

## Lease Conferences



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## Disclaimer



Whilst we make reasonable efforts to ensure our content is accurate and up-to-date, information and guidance in this webinar does not and is not intended to amount to legal advice in any particular case

No responsibility for any consequence of relying upon the webinar material or presentations of the webinar is assumed by LEASE or any of our advisers

The law is as at 22 November 2017



# Protecting consumers in the letting and managing agent market

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A GUIDE TO THE CALL FOR EVIDENCE  
Richard Hand and Anna Tomasik  
22 November 2017

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## Background

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- Consultation on Tackling Unfair Practices in the Leasehold Market 25 July 2017 closed 19 Sept
  - <https://www.lease-advice.org/webinar/reforming-leasehold-guide-consultation-paper/>
  - Sajid Javid MP, Secretary of State for Communities and Local Government speaking at the ARMA Conference on 18 October 2017 said:  
<https://www.sajidjavid.com/news/regulation-managing-agent-market>
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## Sajid Javid MP for Bromsgrove

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## Sajid Javid MP's ARMA speech

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- I've already announced plans to [regulate letting agents, including banning fees for tenants](#).
  - I've also made clear that I want to see an end to [unjustified use of leasehold in new-build houses](#).
  - And today, I'm setting out plans for fixing the problems in property management.
  - I'm publishing a [call for evidence](#), a document that talks about the challenges facing the sector, suggests some possible solutions, and asks for the views of the people who know the market best, whether that's people who work in it or the people who pay the service charges.
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## Sajid Javid MP's speech contd



- Should leasehold tenants have a greater say over appointment of managing agents?
- How can we increase transparency in the system and give the people who pay service charges more access to accounts and decisions?
- What's the best way to ensure fairness and openness around relations between freeholders and agents, and between agents and their subcontractors?
- How can we make it easier to challenge services charges or to change managing agent?

## Objectives of this Webinar



- **Objective of this webinar**
  - To introduce the call for evidence
  - Explain key terms
  - Review the guidance document
  - Explain how to contribute
- -It is a call for evidence-33 questions
- -Not all the questions relevant to those interested as private individuals and you are not obliged to answer all of them



## Key Definitions

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- Freehold
  - Leasehold
  - Landlord
  - Tenant
  - Lease
  - Property Agent
  - Letting Agent
  - Managing Agent
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## The Call for Evidence

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- **Protecting consumers in the letting and managing agent market**
  - This call for evidence seeks views on the regulation of letting and managing agents and the approaches government could take to implement any such regulation
  - Issued by DCLG on 18 October 2017
  - Six weeks
  - Closes on 29 November 2017 (midnight next Wednesday)
  - <https://www.gov.uk/government/consultations/protecting-consumers-in-the-letting-and-managing-agent-market-call-for-evidence>
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## Call for evidence - seeking views on:



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- Four Chapters: 33 questions
- 1) The case for change-4 Qs
- 2) Minimum entry requirements and standards in order to operate as a managing or letting agent-7Qs
- 3) What regulatory approach and enforcement should be put in place?-6Qs
- 4) Empowering consumers through rights to choose and switch agents and to challenge service charges-6Qs

- **ENGLAND ONLY**

## 1) The Case for Change



- **Property agent-defined**
- **What has Govt done so far?**
  - Letting Agents/Tenants Fees
  - Redress Schemes 2014
  - Proposals re: leasehold houses expected
- **Why is more action needed?**
  - Brady Survey
  - ARMA speech
  - **4 Questions**



## The Case for Change

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Brady Solicitors/LEASE National Leaseholder Survey June 2016 findings:

- **57% of leaseholders admit they regret buying a leasehold property.**
  - **Two-thirds of leaseholders don't feel they get a good service from their managing agent.**
  - **51% of leaseholders see a change in managing agent would improve matters and benefit the block.**
  - **40% of leaseholders strongly disagree that service charge is value for money.**
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## Chapter 2)-Entry Requirements

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- Minimum Entry Requirements and standards in order to operate as a managing or letting agent
  - Voluntary Regulation through Professional Trade Associations e.g ARMA-Q
  - Regulation of Property Agents in the Devolved Administrations
  - Codes of Practice
  - [7 Questions](#)
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## Chapter 3) Approaches to enforcement and regulation



- Type of Regulator
  - a) Professional body?
  - b) Government oversight?
  - c) New statutory body?
- Enforcement and Sanctions-who and what type?
  - Censure/Strike Off?
  - Fine?
  - Criminal penalties?
- [6 Questions \(Q1 in 4 parts\)](#)

## Chapter 4- Rights to switch agents and challenge charges



- Empowering Consumers through rights to choose and switch agents and to challenge service charges
  - regulator as consumer champion?
  - Service charge complaints 52% of total (CMA 2014)
  - Unfair admin fees (75% xs- Conveyancing Assoc)
  - power of veto?
  - contacting other Leaseholders
  - Govt review of section 20
- [6 Questions](#)





## Deadline for response

- **No later than midnight on 29 November 2017**



## Complete the online survey

- [https://www.surveymonkey.co.uk/r/property\\_agents](https://www.surveymonkey.co.uk/r/property_agents)
- The favoured option for response
- By email
- By post
- Individual or Organisation?
- Identify the questions you are answering

## Other destinations for response

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[Leasehold.Reform@communities.gsi.gov.uk](mailto:Leasehold.Reform@communities.gsi.gov.uk)

OR

Leasehold and Rentcharges Team  
Department for Communities and Local Government  
Third Floor - Fry Building  
2, Marsham Street  
London SW1P 4DF

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## And now over to you....

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# Questions?



[www.lease-advice.org](http://www.lease-advice.org)

## Where you can find us.

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The Leasehold Advisory Service  
020 7832 2500  
[info@lease-advice.org](mailto:info@lease-advice.org)  
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