an approved scheme.

Having encountered problems trying to sell the property and discovering that the scheme who carried out the repairs was not approved and so no certification existed, the buyers complained.

Read the Ombudsman's full investigation and find out if the agent was liable for the accuracy of the information provided.

 www.tpos.co.uk/news-media-and-press-releases/case-studies/item/facing-facts-the-costly-construction-type-of-a-property

THREE'S A CROWD – ESPECIALLY WITHOUT SUFFICIENT REFERENCING

A landlord contacted TPO concerning both the suitability of the tenant that the agent introduced and the occupation of the property by other individuals not named on the Tenancy Agreement.

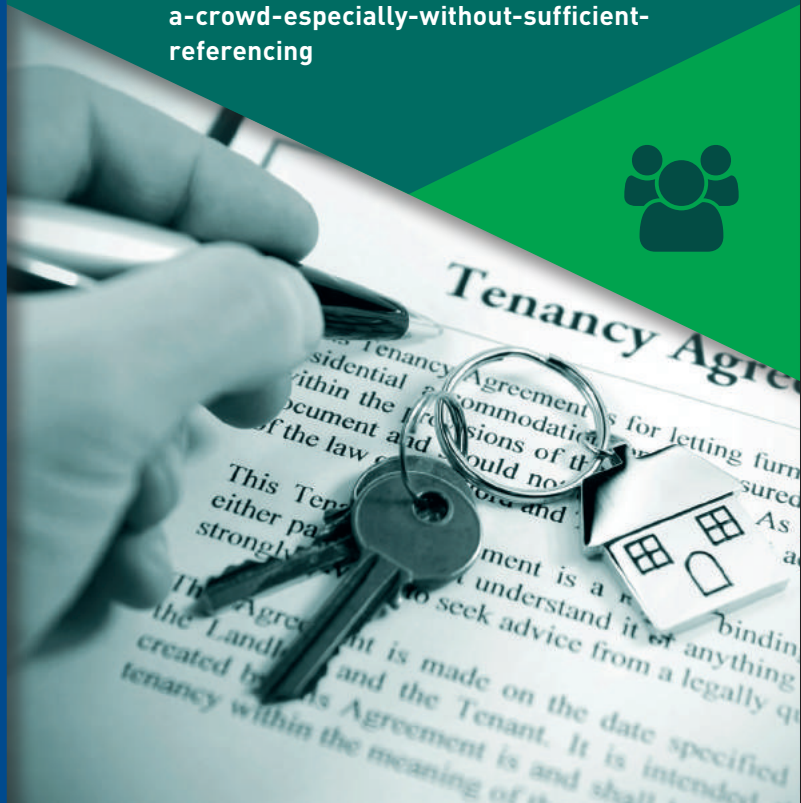
The landlord understood that the property was to be let to a sole, professional tenant. She acknowledged that she was told by the agent that there was a shortfall in the tenant's ability to meet the rental payments, but that this would be met by the tenant's girlfriend, although she would not live at the property. Upon the tenancy commencing, the landlord found that the property was occupied by three individuals. The tenant told the landlord that the agent had been aware that the three of them were to live at the property together.

The landlord and her family experienced harassment from the occupants of the property, ultimately resulting in the conviction of one of the occupants. Possession proceedings, which resulted in the eviction of the tenant and other occupants, were prolonged by discrepancies in the Tenancy Agreement. The landlord was left with rental arrears, legal costs and repairs to the property, which she had been unable to recover. The landlord was seeking compensation from the agent of her losses of around £15,000.

Find out more about this case and the Ombudsman's decision in full here:-



www.tpos.co.uk/news-media-and-press-releases/case-studies/item/three-s-a-crowd-especially-without-sufficient-referencing



A BASEMENT BAR? REQUIREMENT TO DISCLOSE UNDER CPRS

The property located in a disused warehouse was in the process of being converted into residential apartments. The buyer in this complaint believed that the agent failed to disclose that the basement of the building was used as a nightclub, access for which was gained through a telephone box.

The buyer explained that the entrance to the nightclub was concealed from view and she was therefore unaware that the basement was being used for this purpose until she received the mortgage valuation survey. She said that she was unable to obtain mortgage funding for the apartment due to the commercial aspect of the building and so was forced to withdraw from the purchase. The buyer was looking to recover her £5,000 reservation fee which she paid to reserve the property.

When marketing the property for sale, the agent had an obligation by law and under Paragraph 7i of the TPO Code of Practice to comply with the Consumer Protection from Unfair Trading Regulations (CPRs).

To see the case summary in full, visit:-



www.tpos.co.uk/news-media-and-press-releases/case-studies/item/a-basement-bar-requirement-to-disclose-under-cprs

LET UNDER FALSE PRETENCES: AGENT'S ACTIONS SEE TENANTS OUT OF POCKET AND HOME

The Ombudsman was asked by tenants to review an unusual situation from tenants concerning their tenancy as well as the handling of their complaint by the agent.

The tenants said that they had not been treated fairly by their agent who allowed them to enter into a six-month tenancy at a time when the property should not have been let as the landlord had recently been declared bankrupt. The tenants said that the agent took six months' upfront rent, under false pretences.

Evidence made it clear that the agent was fully aware of the landlord's situation. Emails to the agent provided both a Bankruptcy Order and a Certificate of Appointment to act over the landlord's affairs.

The property had been let previously. The landlord had been declared bankrupt some time during this previous let and the Trustee in Bankruptcy had contacted the agent at that time, explaining that they would be seeking an order for possession and advising that the property should remain vacant for the time being. The agent had not adhered to these instructions, and once the previous tenant had vacated they arranged a let to the complainants.

The Ombudsman deemed the agent to have been reckless in arranging a tenancy agreement to commence and making the tenants pay six months' rent upfront.



www.tpos.co.uk/news-media-and-press-releases/case-studies/item/let-under-false-pretences-agent-s-actions-see-tenants-out-of-pocket-and-home



On The Road With TPO



TPO MASTERCLASSES (at Propertymark regional events)

- | | | |
|--|--|--|
| 1 Aberdeen, December 2017
TPO Masterclass | 6 Shropshire, September 2017
TPO Masterclass | 11 Berkshire, September 2017
TPO Masterclass |
| 2 Edinburgh, December 2017
TPO Masterclass | 7 Cardiff, March 2017
TPO Masterclass | 12 Bristol, December 2017
TPO Masterclass |
| 3 Glasgow, December 2017
TPO Masterclass | 8 Cambridge, November 2017
TPO Masterclass | 13 Devon, June 2017
TPO Masterclass |
| 4 Durham, October 2017
TPO Masterclass | 9 Oxford, September 2017
TPO Masterclass | 14 Truro, June 2017
TPO Masterclass |
| 5 Cheshire, May 2017
TPO Masterclass | 10 Wimbledon, June 2017
TPO Masterclass | 15 Jersey, June 2017
TPO Masterclass |



CONFERENCES

- | | |
|--|--|
| 16 Glasgow, March 2017
NAEA Regional Conference | 21 London, September 2017
EA Masters Awards & Conference |
| 17 Newport, September 2017
RESI Annual Conference | 22 London, October 2017
Negotiator Conference |
| 18 Oxford, October 2017
NAVA Propertymark Conference | 23 Kent, November 2017
Regional Conference |
| 19 London, February 2017
LEASE Annual Conference | |
| 20 London, February 2017
NAEA National Conference | |



EXHIBITIONS

- | |
|---|
| 24 Harrogate, June 2017
Exhibiting at CTSI Conference |
| 25 Manchester, November 2017
Exhibiting at Citizens Advice Conference |
| 26 London, March 2017
Exhibiting at ARLA Conference |



Protecting Consumers: TPO's Council

The Ombudsman Association renewed its validation of TPO's complaint handling and governance arrangements in 2017. The Governance arrangements ensure that the Ombudsman and her staff can act independently and impartially.

The Ombudsman reports to the independent Council. Only the Ombudsman and her adjudicators are empowered to decide cases. The Ombudsman's decisions are final and cannot be appealed or overturned by the Council or the Board. Under the approved governance arrangements, the Council appoints the Ombudsman. Its members represent the interests of the consumer, and have the following key responsibilities:

- Reviewing the Ombudsman's Terms of Reference
- Ensuring the Ombudsman's independence
- Considering cases referred by the Ombudsman for disciplinary action against scheme members where there have been flagrant or persistent breaches of the Codes of Practice

TPO Council Members (Dec 2017):



Baroness Diana Warwick was appointed Chair of TPO's independent Council in May 2017 to lead the council and ensure the Ombudsman can act independently and impartially when reviewing property disputes. She is the current Chair of the National Housing Federation and is a Non-Executive Board Member Pension Protection Fund.



Vivienne Sugar is Vice-Chair of Council and Chair of the TPO Finance and Performance Committee, responsible for performance monitoring. Vivienne is a fellow of the Chartered Institute of Housing and Chair of the Bevan Foundation, which carries out research into poverty and injustice. Vivienne was appointed to Council in 2010.



Gillian Fleming is Chair of the Disciplinary & Standards Committee. An Accredited Mediator and Associate Member of the Chartered Institute of Arbitrators, Gillian's career has been focused on resolving professional services disputes in the public and private sector. Gillian was appointed to Council in 2016.



Mark McLaren Mark's previous role for Which? Consumers' Association saw him directly involved in the work that led to Estate and Letting Agents being required to join an independent redress scheme. Mark was appointed to Council in 2015.



Victor Olowe is a Leadership Consultant at Winzest Consulting and he holds non-executive positions in a number of organisations, including Non-Executive Director for the CTSI's Consumer Codes Approval Board. Victor was appointed to Council in 2013.



April Stroud is a Senior Lecturer in Law at Solent University, specialising in Land Law and Regulation. April was appointed to Council in 2010.

Find out more about the role of TPO's Council:
www.tpos.co.uk/about-us/council

NB: TPO's Board is represented on the Council via Gerry Fitzjohn, Board Chairman, and Michael Stoop, Vice Chair.

Disciplinary & Standards Committee

TPO's governance structure ensures the Ombudsman's independence. TPO has a Disciplinary & Standards Committee (DSC) which reports to Council and its members are also independent from the industry. The DSC's primary purpose is to secure implementation of decisions made by the Ombudsman, but it also seeks to maintain the standards to which members subscribe. The DSC can impose various sanctions, including issuing warnings, fining agents and expelling them from TPO.



The Codes of Practice set out clearly an agent's responsibilities and simplify a complex legal and contractual landscape, which also benefits consumers. That means agents registered with TPO know what should be done and,

where there have been shortcomings, pay an award on time and comply with any other recommendations made by the Ombudsman.

The Ombudsman received 3,658 complaints in 2017, closing 3,622 complaints in the year. Of those, she made financial awards in 2,408 instances. However consumers and agents need to know that, when an agent has been judged to have acted unfairly but does not put it right, there may be action against them. In 2017, 55 new cases were referred to the DSC (as against 61 in 2016). These related to 30 different agencies out of 11,542 agents registered with TPO. Of those 55 referrals, 51 were for failure to pay an award or implement recommendations, and of these 15 were sales disputes and 36 concerned the actions of letting agents. DSC intervention led to 14 cases being successfully settled.

However, of the remainder, the agent had already ceased trading in 8 cases. In another

18 the agent was no longer a member of TPO or any other redress scheme. Even though those 26 were unlikely to be resolved, DSC action ensured that the agent cannot easily re-register for redress at a later date unless those liabilities are addressed, thereby protecting the interests of consumers in the future. Altogether, 28 agents were expelled from membership, of which 11 were Sales and 17 were Lettings.

Sales and letting agents must belong to an approved redress scheme and the memorandum of understanding with other redress schemes means an agent will not be able to join any scheme until an award has been paid. In addition, any decision to expel or exclude an agent is widely published, and the agent is reported to Trading Standards. If the agent is then found to be trading illegally without redress registration, there is a risk of a fine of up to £5,000.

The remaining four DSC cases related to other membership compliance issues. In each case, the DSC decided that disciplinary action short of expulsion should be taken to mark the lapse in standards.

Gillian Fleming

Gillian Fleming
DSC Chair

Quick Stats



10%

fewer cases referred to DSC



0.5%

of all TPO firms referred to DSC



47%

had already ceased trading or left the scheme



■ Sales
■ Lettings

Independent Reviewer's Report 2017



Claire Evans
Independent Reviewer

I represent the last stage in TPO's service complaints procedure and I also undertake an audit of cases completed by TPO.

2017 complaint workload

I considered nine complaints about TPO's service this year, which included 56 individual issues of concern that were within my remit.

In total I supported four individual issues of concern (7%). That represents a significant decrease in the upheld rate from 2016 (19%).

However, two of the complaints issues I supported were significant because I found that in two cases not all of the complaints raised about the agent had been considered as part of the case reviews.

I am pleased that TPO agreed to all my recommendations for redress where I found that their service had fallen short and have agreed to take action on my recommendations for service improvements.

2017 audit work

I looked at a sample of enquiry (1%), resolution (3.5%) and case review (2%) cases. I am pleased to report that I saw no cases where TPO acted outside of their Terms of Reference.

In terms of enquiry cases I am again pleased to see evidence of TPO staff providing advice and support to enquirers regardless of whether their complaint was within TPO's remit.

In terms of resolution cases I am again impressed by the detail of explanation provided in the resolution

decisions. I am also pleased to see again evidence of TPO negotiating a settlement between the parties at this earlier stage. However, I would encourage TPO to use the telephone more in this work.

In terms of case reviews, I am pleased that I saw that appropriate explanations, with reference to the code of practice and other legislation, given for the decisions.

I am disappointed to see that delays at case review stage have become an issue again this year. However, it is positive that TPO are looking at process improvements to increase efficiency and improve the customer experience.

Conclusion

Overall, I have been satisfied with the decisions and explanations provided at the first two stages of the complaints process. However, I recommend that the complaints process itself is reviewed in the light of the two significant issues that were not identified and rectified before coming to me.

My audit of cases has shown again that TPO continues to act within the Terms of Reference and I am pleased that they are looking at ways to make the process more efficient to reduce delays.

Claire Evans
Independent Reviewer

TPO's Board



Gerry Fitzjohn,
Board Chairman



Michael Stoop,
Board Vice Chair

Over the 27 years The Property Ombudsman has been established, the scheme has made a significant impact on the services the property industry provides to consumers.

2017 proved to be a very busy year for The Property Ombudsman with an increase in consumer complaints received by TPO for review and an increase in member agents that have signed up to TPO's unique Codes of Practice which improve standards in the property industry.

Government came forward with its draft Tenant Fee Bill in November and in addition to numerous other calls for evidence and consultations relating to the property industry, the Ministry of Housing, Communities and Local Government issued its consultation entitled Mandatory Client Protection Scheme for Property Agents. The consultation is ongoing at the time of writing.

The Rt. Hon. Sajid Javid MP, in his speech to the National House Building Council in November, announced that government will look at what can be done to improve the means of securing redress right across the housing sector. We await the promised consultation in early 2018.

TPO's Joint Campaign with CTSI

As mentioned above, the Government has drafted a Tenant Fee Bill which has created considerable discussion and debate in the industry. Letting agents remain required to provide

details of the fees (inclusive of VAT) they charge to both landlords and tenants, prominently displayed in their offices and available on websites and property portals. TPO in conjunction with CTSI embarked on a campaign to ensure letting agents are complying with the regulations. Additionally, TPO's compliance department have produced guidance for member agents, displayed on the TPO website, to support member agents and continue to maintain their compliance with membership requirements. The guidance can be found at www.tpos.co.uk/compliance

Financial Results

Our income for the year increased in 2017. Costs also increased largely due to the requirement for additional staff to ensure cases are resolved within an acceptable time frame and the investments we are making in our IT systems and front-end consumer advice services (such as our 24/7 chat facility). The number of cases that were referred for full review increased by 3% as detailed elsewhere in the Ombudsman's report.

The result at year end showed a net surplus of £8,817 after tax. The net assets remain strong at £1,798,839 as detailed on page 23.

I pay tribute to the Ombudsman and all her staff in all departments for their dedication and hard work during the year and also thank the accounts, compliance and membership teams, for their support and work throughout the year.

Gerry Fitzjohn
Board Chair

BOARD MEMBERS:

Mr G R Fitzjohn

Mr M I Stoop

Mr P A Smith

Mr E Mead

Mr D Gonsalves

Mr O Blake

Mr J M Hopper

Ms J L Stone

Propertymark (represented by Mark Hayward)

Royal Institute of Chartered Surveyors (represented by Mr M Basquill)

Mr P J Fuller

Mr D Westgate
(Appointed 2 February 2017)

TPO Accounts: Finance Report

THE PROPERTY OMBUDSMAN LIMITED BY GUARANTEE

Income and Expenditure Account for the Year Ended 31 December 2017

	Notes	2017 £	2016 £
Income		3,657,445	3,632,973
Administrative expenses		<u>(3,667,548)</u>	<u>(3,331,935)</u>
Operating surplus		(10,103)	301,038
Interest receivable and similar income		20,250	6,060
Amounts written off investments		-	(19,148)
Surplus before taxation		10,147	287,950
Taxation		(1,330)	-
Surplus for the financial year		<u>8,817</u>	<u>287,950</u>

TPO Accounts: Finance Report

THE PROPERTY OMBUDSMAN LIMITED BY GUARANTEE

Balance Sheet as at 31 December 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	3	206,990	118,796
Investments	4	<u>8</u>	<u>8</u>
		206,998	118,804
Current assets			
Debtors	6	283,771	216,658
Cash at bank and in hand		<u>2,922,821</u>	<u>3,074,868</u>
		3,206,592	3,291,526
Creditors: amounts falling due within one year	7	<u>(1,614,751)</u>	<u>(1,620,308)</u>
Net current assets		<u>1,591,841</u>	<u>1,671,218</u>
Total assets less current liabilities		<u>1,798,839</u>	<u>1,790,022</u>
Reserves			
Income and expenditure account		1,798,839	1,790,022

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 27 April 2018 and are signed on its behalf by:



Mr G R Fitzjohn
Director



www.tpos.co.uk

Scheme contact information

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