



CODE OF PRACTICE FOR RESIDENTIAL LETTING AGENTS

Changes to 2015 Code Highlighted in Red

(England, Wales and Northern Ireland)

Effective from **1 October 2016**

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.

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**THE PROPERTY OMBUDSMAN
CODE CHANGES HIGHLIGHTED DOCUMENT – 1 OCTOBER 2016**

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.
All references to 'landlords' include potential landlords.
All references to 'tenants' include potential tenants and viewers.

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 1988, 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 Agents in Wales are required to comply with the Housing (Wales) Act 2014 and associated regulations, including compliance with the mandatory 'Code of Practice for Licenced Landlords and Agents'.
- 1d 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.
- 1e 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 (*).
- 1f 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.
- 1g 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.
- 1h 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.

- 1i 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.
- 1j As a TPO Member (*) you must not take or be involved in any action which would bring the scheme into disrepute.

Publicity

- 1k 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.
- 1l 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.
- 1m 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.
- 1n 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.
- 1p 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 reasonably 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 (~~for example, but not only, in circumstances where a commission or referral fee could be earned~~). ~~Any fee earned should be declared~~.
- 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 ~~the landlord's~~ 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 **to the tenant**.

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 applicant’s 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~~ **such as how you** 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~~ **the landlord** 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 ~~landlord client~~ to assess relevant buildings and contents insurance.
- 4e You must advise ~~a the landlord potential client~~ **a the landlord** 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 the landlord client~~ with regard to any Legionella risks.

- 4g You should, within reason, draw to the attention of the ~~landlord potential-client~~ any obvious repairs or maintenance issues which appear necessary in preparation for the intended letting.
- 4h You must, where appropriate, make ~~the landlord 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 ~~the landlord's a potential-client's~~ attention to the necessity and benefit of a properly prepared full ~~inventory~~ Inventory and a ~~Schedule of Condition~~ ~~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 ~~the landlord 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 ~~letting renting~~ a property without the ~~landlord's client's~~ permission. If the ~~landlord client~~ gives permission, as the instructing agent, you are liable at law for the actions of the ~~sub-instructed other~~ agent and will be held responsible for any failures to comply with this Code of Practice by that ~~sub-instructed other~~ 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 ~~landlord client~~ understands your Terms of Business, that all fees and charges are clearly stated and are drawn to the attention of the ~~landlord client~~ and you must satisfy yourself that ~~the landlord client~~ is entitled to instruct you and to sign on behalf of all co-owners as necessary.
- 5e The ~~landlord client~~ must be given sufficient time to read your Terms of Business before agreeing to instruct you. The ~~landlord client~~ should be required to sign a copy which you should hold on file and the ~~landlord 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 ~~landlord client~~ during a visit by you to ~~their~~ home, at ~~their~~ place of work, away from your premises or online, then ~~they~~ must be given a right to cancel that contract within 14 calendar days of signing. ~~The client~~ should be given a 'Notice of Right to Cancel'. Where the ~~landlord 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 ~~landlord's client's~~ agreement in writing to those specific costs before work commences.
- 5g You must give ~~the landlord your-client~~ written confirmation of ~~your~~ instruction to act in the letting and/or management of properties on ~~their~~ behalf before ~~they have~~ committed any liability to you. You must give the ~~landlord 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 ~~landlord's client's~~ instructions to ~~you~~ and which type or level of service is being provided.

Fair Contracts

- 5i Your Terms of Business must be transparent in relation to **the landlord's client's** commitments **and liabilities**. They must be written in plain and intelligible language and comply with **all other** requirements of **Part 2 of the Consumer Rights Act 2015**. You should not use terms that may be deemed unfair, and consequently unenforceable, by virtue of the above **Act 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 **the landlord has specifically agreed to your entitlement you are instructed to renew the tenancy or where the landlord has otherwise specifically agreed to your entitlement;** . ~~ww~~Where you intend to charge a fee for renewal of a tenancy you should remind the landlord of that liability **shortly before 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 **it should be quoted inclusive of 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 **landlord 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 **landlord client** terminates the instruction, you must give the **landlord client** appropriate written confirmation that you will no longer be acting, including the date of termination, and giving details of any liability for fees or charges owed by the **landlord 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 **landlord client** or his appointed representative. **This action must be taken promptly to enable a timely handover.**
- 5q Where your contractual arrangement with **the landlord 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 and, where you hold the deposit, notification provided to the appropriate tenancy deposit scheme.

Subsequent Changes

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

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

6. Marketing and Advertising

6a You must not commence the marketing of a property until you are satisfied that you have the landlord's 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/ landlord client or, alternatively, from the owner/ landlord's 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 landlord 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 landlord 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. 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 landlord's 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 (or the Business Protection from Misleading Marketing Regulations 2008 where applicable). 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. **Manipulating internet portals (and other channels of marketing) to give the impression a property is new to the market, when it is not; inflating your market share by listing properties multiple times; listing properties that are not currently available to rent; or claiming to have let a property which was let by another agent, is misleading.**
- 7e **If you intend to include material produced by a third party, you must obtain that party's permission to do so prior to the commencement of marketing.**

8. Viewing and Access to Premises

Viewings

- 8a **You must take the landlord's instructions** 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 **landlord client** within a reasonable time. If this feedback is an offer to rent, you should refer to Section 9 of this Code **below**.
- 8c Before arranging any viewing, you must tell the **tenant applicant** if an offer has already been accepted by the **landlord your client**.

Access to Premises

- 8d Where you are arranging for **a tenant n-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 **landlord's 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 may be 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. **If ~~and~~** you hold the key but are not able to accompany that person, the **occupying** tenant must be **given 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. **Notwithstanding providing the tenant with reasonable notice to access a property, express consent from the tenant to do so should be obtained.**
- 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 ~~landlord client~~ to accept, an offer on a property that has not been viewed either by the ~~prospective tenants applicants~~ themselves or by a suitably authorised representative of the ~~prospective tenants applicants~~, for example, an appointed relocation agent or direct associate. Exceptions might be made when a ~~prospective tenant 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 ~~the landlord 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 ~~landlord client~~ has instructed otherwise, or, unless the offer is of an amount or type that the ~~landlord client~~ has indicated previously (in writing) is unacceptable. Details of all formal offers made on a property including the name of the ~~tenant 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 ~~the landlord~~ declines the tenancy other than because the ~~prospective~~ tenant has failed referencing, ~~the landlord~~ should be advised that the ~~prospective~~ tenant's 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 A ~~tenant n-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 ~~their tenancy~~ application is processed. If marketing and/or viewings are subsequently recommenced by you the ~~tenant applicant~~ must be promptly informed.
- 9e You must provide the parties with a draft or specimen tenancy agreement prior to the ~~tenant 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 ~~tenant 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 a ~~tenant applicant~~ and you or ~~the landlord your client~~ must be ~~clear about 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 ~~Part 2 of the Consumer Rights Act 2015 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 ~~the landlord 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 ~~1m~~ and 9k, and as appropriate to any local legislation, prior to a ~~tenant's 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 ~~tenant applicant~~ may have any potential financial liability for fees, charges or penalties relevant to:
- the processing of ~~the~~ application to rent the property, including the cost of any credit checks to be made by you or the landlord;
 - ~~the~~ withdrawal, at any stage, of ~~the~~ application for the tenancy or the ~~landlord's 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~~ Inventory / ~~Check-in~~ 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 ~~tenant applicant~~ to extend, renew or terminate the proposed tenancy including ~~inventory~~ Inventory / ~~Check-out~~ check-out costs.

9h Details of an offer accepted in principle (albeit still subject to references etc) should be confirmed to the ~~landlord client~~ as soon as practicable and ideally in writing.

9i You must take reasonable steps to keep ~~tenants 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 ~~landlord client~~ or a ~~tenant 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 ~~the tenant 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.

9l In accordance with the Assured Shorthold Tenancy Notices and Prescribed Requirements (England) Regulations 2015, agents in England should provide the tenant with a copy of the 'How to Rent: the Checklist for Renting in England' document produced by the Department for Communities and Local Government. The document should be issued prior to the tenancy agreement being signed. If the document has been updated, the process must be repeated when the tenancy is renewed or changes to a statutory periodic tenancy.

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 ~~the landlord 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 ~~a tenant n-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 ~~landlord 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 ~~landlord 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, ~~regardless of whether the tenant has met, or failed to meet, the referencing criteria.~~

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 1988 and 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 ~~Part 2 of the Consumer Rights Act 2015.~~ You should note that standard terms or clauses or fees and charges deemed unfair by the Courts under ~~this Act these regulations~~ are unenforceable.
- 11b You must give the tenant the opportunity to raise queries in order to clarify and understand ~~their~~ 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 ~~landlord client~~, there may be occasions where this may occur. In such circumstances the tenant and the ~~landlord 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 ~~landlord 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 landlord's 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 schedule of condition~~ prepared for the ~~landlord 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 **the landlord's** 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** ~~check-in~~ report and **inventory** ~~Inventory~~, and given **copies** ~~a copy~~. If the tenant fails to sign and return the **documents** ~~inventory~~ within the time frame the tenant can be deemed as to have accepted the **contents** ~~inventory~~ as accurate. You must hold **copies** ~~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 **documents** ~~inventory~~ will result in the **original unamended** ~~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 **2004** (England and Wales) ~~2004~~, the Tenancy Deposit Schemes Regulations **2012** (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 **they are** ~~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 Northern Ireland) 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 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 **the** 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 **the landlord your client** promptly.

13b You must have procedures in place to notify both **landlord 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 **landlord's client's** attention to a build-up of serious rental arrears and should seek appropriate instructions from the **landlord client** or **the landlord's** 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 **landlord 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 **landlords 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 **landlords 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 **landlord 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 **landlord client** in advance, normally within the Terms of Business. The **landlord client** should be made aware that such visits are of limited scope, are of a generally superficial nature and are neither an **inventory 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 **the landlord 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 the 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 check-out, 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 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 **Check-out check-out**.
- 16b The **Check-out check-out** must be conducted thoroughly and a sufficiently detailed report or summary prepared with specific reference back to the **inventory Inventory** and **Schedule of Condition schedule-of-condition** prepared prior to the tenancy.
- 16c When the final **Check-out 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 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~~ **Inventory**, ~~Check-out~~ **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 ~~landlord client~~ should be advised that monies will be held in a designated client account.
- 17b You must transfer monies due to a ~~landlord 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 ~~landlord client~~ and copies provided to the ~~landlord 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 **or designated complaint handler** 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, **the Complainant** must be told how **the complaint can be further pursued** 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 **the Ombudsman's** 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 **the Ombudsman's** Terms of Reference, where **the Ombudsman** 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 there may have been a ~~where the monitoring process at 16 above shows any~~ single flagrant breach and/or any persistent breaches of the Code, failure to complete **compliance** monitoring, ~~or~~ where it is considered that the Member has brought the scheme into disrepute **or where the Member has seriously failed to comply with their membership obligations in another way.****

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 landlords ~~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 ~~their~~ behalf in the United Kingdom (~~excluding including~~ Scotland, 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-landlords 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 **Client Money Protection Insurance.** Provides compensation to landlords, tenants and other clients should an agent misappropriate the rent, deposit or other client funds.
- 22g **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.
- 22h **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.
- 22i **Harass/Harassment.** Unwanted conduct which has the purpose or effect of:
- violating a person's dignity;
 - creating an intimidating, hostile, degrading, humiliating or offensive environment for a person.
- 22j **Material Information.** In the most straightforward lettings, the material information that you should give to ~~tenants~~ ~~potential renters~~ may be quite basic although you should bear in mind the requirements of paragraph 7a.
- 22k **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.
- 22l **Portfolio Landlord.** A landlord with a number of properties that are being let, often through the same letting agent.
- 22m **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.
- 22n **Records.** Means all written correspondence, file notes, contracts and agreements in hard copy or electronic communications including emails or faxes.
- 22p **Residential Property.** Means property (land and/or buildings or part thereof) used, last used, or to be used for residential purposes. Excluding holiday lets.
- 22q **Superior Landlord.** The owner of a superior interest in the property, ~~such~~ as a freeholder or leaseholder or intermediate landlord.
- 22r **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 tenant's decision whether to view an advertised property, or whether and on what terms to make an offer on a property or renew a tenancy.
- 22s **Written, in Writing.** Includes typed or hand-written letters, records or notes, emails and faxes. Electronic signatures are acceptable.
- 22t **You.** Applies to all those Letting Agents and their staff providing ~~letting~~ services bound by this Code.