

Administration error and poor service

Resolution requested: compensation for:

- not sourcing the right tenant
- issuing the wrong tenancy agreement, and
- allowing damage to the property, resulting in loss of rental income for the time it took to carry out repairs and re-let the property

Award: £912

Resolved by: Early resolution

What happened?

The landlord said:

- He had been using the agent on a 'let-only' basis for years and was generally happy with their service
- Due to an administrative error by the agent, the tenant only signed a six month fixed term contract instead of a twelve month contract and the tenant left the property at the end of the six month period
- The tenant had damaged the property to such an extent that it cost far more than the £1050 deposit to put it right
- The agent's mistake had cost him additional costs in finding another tenant, putting in an inappropriate tenant and he had to instruct another agent to sort out the repairs
- Had he been better prepared for the tenant leaving, he could have avoided these additional costs and had a replacement tenant lined up

Note: We recognise that cases vary and the outcome will depend on the interpretation of the evidence provided.

The agent responded, saying that:

- All the correct referencing was carried out on the tenant, which all came back fine, and rent was fully paid throughout
- They accept that an administrative error was made but the landlord should have checked the tenancy agreement
- As the error was not noticed by either the landlord or the agent, they could not be held solely responsible
- They offered to refund the landlord 50% of their agency fee which was not acceptable to the landlord, who felt his losses were much higher

What evidence was provided?

Tenancy agreement and emails

What was decided and why?

Quality of tenant and damage

1. The agent had a responsibility to make sure the tenants were suitable for the property and there was no evidence to suggest any issue with the referencing procedure
2. However, the agent was employed by the landlord on a 'let only' basis and not to manage the property, so could not be responsible for any damages caused by the tenant during the tenancy; that apart from the administrative error there was no evidence of poor service
3. Even if the tenancy was a 12 month fixed term contract, the landlord would still have had to carry out repairs and cover the costs of the mortgage, utilities and council tax before re-marketing and, or, letting a new tenant move in

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Tenancy agreement

4. The agent accepted making an error in issuing the wrong tenancy agreement which caused considerable inconvenience to their client, who had to go through the re-letting process six months earlier than expected, at additional cost

Outcome

5. Through the early resolution negotiations, the landlord accepted he could have checked the tenancy agreements although there had been no problem in the past
6. The agent offered to refund the full agency fee to the landlord, putting him back in the position he was in before instructing them, which was accepted by the landlord

How can you avoid this happening in future?

- Mistakes happen. Agents should acknowledge any errors and work to ease their client's losses if possible; however, it is best practice for landlords to check their tenancy agreements as seen in this case
- This agent's willingness to reach a compromise prevented the complaint from being pro-longed and causing more inconvenience to the landlord

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