



Residential leasehold management complaints

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This guide is here to help you understand the different ways leasehold properties are managed and how we can help resolve complaints.

If we are unable to help, we will try to point you in the right direction and offer guidance on other places you may find help and advice [here](#).

What is a leaseholder?

The leaseholder buys and owns the property for a set period (the lease) but does not own the land on which it is built. The land is owned by the freeholder.

As a leaseholder, you will have rights and responsibilities which will include knowing:

- what service charges you will have to pay (how much and how often) towards property maintenance
- what repairs you may be responsible for
- what permissions you need from the freeholder to make any alterations
- how to deal with any other issues such as pets, neighbours, smoking and noise and many more

What is a residents' management company?

A residents' management company (RMC) is most often the leaseholders, where the lease specifies this is allowed or they own the freehold, who then collectively manage the block. An RMC is set up as a not-for-profit limited company with the leaseholders being the 'shareholders' who can volunteer to become a director of the RMC.

The terms of how this should be set up are normally written in the lease, providing the tools to look after and maintain the building.

Where there is no RMC in place and the leaseholders request the right to take responsibility from the owner(s) of the freehold, they will form a 'right to manage' company (RTM).

The guidance set out below applies to both RMC's and RTM's.

Why might managing agents be involved?

If the RMC feels that self-management does not work for them, they may appoint a managing agent to manage the building's communal areas, such as stairs and hallways and other duties on their behalf.

What are the responsibilities of an RMC or managing agent?

Typically, the responsibilities will include the management and maintenance, such as:

1. Regular property inspections
2. Complete maintenance service packages
3. Arrange maintenance, repairs and cleaning contracts
4. Sorting any emergency work
5. Complying with all necessary local authority regulations
6. Attend any meetings with officers if requested, provided reasonable notice is given
7. Full range of advice on management issues

What is our role?

Our members include many managing agents, and we are here to consider any complaints made against them by a consumer, such as an RMC or an individual leaseholder. *We are currently unable to deal directly with complaints from tenants, who are renting the property from the leaseholder under a domestic residential tenancy.*

As you can see, many of the responsibilities above involve service elements, whether it be to the property itself or the leaseholder. We are here to help if a consumer has a valid complaint about the service they have received, and we will assess if the leaseholder(s) have been badly treated.

What kind of complaint can we deal with?

Please be aware our authority to deal with complaints about property management agents is restricted to unfair treatment, including, but not limited to:

- poor or incompetent service where the member has not performed their duties to the required standard. However, we are unable to help with disputes over the amount or charges made for maintenance or contributions for works required by the lease
- where the member has ignored the consumer's legal rights other than those laid out in the Landlord and Tenant Act 1985. A property manager has statutory duties as prescribed in this legislation and complaints regarding these should be referred to the First Tier Tribunal (Property)
- where the member has not followed any relevant code of practice, or their own rules or procedures
- the responsibilities of your freeholder or RMC who is our member in their own right, and not through an agent member
- rudeness or discourtesy
- lack of a clear explanation
- not completing a transaction as efficiently as reasonably expected
- avoidable delays in delivering agreed or expected services

All of these will rely on the consumer being unhappy after having formally complained to the agent and waited up to 8 weeks for the agent to investigate and resolve or respond to the complaint. If the consumer is still unhappy they can contact us as long as it is within 12 months of the incident they are complaining about.

What kind of complaints might we be unable to help with and are there any exceptions?

We are unable to consider a complaint if:

- the agent is not a member of our scheme
- it relates to the freeholder or the RMC's responsibilities, and not the agent
- the complaint relates to issues that began before the agent joined the PRS
- the complaint relates to an incident during the time the agent has been our member, even though the complaints may have been ongoing for a long time
 - Exception – where on-going incidents relate to the current situation and are clearly connected to it.
- the consumer has not followed the member's internal complaints process first
 - Exception – where the formal complaint has gone past the 8 weeks it typically takes, or we agree that the agent has not followed up or communicated with the consumer appropriately.
- it is more than 12 months since the consumer received the member's final response to their complaint
 - Exception – at our discretion, and in our reasonable opinion, the consumer was unable or prevented from continuing the complaint until now.
- it has been dealt with, or is being dealt with, by the courts or the First Tier Tribunal (Property Chamber) or is clearly within their jurisdiction to deal with

- the complaint relates to alleged criminal activity or negligence. In some cases, the consumer may feel the agent has acted in a criminal manner.
 - Exception - if in our opinion, the agent's action may be something we can deal with e.g. they have not acted in a wilful or intentional way, we will offer to resolve it. Even in these cases we may still refer the matter to appropriate authorities if we have concerns over their actions. Your rights to consider separate legal action is unaffected by this.
- the amount of compensation the consumer is asking for is more than £25,000
 - Exception - where we believe the compensation you may be entitled to is less than this limit, we may offer to resolve your complaint on this basis or we may be able to resolve your issue in part. You will retain the right to pursue compensation for in excess of this amount through other means.
- the consumer has not complied with their contractual responsibilities in relation to a contract or fees associated with the property (such as not paying your service charges). Where the consumer has withheld service charges or repair, remedial or improvement charges to compensate for the standard or service we may ask that this is resolved before being able to deal with the complaint
- relates to service charges, ground rent charges or an alleged breach of the lease by the consumer or any related penalty charge or a forfeiture of their lease and in these circumstances they should contact the Leasehold Advisory Service www.lease-advice.org

Where else can you get help?

If a complaint involves a combination of statutory failures and service issues as frequently they do, we may be able to help resolve your issues in part, signposting you to the appropriate route for your other issues.

In the event that we cannot accept your complaint as it wholly falls outside of our authority to deal with, we will provide you with the reasons for our decision and try to signpost other places that may be able to help, such as the First Tier Tribunal (FTT). For information on taking leasehold cases to the FTT see [lease advice and guide/application to FTT property chamber](#) or our very own "[Other places for help and advice](#)"

Information ready?

If you are making a leasehold complaint, you will need to provide us with the following information so that we can understand how your leasehold property is set up and whether we can help you:

- Name of leaseholders (owners of flat)
- Name of managing agent
- Are you a director of the RMC/RTM?
- If you are raising the complaint on behalf of any other leaseholder as well, we will need written authorisation from the other leaseholder(s) to say that they are happy for you to act on their behalf

Please note that the PRS is not a regulator or an enforcement agency

These are functions carried out by Trading Standards and the Government. Our authority does not allow us to:

- dictate how members carry out their business activities subject to these being performed in a lawful manner.
- fine or punish members*
- take any form of legal action against members**

*Our awards are compensation for the consequences the actions of the member has had on you.

** If we are made aware of breaches of the law or contravention of codes, regulations, or criminal activity, we will refer our concerns to the appropriate body.

For more detail on our authority to deal with complaints, please refer to the PRS Terms of Reference and the Conditions of Complaints document [here](#).