



ANNUAL REPORT

2020

The Property Ombudsman Charity & Staff Wellbeing Events 2020

Lockdown Steps Challenge & Walk with a Colleague

Children in Need Duck Race

Virtual Bingo

Virtual Bake-Off

Guess the Baby Photo Competition

Best of British Quiz for VE day

Car-ona Contemplations (lockdown poems)

Guess the Pet Owner Competition

Caption Competition

TPO Acts of Kindness

Dress Up for Work Day

Christmas Gift for All Staff

Advent Calendar Delivery

Christmas Jumper Competition

The total amount raised for charity in
2020 was **£1,311.90**



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Foreword by the Chair of the Board: Baroness Diana Warwick



I welcome you to our Annual Report for 2020. In an unprecedented year, TPO has continued to deliver redress, reassurance, advice and support to the ever-increasing number of people seeking its help. As Chair of the Board, I recognise the scope and scale of the work that TPO has undertaken, without disruption, through this very difficult year, moving smoothly to remote working and continuing to provide consumers with vital free access to resolution and redress.

The activity over the last year on nationally important issues, and the support to the industry TPO has provided, has been exemplary in a time when many organisations were struggling to deliver day to day.

TPO has been instrumental in taking forward the work on Lord Best's report on Regulation of Property Agents (RoPA), whilst government has naturally been focussed on the critical work of the pandemic. The most crucial area undertaken by our staff has been in drafting the Overarching Code, ensuring it was developed and consulted on during the year. This is a very real, practical step in progressing the RoPA agenda.

2020 also saw the retirement of our Ombudsman Katrine Sporle, and the arrival of Rebecca Marsh. A change in the leader is always a challenge for the organisation, but particularly so in a pandemic year, where the organisation is operating remotely and with inherent morale issues for staff.

The Board and I are therefore doubly pleased with the smooth transition and excited to see what our new Ombudsman will achieve, building on Katrine's excellent work through her tenure. We, of course, thank Katrine for her exemplary work and commitment to TPO and wish her well for her retirement.

We go into 2021 with a level of global uncertainty, a currently booming property market, contrasting with a global recession and a set of national sector policy challenges that could consume all of our attention in their own right.

TPO, like so many others, has learnt much over the last year. We will use the benefit of that learning to ensure we continue to have a positive impact on people's lives, despite the increased uncertainty. We will also continue to work in partnership with government, the sector and consumers' representatives to ensure that we all, collectively and effectively, prepare for the range of challenges today's unpredictable future brings.

The information in this report demonstrates the hard work of our staff at this difficult time. The issues for the sector remain largely similar to the pre pandemic period and the number of people who need our help is still growing year on year. We need to do still more to drive improvement if the confidence in the sector is to be increased and sustained, particularly if the economic recovery is to be supported by the sector.

My thanks go to both of our Ombudsmen and their staff for the resilience and commitment they have shown through this challenging period, particularly in light of the ever-growing demands for TPO's services, and to my fellow Board Members for their effective contribution to the governance of the organisation and in maintaining the independence of the Ombudsman. I commend this report to you.

A handwritten signature in dark ink, reading 'Diana Warwick'.

Diana Warwick, The Baroness Warwick of Undercliffe
Chair of TPO Board

TPO Board

As at 31 December 2020

The Ombudsman reports to the Board. 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 Board. Under the approved governance arrangements, the Board appoints the Ombudsman. The Board has specific duties to maintain the Ombudsman's independence, ensure financial stability, compliance with payments of awards and directions, good governance and high performance



Baroness Warwick was appointed as Chair of TPO's independent Council in May 2017, and subsequently as Chair of the new Board

in July 2018, to lead the Board and ensure the Ombudsman can act independently and impartially when reviewing property disputes. Diana has an unexpired term until April 2021, which is capable of renewal until 2025. She is the current Chair of the National Housing Federation.



Kathryn Cearns was appointed to the Board in January 2019 and was subsequently appointed as Vice-Chair in May 2020.

Kathryn has an unexpired term until January 2023. Amongst her other appointments, Kathryn is Chair of the Office of Tax Simplification at HM Treasury; a Member of the Audit and Risk Committee of the British Medical Association; a Non-Executive Director of the UK Supreme Court, Highways England, Companies House and the Press Recognition Panel.



Gerry Fitzjohn began serving on the TPO Executive Board in 2000 and became Chair in 2015. He was subsequently

appointed to the new Board in July 2018 and is Chair of the Finance & Performance Committee. Gerry has an unexpired term until July 2021, which is capable of renewal until 2024. Gerry was previously National Sales Director of Countrywide until he stepped down in 2010.



Gillian Fleming is Chair of the Compliance 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. She also has extensive regulatory experience in the healthcare, financial and property sectors which includes chairing fitness to practice panels. Gillian was appointed to Council in 2016 and subsequently to the new Board in July 2018, with an unexpired term until October 2024.



Mark Hayward previously served on the original TPO Board from 2013 representing NFOPP/Propertymark and was

subsequently appointed to the new Board in July 2018. Mark has an unexpired term until July 2021, which is capable of renewal until 2025. Mark is well known to the industry and to government from his role as Chief Policy Advisor at Propertymark. Mark was a Member of the Regulation of Property Agents (RoPA) Working Party chaired by Lord Best. He is also on the Board of the Tenancy Deposit Scheme and the government's Economic Crime Strategic Board.



Katie Kapernaros was appointed to the Board in January 2019, with an unexpired term to January 2023. Katie also holds Non-

Executive Director positions at a number of organisations, including Oxford University Hospitals NHS Foundation Trust and The Pensions Regulator. She is an experienced executive having worked for many years for IBM Global Technology Services around the world.



Mark McLaren'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. He is a lay member on the General Optical Council and serves on the Legal Services Consumer Panel. Mark was appointed to the Council in 2015 and subsequently to the new Board in July 2018, with an unexpired term until October 2023. Mark is Chair of the TPO Consumer Forum.



Victor Olowe is a Governance Consultant at Winzest Consulting and he holds non-executive positions in a number

of organisations, including Chair of the Quality Assurance Scheme Sub-Committee (Institute and Faculty of Actuaries) and Chair of the Independent Water and Sewerage Adoption Panels (Water UK). Victor was appointed to the Council in 2013 and subsequently to the new Board in July 2018, with an unexpired term until October 2021.



Michael Stoop previously served as a consultant to the original TPO Board from 2015 and was subsequently appointed to the new Board

in July 2018, with an unexpired term until July 2022. Michael is a well-known figure in the sector, as Chairman of Belvoir Group Plc and the recipient of a Lifetime Achievement Award in 2019.

Ombudsman's Report: Rebecca Marsh



I am both proud and excited to be TPO's Ombudsman and to share with you, in this annual report, the excellent work of my new organisation over 2020.

I have been astounded at the extent of TPO's achievements through one of the most difficult years in our history. Early in the year we successfully introduced an element of self service on our website, to allow people easier access and greater autonomy. Over the year the volumes of people seeking advice and support through that route has steadily increased, contributing significantly to our overall increase in enquiries, advice and support. I am pleased with the increased accessibility to our services that this offers, but it also suggests that there is unmet demand that we will need to respond to in following years.

As with all Ombudsmen, we see a lag between early contact and people coming forward with fully formed complaints that are ready for us to help with. In 2020, the data indicates that such conversion from enquiry to complaint slowed slightly through the summer (which is unsurprising given the pandemic situation), but then increased steadily through the last quarter. This manifested in a 29% increase in enquiries, but only a 0.3% increase in complaints accepted averaged over the year. It does, however, have implications for 2021, as it is therefore likely that we will see increased levels of complaints accepted in 2021, as well as the trend of continuing increase in demand at the enquiry stage.

The organisation transitioned from an office-based service to a remote working business without a hiccup and I am pleased to say that even with the changes and challenges, we resolved 12% more cases last year than the previous year. As an experienced Ombudsman, when I look at

our resolved cases, I find it really interesting to compare the higher levels of supported complaints in the sector to those in others, particularly as I am confident the Ombudsman approach in decision making is consistent across those sectors. This is true across all three of our main areas of work; sales, lettings and residential leasehold management and raises some fundamental questions for the industry.

Looking forwards, we will be able to benchmark the impact of any regulation on these issues, but for the present it is crucial that we work with the sector to understand the root causes for these higher levels of supported complaints, as they are both across the different areas of business and across the different categories of complaint.

I have been heartened to see the level of engagement between the industry and the Ombudsman, as it bodes well for our collective ability to improve such issues. This engagement was further evident in the work TPO has been undertaking on behalf the Regulation of Property Agents Codes steering group, led by Baroness Hayter. It is admirable that in a pandemic environment, when government are naturally absorbed with the crisis, that TPO, with the industry and consumer representative groups, have sought to take forwards this important work. Our staff delivered a draft Overarching Code, with appropriate public consultation, that is capable of being finalised in 2021.

My predecessor, Katrine, in last year's annual report, referred to the challenge presented by residential leasehold management (RLM) complaints, with their technical and emotional complexities. We have created detailed guidance for RLM, to support organisations in better handling at the first stage. Resolution at first tier is better for all and the guidance had a very positive response

with significant numbers of agents downloading it in the weeks after launch. It demonstrates once again the positive impact we can have for people, as well as the sector's interest in improvement.

We have many useful lessons from 2020, including a better understanding of the extent of our capability and resilience. There are things that have naturally taken more time in 2020 due to the pandemic, so whilst we began work on our new website for example, we will be completing that in 2021. Our fee review conducted in 2019, which matched income to workload more equitably, was particularly timely with the advent of the pandemic, but its impacts will need to be measured across both 2020 and 2021, as a result of many of the issues arising from the pandemic. We, like many organisations, will be looking at our ways of working for the future, building on the learning from this last year and ensuring that we continue to provide redress and reassurance to those who need it, as well as ensuring that the sector benefits from the learning from our work.

The last year has seen people's relationships with their homes undergo a significant shift – for some as their refuge, for others as their confinement. We live now in significant uncertainty and planning for the future is more challenging than ever. The property market has a key role in economic recovery, and it is therefore likely that expectations from all sides will result in an increase in the need for TPO's services and insight over the coming year.

I have no doubt at all that the staff and Board at TPO are up to, and up for, the challenges ahead and I relish the opportunity to lead this excellent organisation into this uncertain, but exciting future.

TPO Performance

TPO as an organisation performed well overall in the context of global events, however the sector experienced variability throughout 2020. Enquiries in the first two quarters of the year were understandably relatively low when compared to previous years, however these increased significantly in the last two quarters as people became more used to their 'new normal'. TPO's self-service portal played an increasingly significant role from its launch in February 2020, with unique consumer visits almost doubling throughout the second half of the year.

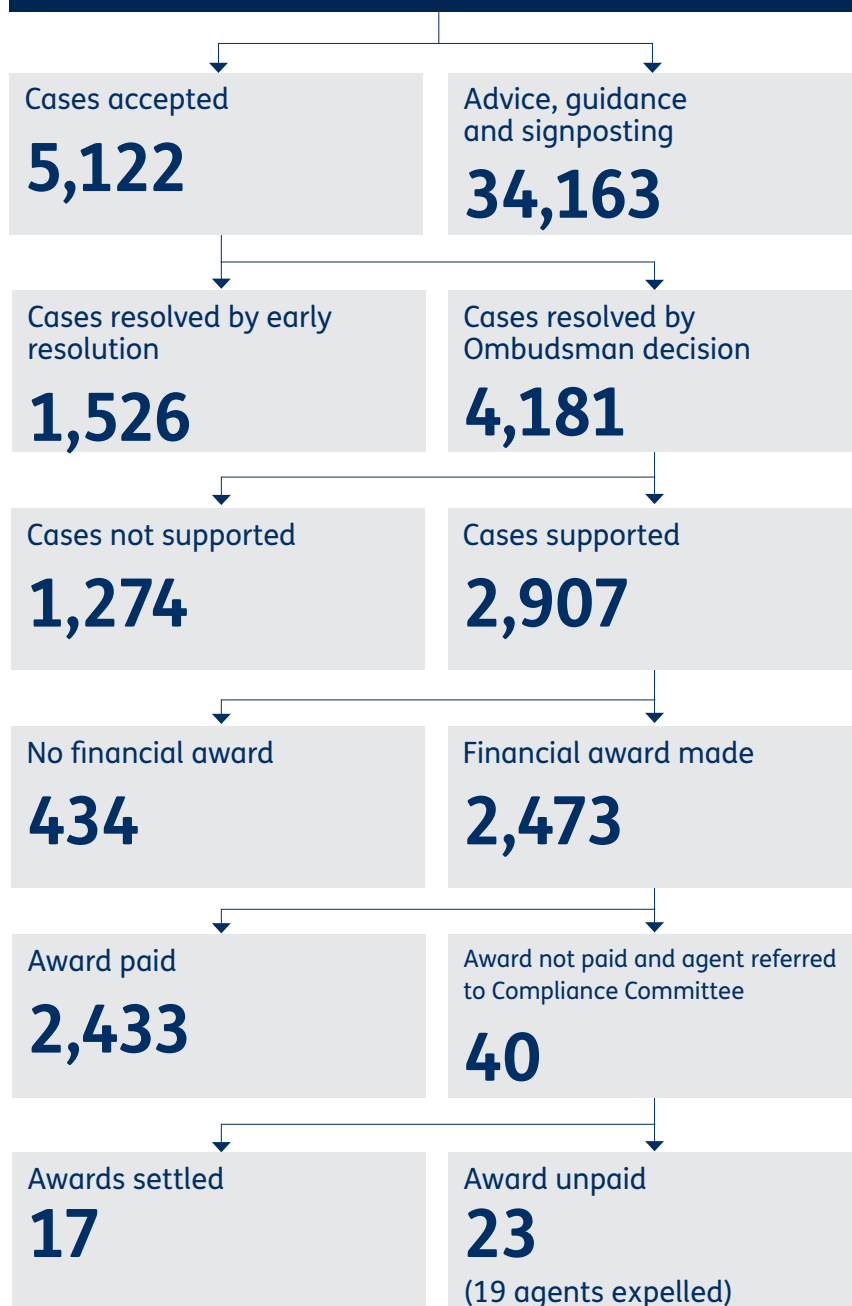
Cases accepted by TPO increased from 2019 levels, but not at the high levels seen in previous years. This reflected the year's trend in enquiries, with increased numbers of cases being accepted in the last two quarters of the year. A more accurate indicator of performance was the number of cases resolved by TPO which grew by 12% reflecting the consistent trend of annual casework increases. Despite the impact of the pandemic on agency businesses, compliance with the outcomes of TPO's resolutions was again extremely high, giving consumers trust and confidence in TPO's service. However, when set against the same underlying issues being experienced by consumers year on year, the indications are that the sector is not always learning from its mistakes, with agency performance not improving in some of their basic interactions, such as complaint handling and communication.

2020 in Numbers:

ENQUIRIES & COMPLAINTS



Enquiries 39,285	Complaint Portal	17,359	Email	4,183
	Telephone	12,783	Letter	501
	Online Chat	4,457	Walk-In	2



*The sum of 'cases resolved by early resolution' and those 'resolved by Ombudsman decision' total more than 'cases accepted' as some of those resolved in 2020 will have been carried over from 2019.

2020 in Numbers:

AWARDS & AWARDS BREAKDOWN



The Property Ombudsman instructed agents to pay awards totalling

£1.9m -13% on 2019



The highest award paid by an agent

SALES

£24,139

LETTINGS

£20,838

RESIDENTIAL LEASEHOLD MANAGEMENT

£10,642

Total Sales Awards

£717,731

Average Sales Award

£653

Total Lettings Awards

£1,021,129

Average Lettings Award

£612

Total Residential Leasehold Management Awards

£107,259

Average Residential Leasehold Management Award

£339

Total Awards for Other Jurisdictions

£68,549

Average Awards for Other Jurisdictions

£816

2020 in Numbers: Consumers and Issues

TOP CAUSES OF SALES COMPLAINTS

1. Communication and record keeping
2. Instructions, terms of business, commission and termination
3. Marketing and advertising
4. Complaints handling



Sales cases resolved

1,656

Early Resolutions **491**
Ombudsman Decisions **1,165**

Cases received from sellers
1134 (68%)

Cases received from buyers
501 (30%)

Cases received from others*
21 (2%)

Cases supported / resolved in
consumers' favour

1,082 (65%)

Early Resolutions **217 (44%)**
Ombudsman Decisions **865 (74%)**

*Investors (7), Neighbours (7), Other consumer (5), Tenant (2)

TOP CAUSES OF LETTINGS COMPLAINTS

1. Management
2. Communication and record keeping
3. Instructions and terms of business
4. Complaints handling



Lettings cases resolved

2,737

Early Resolutions **788**
Ombudsman Decisions **1,949**

Cases received from landlords
1,504 (55%)

Cases received from tenants
1,169 (43%)

Cases received from others*
64 (2%)

Cases supported / resolved in
consumers' favour

1,892 (69%)

Early Resolutions **324 (41%)**
Ombudsman Decisions **1,568 (81%)**

*Guarantors (28), Neighbours (28), Investor (5), Other consumer (3)

TOP CAUSES OF RESIDENTIAL LEASEHOLD MANAGEMENT COMPLAINTS

1. Complaints handling
2. Communication
3. Service change – demand / collection
4. Maintenance and major works

Residential Leasehold Management cases resolved

1,194

Early Resolutions **224**
Ombudsman Decisions **970**

Cases received from leaseholders
953 (80%)

Cases received from freeholders
112 (9%)

Cases received from others*
129 (11%)

Cases supported / resolved in consumers' favour

476 (40%)

Early Resolutions **58 (26%)**
Ombudsman Decisions **418 (43%)**

COMPLAINTS FOR OTHER PROPERTY PROFESSIONALS

TPO Property Professionals
Membership includes:

Surveyors, Search Organisations, Commercial
Sales and Lettings, International Sales and Lettings,
Residential Buying Companies, Chattels Auctions,
Building Warranties, Residential Open Space
Management

Property Professionals cases resolved

120

Early Resolutions **23**
Ombudsman Decisions **97**

Cases supported / resolved in consumers' favour

64 (53%)

Early Resolutions **8 (35%)**
Ombudsman Decisions **56 (58%)**

*Residents Associations (35), Tenants (35), Residents Management Companies (30),
Right to Manage Companies (27), Neighbours (2)

Case Summaries

SALES

RESERVATIONS OVER A RESERVATION

Aborted leasehold purchase



The Complaint

The Developer of a new build mixed tenure development instructed the Agent to market units to potential buyers.

The Buyer subsequently entered into a reservation agreement with the Developer and paid a reservation deposit of £5,000.

Three months later, the Buyer withdrew, citing problems with the lease and requested that the reservation deposit be returned. The Developer refused and the Buyer then raised a complaint against the Agent, referring to terms in the lease relating to business rates, ground rent and services charges.

A 'SOGGY' SECRET

Historic flooding



The Complaint

The Buyer was interested in a property for sale by the Agent and booked a viewing with the Agent. During the initial viewing, the property looked great and appeared to be everything they wanted. They were told that if they wished to proceed, they would be required to pay a reservation fee of £1,000 to secure the property from the market.

After paying the reservation fee, the Buyer went to view the property again without the Agent present. They noticed that the ground to the rear of the property was soggy. They also noted that there was a ditch behind the garden fence. This was only behind the property and not the neighbouring properties. This rang alarm bells for the Buyer.

On a later visit to the property, the Buyer spoke to a neighbour who informed them that there was a flood in 2007 which badly damaged the original property. They learned that the flood water came in from the road and was carried away to the ditch to the rear. The Buyer also learned that a builder informed the neighbour that the property required underpinning due to the water damage and, as such, it was cheaper to demolish it and build two new semi-detached properties in its place. Hence why there were now two properties, numbers 19 and 19a.

After discovering these issues with the house, the Buyer decided it was best to withdraw their offer and request the return of their reservation fee.

The Agent refused their request and the Buyer complained referring to misleading information about the property.

For the full investigations, outcome and award visit:
www.tpos.co.uk/news-media-and-press-releases

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Case Summaries

LETTINGS

LEFT OUT OF LEGISLATION HMOs and a household of three



The Complaint

The Tenants, a polyamorous trouple were looking for a place to rent. The Tenants approached the Agent to help them find a property that was suitable for their needs and also accepted pets.

In June 2020, the Agent was instructed by the Landlord to market the Property to let for a monthly rent of £700. The Landlord informed the Agent he would not accept tenants with pets. The Tenants requested a viewing and the Agent arranged a viewing the following day. On the same day, the Tenants enquired if pets could be permitted. The Agent asked the Landlord who responded that he would allow pets if the rent was increased to £750 a month and the Tenants accepted the proposal.

All seemed well and the viewing went ahead with the result being that the Tenants wanted to rent the property. The Tenants contacted the negotiator to say they would like to rent the property. This led to a conversation between the negotiator and the Agent as to whether the Tenants would be able to let the property, since under the House in Multiple Occupation (HMO) rules it was only possible for the property to be let to a single household, or to a maximum of two unrelated sharers.

Following some guidance from the local council the Agent explained that the council would not accept that the Tenants were a single household and that the property could therefore not be lawfully let to them. The Agent also said that the Landlord had had a change of heart about allowing pets and suggested that the Tenants consider another property which had the requisite HMO license and would accept pets.

These events led to the Tenants making a complaint against the Agent stating that the Agent had been unprofessional and that they were dissatisfied with the advice regarding the HMO rules and referred the complaint to TPO for review.

A SUITABILITY SAGA Disability Discrimination Act 1995



The Complaint

The Landlords instructed the Agent to find tenants for their property. The Agent was in charge of viewings and began to market the property in the search for tenants.

A potential tenant contacted the Agent to book a viewing around the property. The Tenant was an electric wheelchair user who thought that the property would be suitable for their needs. The Agent accepted the viewing.

After the viewing had taken place the Landlord noticed that the hallway carpets were marked and some of the walls were damaged from the wheelchair. The Landlord believed that the property was not large enough or designed for the purpose of a wheelchair user and so was not happy that the Agent had allowed the potential tenant to view the property.

The Landlord requested that the Agent should pay compensation of £1,427.92 which covered the repairs, time to arrange repairs and lost rental income.

The Agent was not prepared to pay the Landlord's compensation claim and, instead, offered to cover the cost of the damage alone (£525.38) rather than their time and lost rental income. The Agent offered this as they acknowledged that they could have done more during the viewing to minimise the damage.

The Landlord was also dissatisfied with the complaints handling from the Agent because responses were not initially issued and that they had been accused of discrimination. The complaint was escalated to TPO.

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Case Summaries

SALES & LETTINGS

OUTLINE OUTDOOR OWNERSHIP

Rooftop terrace



The Complaint

Following the market appraisal, the Agent contacted the Seller to confirm the details in the sales particulars were correct. The Seller did not raise any concerns regarding the document. The sales particulars stated that the property included a roof terrace. The property went live and marketing commenced.

The Buyer saw the property and, attracted by the pictures of the roof terrace in the sales particulars, booked a viewing. During the viewing the Buyer asked the Agent if the terrace was demised to the property and was advised that it was.

Following the viewing and the advice provided about the roof terrace, the Buyer made an offer and eventually purchased the property. The Buyer, now the homeowner, was subsequently surprised to be contacted by the Freeholder demanding additional money for the use of the terrace.

The Buyer decided to raise a complaint against the Agent in connection in relation to the sales particulars and the advice she was provided with. The Buyer also raised a complaint with her conveyancer.

PANDEMIC-PREDICAMENT

Referencing



The Complaint

The Landlord of the property instructed the Agent to find suitable tenants.

The Landlord made it clear to the Agent that they needed to know if potential tenants were self-employed or foreign nationals as this had implications for the rental protection insurance they had in place.

The Agent did what was instructed ensuring that the Tenants they found were referenced by a third-party and in line with the Landlord's specific requests. The Landlord then accepted the Tenants on the basis of the information provided by the Agent.

The tenancy commenced but unfortunately ran into problems as the Tenants lost their jobs due to the Covid-19 pandemic. They handed their keys back to the Landlord owing rent and, in their view, leaving the property in poor condition.

The Landlord then raised a complaint against the Agent, arguing they had been misled regarding the Tenants' employment status and, as such, wished to be compensated for the lost rent that they were unable to claim via their rent protection insurance.

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Case Summaries

RESIDENTIAL LEASEHOLD MANAGEMENT

SETTLEMENT OVER SERVICE CHARGES

Communication failure



The Complaint

The Tenant in a leasehold property had an outstanding balance of £10,562 in service charges.

The Tenant and the property management company came to an agreement surrounding the service charge with a settlement offer for the Tenant to pay 50% of the outstanding balance and the other 50% to be waived. The Tenant paid the reduced fee, requested confirmation of the zero balance and thought this was the end of the matter. However, despite two further requests for confirmation of a zero balance, the Managing Agent failed to respond.

The Tenant then complained adding that the Managing Agent had also failed to properly inform them of additional service charges that had subsequently been charged.

REQUIREMENT FOR COMPASSIONATE COMPLAINT HANDLING

Health & safety during a pandemic



The Complaint

The Leaseholders of an apartment had concerns relating to an incident which had occurred and the issues that subsequently arose.

On the day of the incident, the Leaseholders visited the foyer of the building to complain about a billboard that they say had been placed there on instruction of the Management Company's director. The billboard advertised apartments to let inside their building and directed interested parties to enquire within, with arrows pointing towards the entrance of the building.

The Leaseholders were not happy with the signs directing members of the public to a communal area of the building, especially in light of the coronavirus pandemic. They considered this to be a cause for concern that could impact on the health and safety of the residents of the entire building.

The Leaseholders raised their concerns with the Management Company. Unfortunately, the Management Company did not deal with the Leaseholders' concerns empathetically and, instead, their response was perceived as abusive. The Leaseholders then raised a formal complaint which the Management Company did not resolve causing the dispute to be escalated to TPO.

Case Summaries

OTHER JURISDICTIONS

SPELLING OUT SURVEYING SERVICES

Pre-inspection communication



The Complaint

The Buyers instructed the Surveyor to provide a report and signed and returned the Surveyor's Terms and Conditions via email. The Buyers' covering e-mail included a number of requests, one of which included accessing the loft to assess an existing planning application document attached to the Property which had been submitted before the owner had undertaken remodelling work. The Buyers wished to know whether the work detailed in the planning application could still be completed.

The Surveyor did not immediately respond to the email and subsequently provided the report back to the Buyers in accordance with the agreed terms and conditions. The Buyers were not happy with the report as it did not cover their specific request and complained to the Surveyor. The Surveyor's response failed to identify and acknowledge the Buyers' request and instead simply focussed on the limitations of their inspection as set out in the terms and conditions.

The Buyers' escalated their complaint to TPO where they requested either the Property to be re-inspected in order to fulfil their request or receive a full refund of the £1,117.25 paid so another surveyor could be instructed.

FLOOD SEARCH FAILURE

Homescreen search report



The Complaint

The Buyers located a property which they wanted to buy. Once they had made an offer they instructed a search provider to carry out a 'Homescreen' search report on the property. The Buyer wanted to check if the property would be at risk of flooding.

The Search Provider did as instructed and carried out a Homescreen search. They came back with the results of the search which did not highlight any potential risk of flooding to the property. They also reported that no action was required and gave the Buyers the impression that the property was not at risk of flooding. Happy with the search results, the Buyer went ahead with the purchase of the property.

However, shortly after completing the purchase of the property it flooded. Causing thousands of pounds worth of damage.

Following this, the Buyer's legal representative ordered a flood search. The second search reported that the overall flood risk to the property was 'high' as there was a historical record of flooding and moderate risk of ground water flooding.

The Buyer was not happy that the two reports were so different and was annoyed that the first search had not picked up the associated flood risk. The damages caused by the flood incurred costs of approximately £20,000 in replacing the damaged items and protecting the building from future risk.

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Consumer and Industry FORUMS



Mark McLaren is the current Chair of the Consumer Forum, and an independent Non-Executive member of TPO's unitary Board.



Michael Stoop is the current Chair of the Industry Forum, and an independent Non-Executive member of TPO's unitary Board.

The purpose of the Industry and Consumer Forums is to build trust and confidence in the property sector through awareness of professional practice developments and issues causing consumer detriment or have the potential to do so in the future.

The forums meet three times a year with MHCLG and NTSELAT in attendance and work side by side to discuss, analyse and recommend steps to take action to raise standards and build consumer confidence.

A selection of the issues discussed in 2020, some of which received interest from national consumer and industry press, include:

- **No DSS** (restrictions placed on tenants claiming benefits) – An ongoing issue where the Forums discussed the obligations on landlords and letting agents. The Forums will return to the issue in 2021.
- **RoPA Codes Steering Group** 'Overarching Code of Practice' – Forum members provided valuable insight into the development of the code during discussions, responding to the consultation and engaging in a consumer facing roundtable debate.
- **Rent to Rent arrangements** – The Forums discussed the dangers of illegal rent to rent (rent guarantee) arrangements and the points of concern landlords should look out for when considering these services.
- **Prohibited payments under the Tenant Fee Act** – The Forums discussed what constituted a prohibited payment and how consumers can claim these back. As a result, TPO produced consumer guidance to assist consumers, [click here to view](#).

Consumer Forum Members in attendance: Ministry of Housing, Communities & Local Government, National Trading Standards Estate & Letting Agency Team, Justice for Tenants, Institute of Consumer Affairs, Northern Ireland Consumer Council, Shelter England, National Residential Landlord Association, Law Society, Legal Ombudsman, Home Owners Alliance, Generation Rent, Council of Licensed Conveyancers, Shelter Cymru

Industry Forum Members in attendance: Ministry of Housing, Communities & Local Government, National Trading Standards Estate & Letting Agency Team, Dexters, Purplebricks (representing online agents), Leaders Romans Group, Reeds Rains, Connells, Arnolds Keys, Garrington (representing buying agents), Royal Institution of Chartered Surveyors, Propertymark, The Property People, Your Move, The Guild of Property Professionals, Countrywide, Spicer Haart, Viewber (representing prop tech).

Anyone can suggest an issue for discussion at the Forums. To do so, please go to <https://www.tpos.co.uk/about-us/consumer-and-industry-forums> to complete the form and email to forums@tpo.co.uk

TPO Helping the Property Sector

One of the many unique roles of an ombudsman is to use the intelligence gathered in its enquiry and casework functions to feedback to the sector by identifying areas of concern and engaging in initiatives and activities that improve trust and confidence for consumers and businesses alike. Despite the pandemic, 2020 was no exception for TPO, with the Board, Ombudsman and Senior Team actively engaged, and often leading, some important initiatives, backed up by TPO's unique insight and data.

REGULATION OF PROPERTY AGENTS (ROPA) CODES STEERING GROUP



Following the publication of the RoPA Report, TPO and the RICS took the initiative to form a steering group with the aim of developing a set of codes that met

the recommendations of the Report. Chaired by Baroness Hayter of Kentish Town, the Steering Group included both consumer and industry representatives and, utilising TPO's experience in producing codes of practice, drafted and consulted upon an Overarching Code of Practice for Residential Property Agents. The Overarching Code has been agreed by the Group with the hope of handing this to the Ministry of Housing, Communities and Local Government to assist in the establishment of new regulator. Work on the Block Management code remains ongoing. Both codes represent an important step towards establishing universal standards that consumers can expect from all property agents.

VOLUNTARY REDRESS REFORM WORKING GROUP



Originally convened by the Ministry of Housing, Communities and Local Government following their 'Strengthening Redress' consultation, TPO instigated the reformation of the group on a voluntary basis during the pandemic. Chaired by Christopher Hodges OBE, Professor of Justice Systems at the University of Oxford (also appointed to the Commonhold Council), the group (including the

First Tier Tribunal, Ombudsmen and Redress Schemes) continued its work to improve the pathways for consumer access to redress within the property sector.

HELPING ENFORCERS TO CREATE A LEVEL PLAYING FIELD

TPO regularly shares data and intelligence to the National Trading Standards Estate and Letting Agency Team as the lead enforcement authority for the agency sector. In addition, TPO carries out regular agent surveys where checks for compliance with mandatory obligations such as client money protection and anti-money laundering are carried out. Where issues are identified, TPO's Compliance Team work with the agents to resolve them. However, where non-compliance issues remain, agents are referred to Trading Standards. This resulted in 179 agent referrals in 2020.

OTHER INTERACTIONS

During 2020, TPO has been involved in numerous webinars, presentations, training courses and working groups using our experience and unique insight to contribute to discussions on issues such as:

Complaints handling / Material information / Property information questionnaires / Unique property reference numbers / Referral fees / Dual commission fees / Prohibited payments / Video and remote viewings / Snagging standards / Building safety.

TPO Helping Consumers and Agents

TPO 'Make a Complaint' Portal

In late February 2020 TPO launched its 'Make a Complaint' portal to give consumers increased access to TPO and to provide advice and signposting where we could not help. The portal proved extremely popular and was updated in October to provide specific advice and guidance for leaseholders. Alongside the advice pages, consumers also have access to template complaint letters, TPO's complaint form and an advice request form allowing a member of our Team to contact them directly about their specific concerns.

The portal received over 150,000 unique visits in 2020, helping over 13,000 unique visitors through the advice and signposting pages and allowing a further 4,098, consumers to submit complaint and advice forms.

Helping Property Agents:

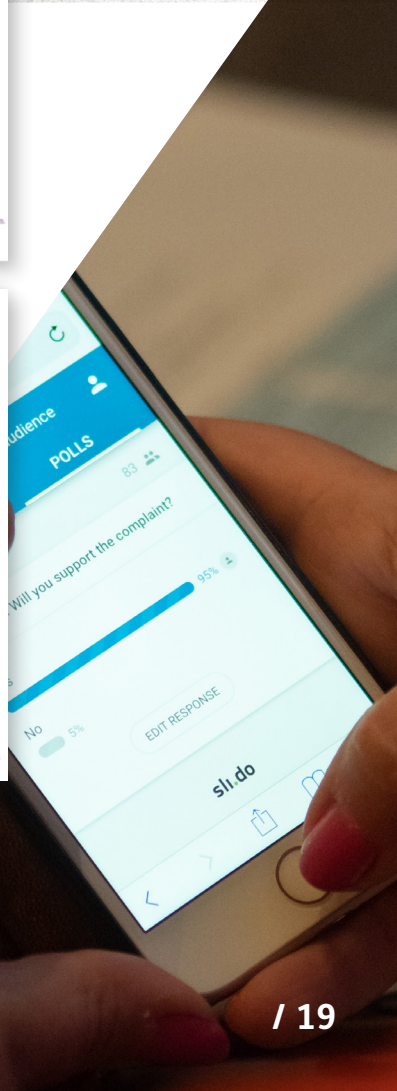
Complaint Handling Toolkits

[Click here to view](#)

TPO produced three Complaint Handling Toolkits for Agents to help them resolve consumer complaints without the need to refer to TPO.

The toolkits include:

- Template response letters
- White labelled complaint processes
- Advice and guidance for dealing with complaints
- Specialist advice for leasehold managing agents and service charge guidance for leaseholders



Compliance Committee



Every agent or business registered for redress agrees to implement any award made. Full members of TPO agree in addition to comply with TPO's Codes of Practice, representing 95% of TPO's agents. The Codes incorporate best practice, including standards above the minimum the law requires. Any perceived shortcomings can be easily measured against the Codes, providing consistency in expectations and the decisions made by the Ombudsman.

The Chartered Trading Standards Institute approve TPO's Codes of Practice and require a Compliance Committee (CC). The Committee makes recommendations to the TPO's Board. It deals mainly with TPO agents or businesses who have not complied with the Ombudsman's decision but may also deal with those who have breached Code provisions or failed to meet other obligations of a registered agent or member agent.

Consumers and other agents need to know that when an agent has been judged to have acted unfairly and does not put that right, there will be action against them. The Committee aims to secure compliance with the Ombudsman's decision where, rarely, an agent does not comply. The Committee can impose various sanctions including issuing warnings, fines and ultimately expulsion from the TPO scheme.

Where expulsion is necessary, our agreement with the other approved redress scheme ensures that such agents cannot register unless any outstanding consumer award is paid. TPO also works closely with National Trading Standards, sharing information on every CC case. If they take enforcement action, an agent found trading without redress registration can be fined £5,000.

During 2020 the Ombudsman reviewed 4,181 complex complaints and made financial awards to consumers for 2,473 of those cases. Only 40 new referrals (1.62 %) were made to the Committee, compared to 61 in 2019 (2.15%).

37 referrals were closed. Of those, 26 related to lettings, 8 to sales, 2 to residential leasehold management and 1 for another jurisdiction. All were for failures to pay an award and/or carry out a direction made by the Ombudsman.

Direct action taken by the Committee resulted in 17 awards being settled and consumers receiving what was due. However, 19 agents were expelled. One referral was settled after expulsion but 11 agents had already ceased trading and 6 were no longer registered with a redress scheme. One subsequently ceased trading and the other redress scheme terminated the agent's registration. The remaining cases are ongoing.

Overall, 2020 again demonstrates the vast majority of agents comply with the Ombudsman's decision. The ongoing pandemic meant a few agents had difficulty in immediately paying awards. Even so, 98% of awards were paid. This compares with 2019 and shows TPO's continuing effectiveness in ensuring consumers receive appropriate redress.

A handwritten signature in black ink that reads "Gillian Fleming".

Gillian Fleming
Chair of Compliance Committee

Independent Reviewer's Report



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

2020 service complaint workload

There was an increase in the number of service complaints I received this year (19 compared to 6 the previous year). Although the percentage of service complaints coming to me remains roughly consistent with last year at 68% (60% in 2019). The increase in service complaints is partly explained by dissatisfaction around the wait between acceptance for case review and the decision.

In total I considered 14 complaints about TPO's service. I supported 24 (out of the 129) individual issues of concern brought to me (18.5%). That is slightly higher than last year (16.5%) and is in part explained by the different approach I have taken to TPO around complaints about delays. My reviews have focused on the management of expectations rather than the overall time taken to complete the case review.

I am pleased to report that TPO agreed to all my recommendations for redress and accepted the three recommendations I made for wider service improvements.

2020 audit work

I looked at a sample of enquiry (1%), resolution (2%) and case review (2%) cases.

I am pleased to report that I saw no cases this year where TPO acted outside of their Terms of Reference and they provided appropriate explanations for their decisions.

I would particularly commend the work of Adjudicators this year in assessing complaints at the outset of the process. That has resulted in better expectation management and in consumers being notified earlier in the process about the most appropriate way for them to pursue their concerns.

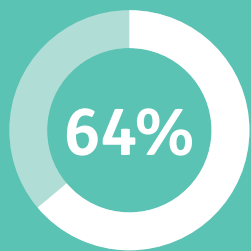
While the majority of the case review cases I looked at were completed within the required timescales, improvements could be made in terms of the customer journey. Reducing the wait time between the acceptance of a complaint for case review and the decision will improve the customer experience and reduce the issues raised through the service complaints process. Reducing those wait times will continue to be a challenge and, as ever, I welcome TPO's continued efforts in this area.

Claire Evans
Independent Reviewer

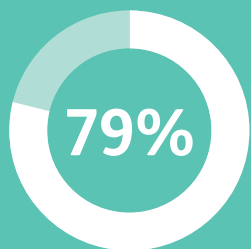
Consumer and Agents Surveys 2020



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



of respondents state that they had a financial award or resolution made



of Ombudsman decisions* were supported in whole or in part

*sales, Lettings & RLM cases

Landlords were the most frequent types of respondent in 2020

Consumer and Agents Surveys 2020

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

53%

Overall consumer service satisfaction for 2020

- Staff were helpful
- Quick response time
- Staff were knowledgeable
- Clear information about the process
- Consumers were kept up to date with progress

44%

Overall consumer decision / resolution satisfaction for 2020

- The decision / resolution was clearly explained
- The decision / resolution was fair in the circumstances
- Both sides of the dispute were fully considered
- Reference to the TPO Code clarified matters

Agent Survey Review 2020

Survey measures on two main factors:
Service and decision / Resolution satisfaction

89%

Overall agent service satisfaction for 2020

- Clear information about the process
- Staff were helpful
- The decision / resolution was provided within a reasonable time
- Staff were knowledgeable

72%

Overall agent decision / resolution satisfaction for 2020

- The decision / resolution was clearly explained
- The decision / resolution was fair in the circumstances
- Both sides of the dispute were fully considered
- Reference to the TPO Code clarified matters

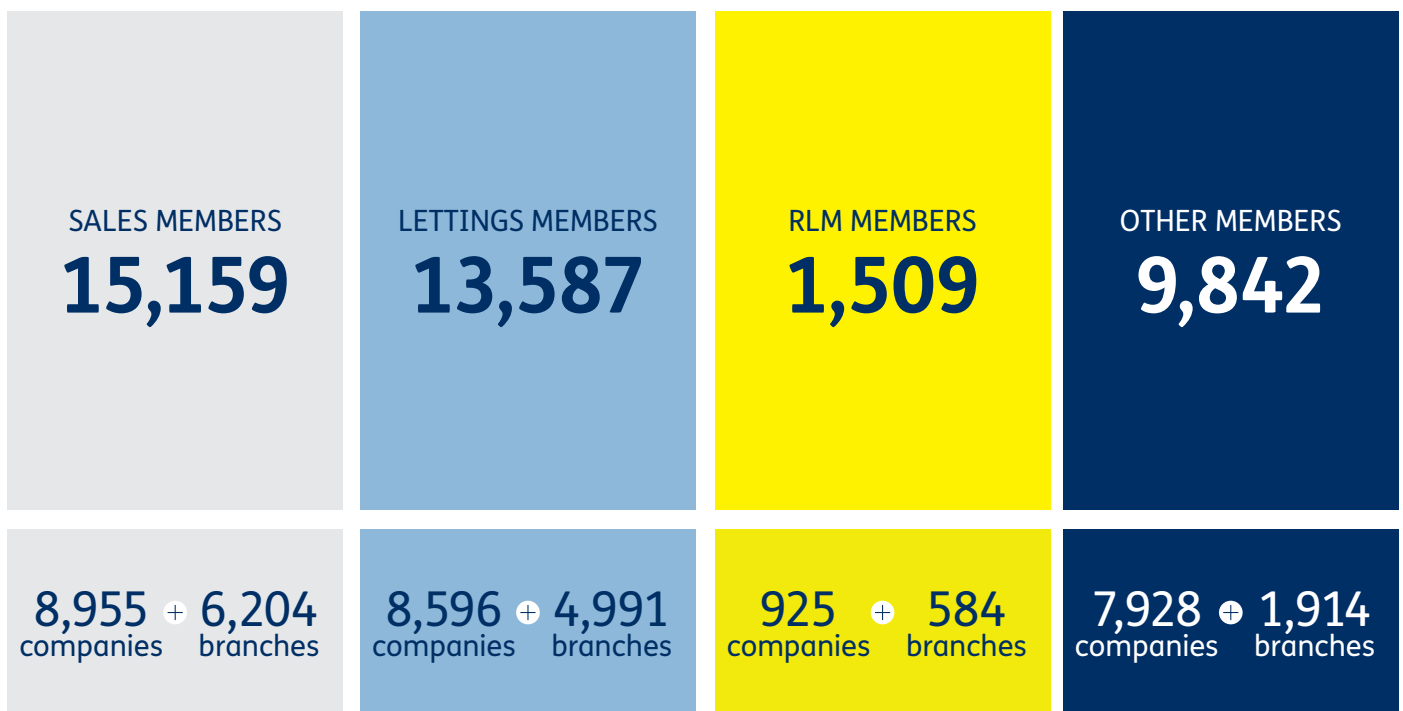
TPO membership

The Property Ombudsman (TPO) scheme is the largest Government approved property Ombudsman scheme. Search for registered members at: www.tpos.co.uk/find-a-member

ALL TPO MEMBERS

40,097

Operating from 26,404 offices and branches across the UK



TPO Financial Review



In a year like no other TPO has maintained its service despite the ongoing pandemic which took hold in March 2020.

I would therefore like to start my report by paying tribute to the TPO team. Like every other business, TPO has taken steps to protect its staff by working from home and introduced a range of measures which allow both the protection of our staff whilst continuing to ensure we are able to fully support our members and consumers by providing a full ombudsman service. I would like to take this opportunity on behalf of the committee to thank the whole team at TPO for their commitment and resilience during 2020.

Government support for agents including the business rates concession, Furlough and the Stamp Duty holiday have mitigated some of the financial impact allowing business to continue and indeed thrive in some cases. Membership numbers were 5.49% lower at the end of 2020 however, we continue to receive applications from new members at levels in excess of 2019.

As the market opened again late Spring 2020, the level of complaints which had seen an initial decrease began to rise to 2019 levels and in Q4 exceeded pre-COVID levels. Despite the challenging environment agents are encouraged to provide clear communication and good customer service, (the biggest cause of complaints), while maintaining a rigorous internal complaints procedure. Undoubtedly, the longer the pandemic ensues the greater impact there will be on us all. This is evident from the complaints TPO is receiving where consumers are finding themselves in stressful situations and the TPO staff are required to manage expectations while providing help and assistance. Our enquiry service and ability to signpost to other support organisations has never been more crucial.

TPO ended the year with a surplus of less than 2% of its income which will go forwards to 2021 to support projects that were delayed as a result of COVID but are

now moving forward. All renewing and new members are now on the new fee structure including fair usage and early data for those renewing again supports our initial report that no further case fees were due for the vast majority of members. Casework fees for our core work in 2020 represented less than 1% of total income in 2020 however this may increase in 2021 as members complete their first 12 months on the new scheme. It is an important principle that ensures scheme usage is proportionate and encourages agents to seek to resolve complaints at the earliest opportunity. We have been encouraged by our members proactive approach to date.

Every business, TPO included, is finding planning, and forecasting for the future extremely challenging in such uncertain times. The pandemic has forced us all to do things differently and the committee, alongside the board is working with the executive team to identify the key risks and model our income against the number of potential complaints and the resources necessary to ensure the service is on a solid and sustainable footing. Having implemented the new fee structure in 2020, I believe the organisation is in a good position to mitigate any short to medium term impact but will remain cautious and observant of the shape of the industry.

Gerry Fitzjohn

Chair, TPO Finance and Performance Committee

TPO Accounts:

Finance Report

THE PROPERTY OMBUDSMAN LIMITED (A COMPANY LIMITED BY GUARANTEE)

Income and Expenditure Account for the Year Ended 31 December 2020

	2020	2019
	£	£
Income	4,226,886	3,942,419
Administrative expenses	(4,172,048)	(4,015,504)
Other operating income	16,922	-
Operating surplus/(deficit)	71,760	(73,085)
Interest receivable and similar income	10,371	10,538
Surplus/(deficit) before taxation	82,131	(62,547)
Tax on surplus/(deficit)	(1,970)	(2,002)
Surplus/(deficit) for the financial year	80,161	(64,549)
Retained earnings brought forward	1,339,824	1,404,373
Retained earnings carried forward	1,419,985	1,339,824

Balance Sheet as at 31 December 2020

	2020	2019
	£	£
Fixed assets		
Tangible assets	71,614	150,799
Investments	8	8
	71,622	150,807
Current assets		
Debtors	357,779	361,537
Cash at bank and in hand	3,119,798	2,633,932
	3,477,577	2,995,469
Creditors: amounts falling due within one year	(2,129,214)	(1,806,452)
Net current assets	1,348,363	1,189,017
Total assets less current liabilities	1,419,985	1,339,824
Reserves		
Income and expenditure account	1,419,985	1,339,824
Members' funds	1,419,985	1,339,824

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 5 May 2021.

What is an Ombudsman?

Key features of an Ombudsman scheme

- Free to consumers
- Ombudsman schemes resolve complaints. They are not regulators, though some of their decisions may be seen as precedents and have wider effect
- Ombudsman schemes handle enquiries as well as complaints - because dealing with an enquiry may head off a complaint (for example, by resolving a misunderstanding)
- Ombudsman schemes do not just rely on the evidence the parties volunteer. They actively investigate cases (using their specialist expertise) – calling for the information they require, to ensure the outcome is not affected by how well either party presents their case, and representation by lawyers (or others) is not necessary
- Ombudsman scheme decisions are based on what is fair in the circumstances, taking account of good practice as well as law
- Ombudsman schemes feedback the general lessons from cases they have handled, so stakeholders (including government/regulators) can take steps to improve things for the future
- The flexible and informal process which does not require representation means the costs of an average ombudsman case are significantly less than an equivalent case in a court or tribunal

Improving standards

Unlike ADR (alternative dispute resolution) and redress schemes, an Ombudsman's remit is wider than the dispute before it as it has a role to play in improving standards in the sector under its jurisdiction by providing feedback and identify themes and systemic issues. Ultimately, the Ombudsman model works with businesses to prevent disputes before they arise; helping a business to take control of its complaints and reduce reliance on dispute resolution.

Inquisitorial approach

Another key difference is the inquisitorial approach that an Ombudsman takes. Not just considering the

evidence before it, an Ombudsman will seek that which is missing and assist the parties to gather the evidence they need to support their claim. In the case of vulnerable consumers, this can place an Ombudsman in a uniquely valuable space in the eyes of stakeholders.

Ombudsman decisions

When considering a case, an Ombudsman will have regard to the relevant law. However, to remain effective, it may also consider other non-legal factors that might reasonably be taken into account when deciding the outcome of a case. This means that Ombudsman decisions can have regard to what is fair, reasonable, practical and proportionate; going above what the law may prescribe to resolve a claim to the satisfaction of the parties.

ADR and Redress Schemes

All accredited ADR providers must meet the same minimum criteria as prescribed by their Competent Authority. For example, the Property Ombudsman (TPO) is approved by CTSI (Chartered Trading Standards Institute) and National Trading Standards Estate and Letting Agency Team (NTSELAT) to provide ADR under the Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015. TPO is also approved by NTSELAT and the Ministry of Housing, Communities and Local Government (MHCLG) to provide a redress scheme for consumers of estate, letting and managing agents.

TPO as an Ombudsman

As an ADR and Redress Scheme, TPO's role is to make decisions on complaints that fall within its remit. There is no requirement for TPO to handle enquiries, provide signposting and advice, feedback lessons from casework or take an inquisitorial approach when investigating cases. However, as an Ombudsman, TPO is validated by the Ombudsman Association and, as a protected name, it must also meet additional criteria that include these responsibilities, thus adding further layers of external scrutiny designed to improve standards and, ultimately, improve trust and confidence in the property sector.

The work that an Ombudsman does in each individual sector gives it a unique perspective and thereby a voice with policy makers and legislative consultations.

TPO as a Code Sponsor

TPO also has a distinct and separate role as a Code Sponsor. A Code Sponsor is an organisation with a voluntary code of practice. It aims to influence and raise standards within its membership.

TPO produces and maintains Codes of Practice which are approved the Consumer Codes Approval Scheme run by CTSI. The CTSI criteria requires approved codes to protect consumers with higher levels of customer service. This includes ensuring that consumers have access to an ADR scheme.

Codes help to improve business practice in unregulated sectors - however Code Sponsors are not Regulators and do not have regulatory powers over the businesses that have chosen to follow their code.

A full list of Code Sponsors can be found here: <https://www.tradingstandards.uk/commercial-services/code-sponsors>

The Property Ombudsman's Roles

Ombudsman Approved by	Redress Scheme Approved by	ADR Scheme Approved by	Code Sponsor Approved by
	 Ministry of Housing, Communities & Local Government  NATIONAL TRADING STANDARDS Estate and Letting Agency Team	 Chartered Trading Standards Institute ADR Competent Authority  NATIONAL TRADING STANDARDS Estate and Letting Agency Team	 APPROVED CODE TRADINGSTANDARDS.UK

TPO CONTACT INFORMATION

The Property Ombudsman
Milford House
43-55 Milford Street
Salisbury, Wiltshire, SP1 2BP

COMPLAINT ENQUIRIES

T 01722 333 306
E admin@tpos.co.uk

MEMBERSHIP ENQUIRIES

T 01722 335 458
E membership@tpos.co.uk

www.tpos.co.uk

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 **Search for TPO Members:**
www.tpos.co.uk/find-a-member

Registered Office: The Property Ombudsman, Milford House 43-55 Milford Street Salisbury, Wiltshire, SP1 2BP Registered in England: 03339975

