



Code of Practice for Residential Letting Agents

(England, Wales and Northern Ireland)

Effective from 1 October 2015

This Code of Practice is mandatory for all TPO Members who are entitled to display the above logo and who offer residential letting and/or management services. Copies of this Code of Practice and the TPO Consumer Guide should be made available in all your offices. You should prominently display the logo in the window of all your offices.



The Property Ombudsman

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All references to the masculine include the feminine, and to the singular include the plural. Terms marked (*) - the first time they appear, are defined in a Glossary of Terms at Section 22.

1. General Provisions

Applicability

- 1a** This Code applies to letting agency services in the United Kingdom (except Scotland), provided by a person or organisation who has agreed or is required to comply with it, for the letting or property management (*) of residential property (*). There are separate Codes of Practice for sales of property in the UK and separate Codes of Practice for letting and sales agents operating in Scotland.

General Obligations

- 1b** You (*) must comply with this Code of Practice. You must comply with all laws relating to the letting and management of residential property and in particular to the Data Protection Act 1998, Unfair Terms in Consumer Contracts Regulations 1999, the Consumer Protection from Unfair Trading Regulations 2008 (CPRs), Business Protection from Misleading Marketing Regulations 2008 (BPRs), Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013, Energy Act 2011 (Green Deal), Landlord and Tenant Act 1985, Housing Act 2004 (Tenancy Deposits), Competition Act 1998, Housing (Wales) Act 2014, Immigration Act 2014, Consumer Rights Act 2015, Deregulation Act 2015 and all other current and relevant primary and secondary legislation and any local licensing obligations.
- 1c** You must ensure that all staff are fully conversant with all aspects of the Code of Practice and their legal responsibilities. Such staff must observe the Code and their legal

responsibilities in all their dealings with consumers. You must comply with all laws relating to the letting of residential property and all other current and relevant legislation.

- 1d** You should provide a service to both landlords and tenants consistent with fairness, integrity and best practice; and you should not seek business by methods that are oppressive or involve dishonesty, deceit or misrepresentation. You must avoid any course of action that can be construed as aggressive behaviour (*) or harassment (*).
- 1e** You must treat consumers equally regardless of their race, religion or belief, sex, sexual orientation, gender reassignment status, disability or nationality. Unlawful discrimination includes giving less favourable treatment because someone is perceived to have one of these personal characteristics or because they are associated with a person with such a characteristic.
- 1f** You should take special care when dealing with consumers who might be disadvantaged because of their age, infirmity, lack of knowledge, lack of linguistic ability, economic circumstances or bereavement.
- 1g** You must not release or misuse confidential information given by your client (*) during the process of the letting or property management of a residential property without your client's permission, unless legally required to do so.
- 1h** You must keep clear and full written (*) records (*) of your relationship with landlords and tenants for at least six years. Those records must be produced when required by the Ombudsman.
- 1i** As a TPO Member (*) you must not take or be involved in any action which would bring the scheme into disrepute.

Publicity

- 1j** In accordance with the Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015, you must include TPO's name and website address on your website, within your terms of business and within any other sales or service contract you agree with a consumer.
- 1k** It is a requirement of the Consumer Rights Act 2015 that letting and managing agents in England make customers aware of their membership of an approved redress scheme.
- 1l** The Consumer Rights Act 2015 requires letting and managing agents in England and Wales to display a complete list of fees, charges or penalties (however expressed) payable by landlords and tenants for any letting agency or property management service, along with details of any client money protection scheme membership, at the earliest stage in the transaction. This information must be displayed on your website and prominently at all premises at where you deal face-to-face with potential and actual tenants and landlords.
- 1m** In addition, you must use and display such material promoting the Code of Practice as provided by TPO. You must prominently display the TPO logo on your website, the window of all offices, and on relevant documentation such as marketing literature, property advertisements, and on your letterheads.
- 1n** You must have available, free of charge, copies of the Code of Practice to give to consumers on request. You must also prominently display copies of the Consumer Guide leaflet in all your offices.

2. Duty of Care and Conflicts of Interest

- 2a** You must treat all those involved in the proposed letting including actual or potential applicants, tenants and landlords fairly and with courtesy.
- 2b** You must avoid any conflict of interest. You must disclose at the earliest opportunity in writing (*) to your client or any relevant third party, any existing conflict of interest, or any circumstances which might give rise to a conflict of interest.
- 2c** Customer requirements are key and this applies to the potential tenant as well as the landlord. You should complete a customer fact find to ensure that any specific requirements of the landlord or potential tenant may be taken into consideration.
- 2d** You must tell the landlord in writing as soon as reasonable possible after you find out that a prospective tenant, who has made an offer, has applied to use any service provided by an associate (*) of you or connected person (*) in connection with the letting and/or management of a property.
- 2e** If an employee or an associate (or an associate of the employee of your firm) is intending to rent a property which your firm is instructed to let you must give all the relevant facts in writing to the landlord (or his representative) before negotiations begin.
- 2f** If you or an employee or an associate is intending to rent a property which your firm is instructed to let that person must take no further direct part in the letting of that property on behalf of your business.
- 2g** If you are letting a property that is owned by you, an employee or an associate (or an associate of an employee) or in which you an employee (or an associate of an employee) has an interest, you must, before negotiations begin, immediately make this known in writing.

3. Advertising for New Business (Canvassing)

- 3a** You must not use either "ghost" advertisements or canvassing material for properties that do not exist or for applicants that do not exist, in order to attract either new applicants or new clients.
- 3b** In your canvassing material, if you seek to use a property you have recently let or managed, you must seek the owner's prior permission.
- 3c** When you advertise for new business your fees should be shown inclusive of VAT alongside a statement confirming that VAT is included.
- 3d** You must not use unfair methods when seeking new properties or applicants by unsolicited approaches. Advertising material must be truthful, not misleading and fully explain who the message is from, its purposes and how the applicants or new client's interest can be followed up.
- 3e** You must take decisions on the content of your advertisements independent of your competitors, including whether to advertise your fees, charges or any additional costs, or any special offers, discounts or other value offering.
- 3f** You must act promptly if a landlord or tenant asks you to stop canvassing them.

4. Market Appraisal

- 4a** When you give advice to someone intending to let their property, any figure you advise either as a recommended rent must be given in good faith, reflecting current market

conditions. You must never deliberately misrepresent the potential rental level of a property in order to gain or retain an instruction.

- 4b** Any figures given should, within reason, be supportable by indicators in the market place, preferably by comparables of similar properties in a similar location.
- 4c** You must keep your marketing strategy under regular review with your client.
- 4d** You must advise a potential client of the need to obtain any necessary consent (for example from joint owners, mortgage lender or someone holding a legal charge against the property, superior landlord (*) and/or freeholder etc) prior to formal creation of a tenancy; inspect the necessary consents; advise of the need for the client to assess relevant buildings and contents insurance.
- 4e** You must advise a potential client of the need to comply with the obligations and requirements of relevant Health and Safety legislation and regulations that apply to rented property; and you should verify the validity of the necessary certificates. You must pay particular attention to any relevant smoke and carbon monoxide alarm regulations and advise the landlord and tenant accordingly.
- 4f** You should advise your client with regard to any Legionella risks.
- 4g** You should, within reason, draw to the attention of the potential client any obvious repairs or maintenance issues which appear necessary in preparation for the intended letting.
- 4h** You must, where appropriate, make a potential client aware of requirement to adhere to the Finance Act 1995 and the special rules relating to the deduction of tax from rental income, applying to client landlords considered as non-resident or overseas.
- 4i** You must draw a potential client's attention to the necessity and benefit of a properly prepared full inventory and a schedule of condition.

5. Instructions, Terms of Business, Fees, Charges and Termination of Client Agreement

Instructions and Terms of Business

- 5a** You must, at the point of instruction, inform your client in writing that you are a Member of the TPO scheme, and subscribe to this Code of Practice for Letting Agents.
- 5b** You must not directly or indirectly harass any person in order to gain instructions. Nor must you repeatedly try to gain instructions in a way likely to cause offence.
- 5c** You must not instruct other agencies to assist you in renting a property without the client's permission. If the client gives permission, as the instructing agent, you are liable at law for the actions of the sub-instructed agent and will be held responsible for any failures to comply with this Code of Practice by that sub-instructed agent even if that sub-agent is not a TPO Member. Notwithstanding this, if you are instructed as a sub-agent or share listings via a website, you must continue to act in accordance with all relevant provisions of this Code of Practice.
- 5d** You must ensure that the client understands your Terms of Business, that all fees and charges are clearly stated and are drawn to the attention of the client and you must satisfy yourself that client is entitled to instruct you and to sign on behalf of all co-owners as necessary.
- 5e** The client must be given sufficient time to read your Terms of Business before agreeing to instruct you. The client should be required to sign a copy which you should hold on file and the client must be given a copy to retain.

5f Your Terms of Business must clearly state the minimum duration of your instruction, and how it can be terminated by either party. When a contract is signed by a client during a visit by you to his home, at his place of work, away from your premises or online, then he must be given a right to cancel that contract within 14 calendar days of signing. He should be given a 'Notice of Right to Cancel'. Where the client wishes the contract to begin before the end of the 14 day cancellation period you must obtain confirmation of that request in writing. Where you intend to recover costs incurred during this cancellation period you must obtain the client's agreement in writing to those specific costs before work commences.

5g You must give your client written confirmation of his instruction to act in the letting and/or management of properties on his behalf before he has committed any liability to you. You must give the client written details of your Terms of Business which should include what different types or levels of service are available for example letting only, rent collection, full management including any relevant fees and expenses; and confirm whether you or the landlord will be conducting the 'Right to Rent' checks for the first tenancy, renewals and the expiry date of the visa(s).

5h You must confirm in writing the client's instructions to act on his behalf and which type or level of service is being provided.

Fair Contracts

5i Your Terms of Business must be transparent in relation to client commitments. They must be written in plain and intelligible language and comply with other requirements of the Unfair Terms in Consumer Contracts Regulations 1999. You should not use terms that may be deemed unfair, and consequently unenforceable, by virtue of the above Regulations. Your Terms of Business must not contain terms which are inconsistent with the provisions of this Code of Practice for Letting Agents.

5j Your Terms of Business must:

- Actively flag any entitlement to renewal commission and the scale of charges that will apply;
- Make clear that a liability to renewal commission will only arise where you are instructed to renew the tenancy or where the landlord has otherwise **specifically** agreed to your entitlement; where you intend to charge a fee for renewal of a tenancy you should remind the landlord of that liability at the time of renewal even if that liability is stated in the management agreement;
- Not include any liability to pay renewal commission where the property is sold to another landlord who retains the existing tenant;
- Not require payment of a commission in circumstances where the tenant agrees to purchase the property **unless** this is subject to a separate sales agreement.

Fees and Charges

5k Where the fee is a percentage you should clearly state whether VAT is chargeable and must express it as an actual amount plus VAT. The example amount should be based on the rental asking price. However, you must make it clear that, should the agreed rental be higher or lower than the example price, your commission fee will be correspondingly higher or lower.

5l Where you charge a fixed fee you should state the actual amount payable including VAT in the contract and ensure that the client understands that the fee will not vary whatever the rental income.

5m Your Terms of Business must include clear and accurate information regarding the circumstances under which either party to the contract may cancel or terminate the arrangement and they must actively flag what liability for fees or charges may be incurred in those circumstances.

5n You must not make a tenant or landlord pay a charge for or be liable for an element of your service that the other party has also been charged for in the course of the same transaction.

Termination of Client Agreement

5p Whether you or the client terminates the instruction, you must give the client appropriate written confirmation that you will no longer be acting for him, including the date of termination, and giving details of any liability for fees or charges owed by the client to you (or any credit or funds owed to the client) and confirming any arrangements for the handover of the property, appropriate documentation, keys etc to the client or his appointed representative.

5q Where your contractual arrangement with your client is terminated, and the relevant managed property is still tenanted, you must promptly tell the tenants, in writing, of the change in arrangements, including where it is proposed the deposit will be held. In such circumstances, the written authority of the tenant(s) to release their deposit to a third party must be obtained.

Subsequent Changes

5r Any change to the Terms of Business must be:

- mutually agreed by you and your client;
- promptly confirmed in writing;
- where appropriate, contained in a new Terms of Business signed and dated by your client.

6. Marketing and Advertising

6a You must not commence the marketing of a property until you are satisfied that you have your client's authority and have agreed the basis of your Terms of Business. You must not knowingly offer a property on the market without an appropriate Energy Performance Certificate and permission from the owner/client or, alternatively, from the owner/client's properly appointed and authorised representative. It is accepted that for portfolio landlords (*) it may be impractical to hold individual instructions on a property-by-property basis; in such circumstances you should ensure that you hold a satisfactory letter of authority from the client.

Letting Boards

6b You must not erect any form of letting board at a property unless you have been instructed to market that property for rent.

6c You can only erect a letting board with the specific permission of the client.

6d Any board you do erect must be appropriate for the occasion.

6e When you put up a board you must by law comply with the Town and Country Planning (Control of Advertisements) Regulations 2007; or in Scotland, the Town and Country Planning (Control of Advertisement) Regulations 1992. You must accept liability for any claim arising under these Regulations in connection with the board.

- 6f** If your board relates to part of a building in multiple occupation, it should indicate the part of the building to which it relates.
- 6g** You must not replace another agent's board with your own, hide it or remove it from a property, without the client's permission or without notifying the other agent.
- 6h** You must comply with local legislation in relation to erecting your boards.

7. Published Material and Information about a Property

- 7a** You must by law comply with the Consumer Protection from Unfair Trading Regulations 2008. The Consumer Protection from Unfair Trading Regulations 2008 require you to disclose any information of which you are aware or should be aware of in relation to the property in a clear, intelligible and timely fashion and to take all reasonable steps that all statements that you make about a property, whether oral, pictorial or written, are accurate and are not misleading.
- 7b** All material information (*) must be disclosed and there must be no material omissions which may impact on the average consumer's (*) transactional decision (*) and where information is given to potential tenants or their representatives, it is accurate and not misleading. In particular you must accurately describe whether the property is being let as furnished, part furnished or unfurnished and whether facilities are shared so that prospective tenants are not misled as to what fixtures, fittings etc will be included. You must be diligent in compiling the particulars.
- 7c** All non-optional fees that will be charged to tenants for the setting up of a tenancy must be disclosed in advertisements as directed by the Committee of Advertising Practice.
- 7d** All advertisements must be legal, decent, honest and truthful in accordance with the British Codes of Advertising and Sales Promotion and Direct Marketing.

8. Viewing and Access to Premises

Viewings

- 8a** You must take instructions from the client as to his requirements regarding viewings, specifically, whether or not they should be conducted by you.
- 8b** You must record any feedback from viewings and pass this to the client within a reasonable time. If this feedback is an offer to rent, you should refer to Section 9 below.
- 8c** Before arranging any viewing, you must tell the applicant if an offer has already been accepted by your client.

Access to Premises

- 8d** Where you are arranging for an applicant to view a tenanted property, the existing tenant must be provided with appropriate and reasonable notice, as prescribed by law, of the appointment unless other arrangements have been agreed with the occupying tenant. You should accompany all viewings unless an unaccompanied viewing has been agreed by the existing tenant.
- 8e** You must make sure that all the keys to a client's property that are in your possession are coded and kept secure. You must maintain records of when you issue keys and to whom; when they are returned and by whom. These records must be kept secure and

separate from the actual keys. You must only give keys to people providing you with satisfactory identification and who can demonstrate a legitimate purpose.

- 8f** If access to a property is required by you, or an authorised third party on behalf of the landlord (e.g. a surveyor, builder, tradesman etc) for the purpose of viewing the condition, state of repair and/or to fulfil related statutory obligations and/or to carry out repairs, and you hold the key but are not able to accompany that person, the occupying tenant must be provided with the appropriate minimum notice of 24 hours or that prescribed by law, of the appointment, unless agreed otherwise with the occupying tenant beforehand except in cases of genuine emergency.
- 8g** When you are unable to accompany any third party, this must be made clear to the tenant or other occupier beforehand.
- 8h** You must exercise reasonable diligence in ensuring that, after any visit by you or an authorised third party, a property is left secure.

9. Offers

- 9a** It is not advisable for you to accept, or recommend a client to accept, an offer on a property that has not been viewed either by the applicants themselves or by a suitably authorised representative of the applicants, for example, an appointed relocation agent or direct associate. Exceptions might be made when an applicant resident overseas is willing to be contacted by letter, fax or electronic means, but, in such circumstances, you must be conscious of the implications of the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013.
- 9b** You must inform your client, in writing as soon as is reasonably practicable about formal offers received on a property up to the point where tenancy agreements are signed unless the client has instructed otherwise, or, unless the offer is of an amount or type that the client has indicated previously (in writing) is unacceptable. Details of all formal offers made on a property including the name of the applicant, the amount, the date and the response given must be recorded. Where you are instructed as a sub-agent you must inform the principal agent of any offers received.
- 9c** Where an offer has been made to a landlord and he declines the tenancy other than because the prospective tenant has failed referencing, he should be advised that the prospective tenants holding deposit will be refunded in full to the tenant (see 9j below) and that the landlord may be liable for costs incurred by the agent in pursuing the references.
- 9d** An applicant, whose offer has been confirmed as having been accepted in principle, must be given written confirmation as to whether or not the marketing of the property is to cease and/or if further viewings will be carried out by you whilst the application is processed. If marketing and/or viewings are subsequently recommenced by you the applicant must be promptly informed.
- 9e** You must provide the parties with a draft or specimen tenancy agreement prior to the applicant becoming liable for fees or charges associated with the rental of the property except where such opportunity is declined or where you hold an instruction to the contrary. Where there is to be a guarantor for the applicant for the tenancy, this facility must be extended to that person.
- 9f** Any standard documentation that seeks to create a contractual relationship, via its standard terms or clauses, between an applicant and you or your client must be transparent in relation

to the commitments of each party. Such documentation must be fair, clearly presented and written in plain and intelligible language so as to comply with the Unfair Terms in Consumer Contract Regulations 1999. Such documentation includes application form, preliminary agreement, reservation form or a holding deposit receipt, terms and conditions of an application. You should advise your client that standard terms or clauses or fees and charges deemed unfair by the Courts under these regulations are unenforceable.

- 9g** Without prejudice to paragraphs 1l and 9k, and as appropriate to any local legislation, prior to an applicant's offer being formally accepted, you must set out in written form and must actively flag any significant tenancy pre-conditions and terms for the letting, including the circumstances in which the applicant may have any potential financial liability for fees, charges or penalties relevant to:
- the processing of his application to rent the property, including the cost of any credit checks to be made by you or the landlord;
 - his withdrawal, at any stage, of his application for the tenancy or the client's rejection of it. Consumers are entitled to a refund of a fair proportion of any prepayments made under a contract that does not go ahead (without prejudice to paragraph 9c), or that ends before they have enjoyed any significant benefit;
 - the initial setting up of the tenancy including inventory/check-in costs;
 - any ongoing or future liability for fees or charges payable to you in relation to the management of the proposed tenancy and for the applicant to extend, renew or terminate the proposed tenancy including inventory/check-out costs.
- 9h** Details of an offer accepted in principle (albeit still subject to references etc) should be confirmed to the client as soon as practicable and ideally in writing.
- 9i** You must take reasonable steps to keep applicants who have made an offer and which has not already been rejected informed of the existence (but not the amount) of other offers submitted. You must not misrepresent to either the client or an applicant the existence of, or any details of, any other offer allegedly made or of the status or circumstances of any other person who has made an offer.
- 9j** Where you take a holding deposit from a prospective tenant this deposit must be treated as clients' money (*) [see Section 13] except insofar as it will be used to meet the costs of referencing and other reasonable administration charges. You must explain the purpose of the holding deposit and its use before any prospective tenant is committed to paying.
- 9k** You must provide that person with a written receipt detailing the charges and fees that will be offset against the deposit if any and the terms of repayment or forfeiture should the tenancy not proceed. Any deductions from the deposit must be reasonable and must take account of the specific circumstances of the situation and the services actually properly provided (for example where the landlord declines the tenancy application; or the prospective tenant decides not to proceed and notifies you promptly after payment of the holding deposit; or where the tenant is not chosen in a competitive environment). Any holding deposit due to be returned must be repaid within 10 working days.

10. Referencing

- 10a** In all referencing processes or procedures, you must be diligent in identifying fraudulent applications.

- 10b** You must take references on a prospective tenant or guarantor appropriate to the circumstances of the application and in line with arrangements agreed with your client. Your own referencing procedures should usually be by way of a Referencing Service provider or by direct application to third party referees or any combination of the above.
- 10c** Where references are provided directly by the prospective tenant or guarantor, you must be diligent in validating their authenticity. In cases when you take or examine references and/or make a charge for them, the charge must be fair and reasonable for the work undertaken.
- 10d** Where the current existing address of the prospective tenant or guarantor is not evidenced via the Electoral Roll, such an address must, wherever practical, be verified by the prospective tenant or guarantor providing you with a utility bill or bank statement, or Building Society passbook or Council Tax account or driving licence or similar.
- 10e** You must be diligent in verifying the identity and nationality of an applicant or guarantor including verifying the nature of any visa, status of residency and work permit and you must retain a record of steps you have taken. 'Right to Rent' checks must be carried out in accordance with the Home Office codes and avoiding unlawful discrimination.
- 10f** Where a prospective tenant or guarantor fails, in the circumstances, to meet prudent referencing criteria, you must obtain confirmation in writing from the client whether they wish to proceed with that application. Where the acceptance of the prospective tenant or guarantor is conditional you must ensure those conditions are met and/or advise the client accordingly.
- 10g** You must provide the landlord with all relevant facts (subject to data protection restrictions) relating to the application to enable the landlord to make an informed decision.

11. Tenancy Agreement, Inventories and Deposits

The Tenancy Agreement

- 11a** You must take care to prepare an appropriate written tenancy agreement that includes any agreed or specially negotiated clauses or terms particular to the property or the circumstances of the parties to the letting including prescribed information in accordance with the Landlord and Tenant Act 1987 and the Housing Act 2004. You should ensure tenancy agreements are transparent in relation to the commitments of each party. The tenancy agreements must be clearly presented, written in plain and intelligible language; that any fees and other charges are actively flagged; and that any standard terms and clauses take account of the implications of the Unfair Terms in Consumer Contracts Regulations 1999. You should note that standard terms or clauses or fees and charges deemed unfair by the Courts under these regulations are unenforceable.
- 11b** You must give the tenant the opportunity to raise queries in order to clarify and understand his rights and obligations under the tenancy agreement, particularly those relating to rent, deposit or ancillary fees and charges. Whilst you should not seek to vary the tenancy agreement during the period of your agreement with the client, there may be occasions where this may occur. In such circumstances the tenant and the client must be given the opportunity to see and confirm the changed tenancy agreement.
- 11c** You must ensure that tenants are provided with relevant and appropriate documentation, statutory or otherwise, prior to their occupation of the property or commencement of the tenancy, whichever is the sooner.

- 11d** By law you must, within 21 days of receipt of formal written request from a tenant, provide that tenant with the name and address of their landlord.
- 11e** At the start of a tenancy, you must ensure that both client and tenant are aware of your ongoing role and scope, if any, in the continuing collection of rent and/or management of the property. In circumstances where the tenant is to be paying rent direct to a non-resident or overseas landlord, even where that is into a UK bank account, the tenant should be made aware of a tenant's obligations to HM Revenue and Customs in respect of a non-resident or overseas landlords tax liability.

Inventories and Schedules of Condition

- 11f** Unless you have instructions to the contrary you must ensure at the start of a tenancy that any Inventory and/or schedule of condition prepared for the client by you, or an appointed sub-contractor, is sufficiently detailed and up to date to allow it to be used as a fair measure at the end of the tenancy.
- 11g** You should arrange for a tenant to be checked-in to the property accompanied either by an Inventory Clerk or other representative of the landlord or his agent. Wherever this is not practical, the tenants must be provided promptly with the Inventory and/or Schedule of Condition and advised of the need to formally raise in writing any notable discrepancies, deficiencies or differences identified, within a specified period of time.
- 11h** The tenant must be given sufficient time, up to 7 working days from receipt to read and comment upon and sign the check-in report and inventory, and given a copy. If the tenant fails to sign and return the inventory within the time frame the tenant can be deemed as to have accepted the inventory as accurate. You must hold a copy on file. You must actively flag and specifically draw to the attention of the tenant that their failure to sign and return the inventory will result in the relevant documentation being accepted as accurate. If the tenant refuses to sign within the relevant timescale they should be asked to explain why and the reason recorded.

Deposits

- 11i** Advance payments of rent taken as a holding deposit to secure a tenancy cannot be treated as a substitute for a tenancy deposit taken to safeguard the landlord against breakages and damages during the period of the tenancy and must not be retained for use other than as advance payment of rent.
- 11j** Deposits taken for any Assured Shorthold Tenancy (or form of agreement appropriate to Northern Ireland) or 'replacement' tenancy must be protected by a recognised Tenancy Deposit Protection Scheme duly authorised under the Housing Act (England and Wales) 2004, the Tenancy Deposit Schemes Regulations (Northern Ireland) 2012. Tenancy deposits must be protected within the timescales and otherwise in accordance with the relevant scheme rules, including the serving of prescribed information.
- 11k** Deposits belong to the tenant and where it is passed to the landlord for protection under paragraph 11j above any charges due from the landlord for fees etc must be dealt with as a separate issue and not deducted from the funds passed to the landlord.
- 11l** You must ensure that the Assured Shorthold Tenancy agreement (or form of agreement appropriate to Scotland or Northern Ireland) of drafted includes a clause that specifies how and by whom the tenancy deposit is to be held, and whether interest is to be paid or not. It should include some information on how the tenancy deposit will be dealt with at the end of tenancy and the circumstances or criteria or procedure by which it will be refunded.

- 11m** Where relevant you must hold deposits on Assured Shorthold Tenancies (or form of agreement appropriate to Scotland or Northern Ireland) as stakeholder (the legislation prohibits the holder of the deposit from disbursing the deposit without the agreement of the landlord and tenant. A disputed deposit can only be paid out following a decision by an adjudicator or the Courts). It is not compulsory to do so in respect of non Assured Shorthold Tenancy deposits where you may continue to hold deposits as agents for the landlord. However, it is recommended that for the protection of the tenancy deposit and to help facilitate its fair disbursement at the end of the tenancy, you should hold the deposit as stakeholder where possible. Any deposits for which you hold the money whether or not this is covered by a recognised Tenancy Deposit Protection Scheme must be treated as clients' money.

- 11n** The relevant clause of the tenancy agreement must include provision for an unresolved deposit dispute to be referred to an independent dispute resolution scheme. This is via one of the statutory Tenancy Deposit Protection Schemes and there is a requirement by law to inform the tenant under which scheme his deposit is protected and how to seek resolution of a dispute over the return of the deposit should one arise.

12. Bonds

- 12a** Where the deposit is in the form of a Bond (for example provided by a local authority) you must advise the landlord.

13. Rent Collection

- 13a** You must use legally acceptable methods to obtain prompt rental payments from tenants in accordance with their tenancy agreement and, when received, transfer those monies to your client promptly.
- 13b** You must have procedures in place to notify both client and tenant (and guarantor if relevant) in a timely manner, of rent that has become appreciably overdue and take suitable steps to notify rental warranty insurers (if appropriate) as necessary.
- 13c** You must provide a tenant, upon request, with a statement or schedule of rental payments received showing how arrears have arisen.
- 13d** You must draw a client's attention to a build up of serious rental arrears and should seek appropriate instructions from the client or his professional advisers.
- 13e** You must co-operate fully and promptly with legal advisers acting for, or appointed on behalf of, client landlords or tenants.
- 13f** You must have in place suitable processes and accounting procedures for fulfilling the obligations placed upon an agent for the deduction, if appropriate, of tax from rent received on behalf of a non-resident or overseas landlord and subsequent payment and reporting to, the HM Revenue and Customs in accordance with the Finance Act 1995.

14. Management

- 14a** You must manage a property in accordance with the law, the relevant tenancy agreement, and the Terms of Business with the client. It is accepted that there will be times when you will have to act as "an agent of necessity".
- 14b** You must respond promptly and appropriately in the circumstances to reasonable communications from clients and tenants or any other authorised or appropriate third

party, particularly where these relate to statutory repairing or maintenance obligations or safety regulations.

- 14c** You must be prudent in the selection, appointment and use of contractors engaged to carry out work on behalf of, or to provide advice to clients. You should take reasonable steps to ensure such contractors hold relevant professional indemnity and public liability insurance and possess suitable experience or applicable professional or trade qualifications where required.
- 14d** You must keep suitable records of repairs, maintenance etc carried out on behalf of the client and should ensure that instructions to contractors or suppliers indicate both any urgency required in carrying out jobs and, within reason, the scope or scale of the works needed.
- 14e** When determining the standard of repair or general maintenance required on behalf of a landlord client, you should consider the age, character and prospective life of the property or the relevant part, and the locality in which it is situated.
- 14f** Initial contractors' quotes or estimates and subsequent receipts and invoices, submitted to you should be required to provide a sufficiently detailed breakdown to clarify what work is needed to be, or has been, carried out in which areas of the property and at what cost.
- 14g** The frequency of any routine visits to be made to the property by you during a tenancy must be agreed with the client in advance, normally within the Terms of Business. The client should be made aware that such visits are of limited scope, are of a generally superficial nature and are neither an inventory check nor a survey.
- 14h** You must keep records of when, or if any, routine visits are carried out during a tenancy; record any significant findings and be diligent in bringing such findings to the attention of both landlord and tenant, including any corrective actions suggested or required.
- 14i** You must communicate promptly to client and tenant on any important issues or obligations relating to the use and occupation of the property, including significant breaches of the tenancy agreement that you become aware of.
- 14j** You should be prepared to provide a reasonable degree of guidance and sympathetic support to tenants of a managed property who are being harassed or victimised, or are the target of persistent anti-social behaviour.
- 14k** You should have in place a system to ascertain, at an appropriate time, the tenant's wishes and the landlord's instructions with regard to any extension and/or termination of the tenancy.

15. Termination of a Tenancy

- 15a** Upon receipt of appropriate instructions from a landlord client, you must take steps to serve a notice in accordance with all relevant legislation in writing upon a tenant to terminate the tenancy; either in line with the landlord's instructions or at the earliest time the law allows taking account of the landlord's requirements.
- 15b** You must inform a landlord client, promptly and in writing, of the receipt of lawful notice from a tenant.
- 15c** On giving or receiving notice to bring a tenancy to an end, you must provide a tenant with general written guidance as to what steps need to be taken relating to the preparation of the property for the final checkout, handover of keys and other matters. You must actively flag and draw the tenant's specific attention to any specific clauses or obligations within

the tenancy agreement relating in particular to proposed deductions from the tenancy deposit but also for example, to specified standards of cleaning etc.

- 15d** Where a tenant does not vacate a property on the due date, you should take steps to ascertain the tenant's intentions and advise the client landlord as soon as practicable. Where appropriate, you must take steps to notify any legal protection or expenses insurer and co-operate fully and promptly with legal advisers acting for, or appointed on behalf of, client landlords.

16. End of Tenancy – Deposits, Disputes and Damages

- 16a** Where appropriate to the services being provided and unless you have instructions to the contrary, you must arrange for, or carry out, the final check-out as soon as is reasonably practicable after the tenants vacate and at the lawful end of the tenancy, preferably during daylight hours. The outgoing tenants should always be offered the opportunity of being present to observe the final checkout.
- 16b** The check-out must be conducted thoroughly and a sufficiently detailed report or summary prepared with specific reference back to the inventory and schedule of condition prepared prior to the tenancy.
- 16c** When the final check-out has been completed and the parties have agreed there are no intended deductions or any dispute, you must refund the full deposit to the ex-tenant(s) or instruct the landlord or tenant's deposit holder in respect of Assured Shorthold Tenancies (or agreement appropriate to Scotland or Northern Ireland within a maximum of 10 working days. Where practical the agent should use fast payment schemes.
- 16d** Irrespective of how the tenancy deposit has been held by you, where you are subsequently contractually involved in negotiations between the parties at the end of the tenancy, you must communicate promptly, regularly, politely and fairly. Major pertinent details and recommendations or suggestions must be confirmed in writing and copies of relevant significant information (such as quotations or invoices) provided.
- 16e** You must ensure that instructions to contractors or suppliers and, subsequently, contractors or suppliers quotations or receipts provide a sufficiently detailed breakdown to clarify precisely what work is to be/has been carried out in which areas of a property. It should then be simple for all parties to assess and understand what portion of the work and costs can lawfully be allocated to the landlord or tenant in the light of the inventory check-out report or tenancy agreement obligations.
- 16f** Wherever possible, once proposed deductions have initially been raised with the parties, you must pay over to each relevant party any amount of the deposit that is not subject to a dispute, as soon as administratively practicable and ensure that the parties to a disputed tenancy are advised of the timescales and procedures for progressing a dispute.
- 16g** You are expected to co-operate and comply fully and promptly with any investigation and the result of any independent, alternative deposit dispute resolution service, such as a Tenancy Deposit Protection Scheme, invoked by the parties.

17. Clients' Money

- 17a** You must at all times keep clients' money in a separate designated clients account held in a financial institution appropriately authorised under the Financial Services and Markets Act 2000 and where relevant comply with your regulatory bodies' rules or byelaws

in relation to the handling of clients' money. The client should be advised that monies will be held in a designated client account.

- 17b** You must transfer monies due to a client and provide an appropriate, regular statement of income and expenditure in accordance with agreed terms. Other than for minor amounts, adequately detailed invoices or receipts should support payments made on behalf of a client and copies provided to the client upon request.

18. In-house Complaints Handling

- 18a** You must maintain and operate an in-house complaints procedure. Such procedures must be in writing; explain how to complain to your business and to the Ombudsman; be readily available in each office for consumers; and be available for inspection by both the Ombudsman and/or TPO Limited.
- 18b** All verbal and written complaints must be recorded by you at the time they are made.
- 18c** You must agree to deal with any properly appointed representative of a Complainant (*).
- 18d** All written complaints must be acknowledged in writing within 3 working days and a proper investigation promptly undertaken. A formal written outcome of your investigation must be sent to the Complainant within 15 working days of receipt of the original complaint. A senior member of staff not directly involved in the transaction should deal with the complaint. In exceptional cases, where the timescale needs to be extended beyond this limit, the Complainant should be kept fully informed and an explanation provided.
- 18e** If the Complainant remains dissatisfied, he must be told how he can further pursue his complaint within your business. This should provide the opportunity for a speedy, separate and detached review of the complaint by staff not directly involved in the transaction. Such a review must be sent to the Complainant within 15 working days.
- 18f** Following the conclusion of your investigation, a written statement expressing your final view, and including any offer made, must be sent to the Complainant. This letter must also tell the Complainant how the matter can be referred to the Ombudsman, pointing out that any such referral by the Complainant must be made within 12 months of your final view.
- 18g** You must not imply that payment of any outstanding commission fee or additional costs is a pre-condition of a review by the Ombudsman.

19. Referrals to the Ombudsman

- 19a** You must co-operate with any investigations by the Ombudsman being conducted in accordance with his Terms of Reference.
- 19b** You must:
- comply with any award and/or direction made by the Ombudsman against you and accepted by the Complainant and which is binding upon you under the Terms of Reference; and
 - pay the Complainant the amount of any such award if accepted by the Complainant within the period for payment required by the Ombudsman.

20. Compliance Monitoring/Compliance Surveys

- 20a** You must comply with the requirements of any code compliance monitoring or compliance survey procedure used by TPO Limited.
- 20b** You must seek consumers' permission for their contact details to be used in any monitoring/survey process to ensure compliance with the Data Protection Act 1998.

21. Non-Compliance with the Code

- 21a** Cases of non-compliance will be dealt with by the Disciplinary and Standards Committee (DSC) of the TPO Council.
- 21b** The DSC will consider those cases brought to its attention by the Ombudsman, acting within his Terms of Reference, where he considers there has been any single flagrant breach and/or any persistent breaches of the Code by any Member Agent. When considering such cases the DSC will also consider whether the conduct is such that it raises issues concerning the Member's continuing registration under the the Redress Schemes for Lettings Agency Work and Property Management Work (Requirement to Belong to a Scheme etc) (England) Order 2014.
- 21c** The DSC will also consider cases of non-compliance where the monitoring process at 20 above shows any single flagrant breach and/or persistent breaches of the Code, failure to complete monitoring or where it is considered that the Member has brought the scheme into disrepute.
- 21d** The DSC will determine any disciplinary action in accordance with its terms of reference as defined from time to time.
- 21e** Any Member issued with a warning or sanction has the right to make a representation to the DSC and after the final decision of that body, shall, if necessary have the right to put the matter before an Appeals Committee made up of two independent Council members (one of whom will act as Chair) and one Board member. Such appeal must be made within 4 weeks of the issue of the warning or sanction. Expulsion or suspension from full TPO membership will not necessarily result in loss of registration under either the Consumers, Estate Agents and Redress Act 2007 or the Redress Schemes for Lettings Agency Work and Property Management Work (Requirement to Belong to a Scheme etc) (England) Order 2014.

22. Glossary of Terms

In this Code, the following interpretations and definitions apply:

- 22a Aggressive Behaviour.** Here are some illustrative examples of aggressive behaviour or practices. It is not an exhaustive list. In each case, the test is whether the average consumer's freedom of choice or conduct is (or would be likely to be) impaired and, as a result, they take (or would be likely to take) a different transactional decision. When you gain new landlord clients and instructions, when you market property for rental, when you negotiate rents and arrange tenancies you should not:
- Impose onerous or disproportionate requirements which prevent a landlord client from exercising rights to terminate an agreement or switch to another agency.
 - Refuse to allow a landlord to cancel their contract with you, where a cancellation period applies and has not expired.

- Pressure a landlord or tenant to use associated services, for example to take out an insurance policy through an associate.
- Pressure (for example by persistent and/or aggressive telephone calls/emails) the prospective tenant to act quickly to put in a rental offer or finalise the tenancy agreement.
- In order to make commission quickly, pressure a landlord client to accept a rental offer at a lower rate than is reasonable for their property, for example by telling them that they cannot get a better offer.
- Pursue commission or other fees from the prospective or existing tenant/landlord to which you are not entitled.
- Intimidate, pressure or coerce landlords or tenants into dropping complaints against your business, for example by using threatening or abusive language or actions when you deal with complaints.

22b Associate. Includes a brother, sister, husband, wife, civil partner, aunt, uncle, nephew, niece, parents, grandparents, children and grandchildren. The definition also includes business associates.

22c Average Consumer. The 'average consumer' is someone who is reasonably well-informed, and reasonably observant and circumspect. For example, an average consumer would pay some attention to documentation given to them, but not necessarily to the small print unless key points in it are brought to their attention. An average consumer would check out publicly available facts for themselves where this is straightforward to do, although what checks they actually make will be influenced by the information that you have given them. The CPRs do, however, provide for where a commercial practice is targeted at a particular group of consumers. In these cases, the 'average consumer' will refer to the average member of that group, not the average consumer generally. This will be relevant to you if you are targeting your commercial practice at a particular group of consumers.

22d Client. A person who has instructed you to let a property on his or her behalf, in the United Kingdom, including the Channel Islands and the Isle of Man. Where appropriate, this definition includes a client's properly appointed representative.

22e Clients' Money. Money held or rent collected for and on behalf of client landlords, including ex-clients is considered as client money and this will include deposits or money held for and on behalf of an applicant, tenant or ex-tenant.

22f Complainant. Someone who is an actual or potential landlord or tenant or former landlord or former tenant of residential property making a complaint against a Member Agent. Where appropriate, this definition includes a Complainant's properly appointed representative.

22g Connected Person. Includes:

- Your employer or principal.
- Your employee or agent.
- Any associate including the term "business associate" as defined within Sections 31 and 32 of the Estate Agents Act 1979.

22h Harass/Harassment. The Equality Act 2010 (Section 26) defines harassment as:

- Unwanted conduct related to disability, sex, gender reassignment or race and which has the purpose or effect of:

- violating someone's dignity;
- creating an intimidating, hostile, degrading, humiliating or offensive environment for the service user.

Harassment also includes sexual harassment and less favourable treatment of a service user because they submit or reject sexual harassment, or to harassment related to sex or gender reassignment.

Harassment because of someone's sexual orientation or religion would amount to unlawful direct discrimination and is also prohibited under the Equality Act.

22i Material Information. In the most straightforward lettings, the material information that you should give to potential renters may be quite basic although you should bear in mind the requirements of paragraph 7a.

22j Member. An agent who is a Member of the TPO scheme and who has undertaken to abide by all provisions of the Code of Practice.

22k Portfolio Landlord. A landlord with a number of properties that are being let, often through the same letting agent.

22l Property Management. In this Code, property management means the management of a property on behalf of the landlord, generally following the finding of a tenant. It does not relate to 'block' management.

22m Records. Means all written correspondence, file notes, contracts and agreements in hard copy or electronic communications including emails or faxes.

22n Residential Property. Means property (land and/or buildings or part thereof) used, last used, or to be used for residential purposes. Excluding holiday lets.

22p Superior Landlord. The owner of a superior interest in the property as a freeholder or leaseholder or intermediate landlord.

22q Transactional Decision. Informed decisions made by consumers, which include:

- A decision to find out more about your services, or to rule out using the services of one of your competitors.
- A client's decision whether and on what terms to sign or renew an agreement with you, or their decision to end an agreement.
- A prospective tenants decision whether to view an advertised property, or whether and on what terms to make an offer on a property or renew a tenancy.

22r Written, in Writing. Includes typed or hand-written letters, records or notes, emails and faxes. Electronic signatures are acceptable.

22s You. Applies to all those Letting Agents and their staff providing letting services bound by this Code.