

The Redress Scheme for Lettings Agency work and Property Management Work

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Summary and Recommendations:

Statutory Instrument 2014 No. 2359.

All letting and property management agents in the UK were required to join an approved redress scheme by 1 October 2014.

This will ensure tenants have a straight forward route to take action if they get a poor deal.

It will be a duty of Copeland Borough Council to take enforcement action against agencies who do not comply with the scheme.

It is recommended that any enforcement action required is undertaken by the housing services team.

1.0 INTRODUCTION

- 1.1 The Redress Scheme for Lettings Agency work and Property Management Work has been introduced under the Enterprise and Regulatory Reform Act 2013 and came into effect on 1 October 2014. Statutory Instrument No 2539 (2014) refers.
- 1.2 Most tenants and landlords are happy with the service they get from their letting agent, but in the small number of cases where people have complaints these should be addressed quickly and effectively. Stronger protection from unscrupulous letting agents under the three government approved redress schemes and will have a straightforward option to hold their agents to account.
- 1.3 60% of letting agents are already signed up to one of the schemes which are; The Property Ombudsman, Ombudsman Services Property and The Property Redress Scheme. They will offer independent investigation of complaints about hidden fees or poor service. Where a complaint is upheld, tenants and lease holders could receive compensation.
- 1.4 Section 83 of the Enterprise and Regulatory Reform Act 2013 defines “lettings agency work” as - things done by any person in the course of a business in response to instructions received from—
 - a person seeking to find another person wishing to rent a dwelling-house in England under a domestic tenancy and, having found such a person, to grant such a tenancy (“a prospective landlord”);
 - a person seeking to find a dwelling-house in England to rent under a domestic tenancy and, having found such a dwelling-house, to obtain such a tenancy of it (“a prospective tenant”).
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1.5 Section 84 of the Enterprise and Regulatory Reform Act 2013 defines “property management work” as:

- things done by any person (“A”) in the course of a business in response to instructions received from another person (“C”) where-
 - C wishes A to arrange services, repairs, maintenance, improvements or insurance or to deal with any other aspect of the management of premises in England on C’s behalf, and
 - the premises consist of or include a dwelling-house let under any of the following tenancies:
 - an assured tenancy for the purposes of the Housing Act 1988;
 - a regulated tenancy for the purposes of the Rent Act 1977;
 - a long lease (for which see [section 7 Leasehold Reform, Housing and Urban Development Act 1993](#)) other than one to which Part 2 of the Landlord and Tenant Act 1954 applies;
 - any other tenancy as may be specified by order.

2.0 Enforcement and Penalties

2.1 Section 85 Enterprise and Regulatory Reform Act 2013 allows for orders to be made making provisions for sanctions for any breach of the legislation.

- the enforcing authority is the local authority
- if a person has failed to join a redress scheme (on the balance of probabilities) a penalty notice for up to £5000 may be served
- a person may in the first instance make written representations within 28 days of the penalty notice
- after which, an appeal to the first-tier tribunal will be available
- any sums received by the local authority in respect of penalties may be used by the authority for any of its functions (which it is submitted will have the effect that they will be keen to issue penalty notices).

3.0 Conclusion

3.1 The Housing Services team will monitor Letting and Property Management agents in Copeland and take enforcement action where necessary to ensure tenants are protected from unscrupulous letting and property management agents.