

# ADR Regulations Approval

***Reporting Period: 1<sup>st</sup> October 2015 – 31<sup>st</sup> September 2016***

## **Introduction**

On 1st October 2016, The Property Redress Scheme (PRS) gained approval from the Chartered Trading Standards Institute (CTSI) and the National Trading Standards Estate Agency Team (NTSEAT) under the Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 (ADR Regulations).

Both CTSI and NTSEAT are authorised as competent authorities for the purpose of the work the PRS undertakes under the ADR Regulations. The NTSEAT cover our estate agency work whereas the CTSI cover all other property related work including lettings and property management.

## **Overview**

The PRS is a relatively new provider of consumer redress. We have been in operation since the summer of 2014 and initially set up to enable lettings and property management agents to comply with their legal requirement to join a redress scheme under the Enterprise and Regulatory Reform Act 2013. We quickly obtained authorisation from NTSEAT to offer redress to estate agents under the Consumers, Estate Agents and Redress Act 2007.

The PRS did not receive any complaints to resolve until October 2014. The process allowed the complainant to fill out a pdf complaint form and provide all their evidence by post or email. Our internal processes are all manual and managed using spreadsheets. During this period we have been developing a fully integrated online complaint process and management system. This will allow the complainant to set up an account and raise the complaint online. The PRS Member will be able to deal with the complaint through their online account and the PRS complaints team will have full visibility through the internal system. We are looking to go live with this in early October 2016.

We put a strong emphasis on early resolution and around 40% of our complaints are resolved at the recommendation stage. When agreed the recommendation becomes a formal PRS binding decision on the parties. The other 60% of cases proceeded to a Final Decision carried out by the Head of Redress.

## **Types of Complaints**

We started off receiving a number of complaints about holding deposits. Once we added a case study on the website and started to advise both complainants and members about how we would resolve these type of complaints they did drop. Now our complaints are spread across a number of different topics from Japanese Knotweed through to developers pulling out of delivering new build properties.

## **Timescales**

Our timescales have remained steady from when we first started dealing with the complaints. Over 99% of complaints are dealt with in less than 90 days. This is from us receiving the initial complaint through to decision. We set strict internal KPIs which allow us to maintain expected service standards. We hope that the introduction of our online complaint system brings the average time the complaint takes down further.

# DCLG - Statistics

1 July 2015 to 30 June 2016

<b>Lettings offices:</b>	<b>4000</b>
<b>Residential Leasehold Management (RLM) offices:</b>	<b>305</b>
<b>Number of expelled Letting agents:</b>	<b>12</b>
<b>Number of expelled RLM agents:</b>	<b>0</b>
<b>Cases brought to PRS from:-</b>	
a) Landlords:	<b>115</b>
b) Tenants:	<b>172</b>
c) Freeholders:	<b>0</b>
d) Leaseholders:	<b>28</b>
e) Other:	<b>10</b>

<b>Why the complaint was referred to PRS:</b>	
a) Deadlock between the parties:	<b>129</b>
b) Complaint unresolved by in-house complaints process after 8 weeks:	<b>162</b>
c) Scheme administrator's discretion:	<b>0</b>
d) Other:	<b>0</b>

<b>Complaints resolved via:</b>	<i>Lettings</i>	<i>RLM</i>
a) Mediation/other without formal review (recommendation):	<b>63</b>	<b>0</b>
b) Formal review:	<b>104</b>	<b>3</b>

<b>Total number of cases decided during the year:</b>	
a) Upheld:	<b>147</b>
b) Non-support:	<b>23</b>

<b>Average time taken for case to be decided (taken from date evidence provided by both parties to date decision issued):</b>	<i>Lettings</i>	<i>RLM</i>
	<b>62</b>	<b>46</b>

<b>Awards made where complaints were upheld:</b>	<i>Lettings</i>	<i>RLM</i>
a) Financial:	<b>68</b>	<b>1</b>
b) Non-financial:	<b>5</b>	<b>1</b>
c) Financial and non-financial:	<b>31</b>	<b>0</b>
d) Other:	<b>1</b>	<b>0</b>

<b>Level of awards:</b>	<i>Lettings</i>	<i>RLM</i>
a) £1 to £99:	<b>2</b>	<b>0</b>
b) £100 to £499:	<b>31</b>	<b>1</b>
c) £500 to £999:	<b>21</b>	<b>0</b>
d) £1,000 to £2,999:	<b>26</b>	<b>0</b>
e) Above £3,000:	<b>12</b>	<b>0</b>

<b>Total compensation paid by:</b>	
a) Lettings agents:	<b>£152,576.80</b>
b) RLM agents:	<b>£200.00</b>

<b>Breakdown of complaint issues by topic:</b>	
General Communication	<b>13</b>
Duty of Care	<b>20</b>
Conflict of Interest	<b>0</b>
Advertising for new business (Canvassing)	<b>0</b>
Market Appraisal	<b>0</b>
Instructions and Terms of Business	<b>11</b>
Fair Contracts	<b>2</b>
Fees and Charges	<b>25</b>
Termination of Client Agreement	<b>2</b>
Subsequent Changes	<b>0</b>
Marketing and Advertising	<b>2</b>
Letting Boards	<b>0</b>
Published Material and Information about a Property	<b>1</b>
Viewings	<b>4</b>
Access to Premises	<b>3</b>
Offers	<b>0</b>
Referencing	<b>4</b>
The Tenancy Agreement	<b>4</b>
Inventories and Schedules of Condition	<b>0</b>
Deposits	<b>63</b>
Bonds	<b>0</b>
Rent Collection	<b>30</b>
Management	<b>60</b>
Termination of a Tenancy	<b>3</b>
End of Tenancy - Deposits, Disputes and Damages	<b>6</b>
Clients' Money	<b>12</b>
In-house Complaints Handling	<b>10</b>
Referrals to the Ombudsman	<b>0</b>
Compliance Monitoring	<b>0</b>
Management of shared areas	<b>1</b>

# ADR Regulations - Statistics

1 October 2015 to 31<sup>st</sup> September 2016

<b>SECTOR UNDER JURISDICTION</b>	<b>Sales</b>	<b>Lettings</b>	<b>Residential Leasehold Management</b>	<b>Other (Inventory Management (Campana))</b>	<b>Cosmetic Redress</b>
<b>Disputes Received</b>					
Number of domestic disputes received	19	292	33	1	0
Number of cross-border disputes received	0	0	0	0	0
<b>Disputes Rejected</b>					
a) No formal complaint raised with trader	2	3	0	0	0
b) Frivolous or vexatious/unsupported complaint	5	50	4	0	0
c) Dispute being/more appropriate for it to be considered elsewhere (e.g. court)	2	24	14	0	0
d) Claim value over £25,000	0	0	0	0	0
e) Not referred within 12 months	1	4	0	0	0
f) Dispute would impair effective operation	0	0	0	0	0
<b>Percentage of cases discontinued for operational reasons</b>	0%	4%	0%	-	-
<b>Average time taken (days) to resolve</b>					
a) Domestic disputes	86	62	46	34	0
b) Cross-border disputes	0	0	0	0	0
<b>Rate of compliance with Ombudsman decisions</b>	86%	94%	100%	100%	-