

The Consumer Rights Act has been brought in to tackle poor and illegal practices against consumers. This leaflet is intended to help Letting Agents understand the three new transparency rules that will come into effect on 27th May 2015.



1. Are your Letting Agency fees transparent?

- The Act requires that all Letting Agents must prominently display a comprehensive list of all fees, charges or penalties which are payable to the Agent by a landlord or tenant at any time before, during or after a tenancy.
- The list must be displayed at any premises where the Agent comes face-to-face with an existing or potential customer. A customer **walking into an Agent's office should be able to see the list without** having to ask for it. The Agent must also publish a list of fees on their website (if applicable).
- There is no legislation on the level of fee charged by the Agent however, ill-defined terms such as 'administration cost' must not be used and all costs must be inclusive of VAT. For a full breakdown of fees the Agent needs to publicise, please read the full government guidance [here](#).

2. Have you made it clear which Redress Scheme you have joined?

- From October 1st 2014, it became mandatory for all Lettings Agents to join a government-approved redress scheme. There are three approved schemes: The Property Redress Scheme, The Property Ombudsman, and Ombudsman Services: Property.
- The purpose of mandatory redress is to allow tenants and landlords to raise a complaint against their Letting Agent if they believe the service they have received is sub-standard.
- Letting Agents must now make it clear which scheme they are a member of in their offices by using a window sticker and on their website by displaying the redress scheme logo.

3. Do your consumers know whether you have Client Money Protection?

- Client Money Protection (CMP) provides compensation to landlords, tenants and other clients in the event that an agent misappropriates rent, deposits or other client funds.
- There are a selection of compensation schemes run by numerous providers including ARLA, RICS, UKALA, NALS and CM Protect.
- It is not a mandatory requirement that you have CMP. However, it is a legal requirement to make clear to your consumers whether you have joined a CMP scheme or not. Silence on the subject is considered a breach of legislation.

What happens if I fail to comply with the above?

Local enforcement authorities can impose a fine of up to £5000 on an Agent who has not published their fees, joined a redress scheme (and advertised which one) or stated whether they have CMP. The Letting Agent can be liable for a fine for each and every office where this information is not visible and an additional fine if it is **not displayed on the Agent's website**. There is no limit to the number of penalties that may be imposed on an individual Agent if they continue to be in breach of the legislation. Letting Agents should also ensure that they adhere to other existing consumer protection legislation. You can read the full government guidance [here](#).