

Redress Schemes

In force from 1st October 2014

ALL LETTING AND PROPERTY MANAGEMENT AGENTS WILL BE REQUIRED TO JOIN AN APPROVED 'REDRESS SCHEME' AS OF 1ST OCTOBER 2014



THE LAW

The Redress Schemes for Lettings Agency Work and Property Management Work (Requirement to Belong to a Scheme etc) (England) Order 2014

The Order has been made as part of the Government's proposals for improving standards in the private rented sector and is directly linked with Part 6 Enterprise and Regulatory Reform Act 2013.

WHO WILL THE ORDER APPLY TO?

The Enterprise and Regulatory Reform Act 2013 basically requires persons involved in two types of property work to be members of a redress scheme:

- lettings agency work; and
- property management work

LETTING AGENTS

A person who engages in lettings agency work must be a member of an approved redress scheme to deal with complaints in connection with that work made by a person who is, or has been, a prospective landlord or a prospective tenant. The scheme will apply to prospective tenancies which are assured (including assured shorthold tenancies), which are to be granted by a private sector landlord. Companies will not be able to seek redress under a redress scheme.

For the purposes of the Order, lettings agency work is defined as things done by any person in the course of a business in response to instructions from either a private rented sector landlord who wants to find a tenant, or a tenant who wants to find a property in the private rented sector.

PROPERTY MANAGERS

A person who engages in property management work must be a member of a redress scheme to deal with complaints in connection with that work.

Unlike for lettings agency work, the Order does not define the type of complaints in relation to property management work that the redress schemes must consider.

Property management work is categorised as things done by a person in the course of a business in response to instructions from another person who wants to arrange services, repairs, maintenance, improvements, insurance, or to deal with any other aspect of the management of premises consisting of, or

containing, a dwelling-house let under either a long lease, an assured tenancy or a protected tenancy.

WHAT ARE THE THREE APPROVED SCHEMES?

The three approved schemes 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.

The contact details of these Schemes are as follows:

- **The Property Ombudsman Scheme:**
0172 233 3306 or by visiting the website www.tpos.co.uk.
- **The Ombudsman Services:** Property
0330 440 1634 or by visiting the website www.ombudsman-services.org/property.
- **The Property Redress Scheme:**
0208 275 7131 or by visiting the website www.theprs.co.uk

WHAT TO DO AFTER JOINING THE SCHEME

Letting Agents and Property Managers who have joined the 'redress scheme' and are either accredited under the Good Landlord or Agent Scheme or who are operating in the designated Selective Licencing Areas are required to contact the Selective Licencing team at Burnley Borough Council before 31st December 2014 with their Redress scheme membership number.

FAILURE TO JOIN THE SCHEME

If an Agent does not join a government authorised consumer redress scheme they can be subject to a £5,000 fine from the local authority and can be ultimately closed down if they continue to breach their legal requirement to join such a scheme.

After joining a scheme the Agent must comply with the scheme's Ombudsman decision as failure to do so may result in the Agent being removed from that scheme.

This may then result in the Agent being unable to join another government authorised consumer redress scheme.

By joining the Property Redress Scheme, the Property Professional confirms they will comply with the decision of an Ombudsman if a complaint goes that far.

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