

## **Regulation of Property Agents (RoPA) Working Group**

### **Meeting Minutes**

Millbank House

Tuesday 15 January 2019 10:30 – 13:00

Attendees: Lord Best (Chair), Luay Al-Khatib (Royal Institute of Chartered Surveyors – RICS), Andrew Bulmer (Institute of Residential Property Management – IRPM), David Cox (Association of Residential Letting Agents – ARLA), Anthony Essien (LEASE), Mark Hayward (National Association of Estate Agents – NAEA), Professor Christopher Hodges (Oxford University), Wendy Martin (NTS), Richard Lambert (National Landlords Association – NLA), David Pilling (Ombudsman Services – OS), Paul Phipps-Williams (MHCLG), the secretariat.

#### **1. Introductions and Declarations of Interest**

RICS and NAEA Propertymark stated that they have an interest in codes of practice.

#### **2. Review of RoPA Working Group meeting minutes, 11 December 2018**

Agreed by members.

#### **3. Update from the RoPA Codes of Practice sub-group meeting, 7 January 2019**

Andrew Bulmer, chair of the sub-group meeting, recounted the sub-group's discussions.

- Participants in the sub-group meeting considered whether a code of practice should set out just the legal obligations or be aspirational in encouraging agents to raise standards beyond this basic level.
- The majority of participants felt that the principles of the code should be set out in legislation, but that the specifics should be determined by the single, independent regulator who would be responsible for the code. Stakeholders should be able to work collaboratively with the regulator in updating the code.
- Participants emphasised the importance of effective information sharing.
- Participants discussed whether the detailed codes should be structured by sector or by activity.
- Participants in the sub-group raised the concern that landlords and freeholders were not included in the working group's remit.

#### 4. Codes of Practice: decisions

##### a) General structure of codes

Members agreed the proposed general structure of the code, consisting of overarching core principles in legislation supported by more detailed regulatory codes of practice, which in turn could be further developed in voluntary industry codes of practice set by professional bodies.

The group discussed how the regulator would receive input on the regulatory codes.

##### b) Individuals or companies?

Members agreed that the code should set out differentiated responsibilities for individual agents, senior managers, and the businesses for whom they work.

##### c) Subdivision of codes

The working group considered whether the scope of code elements should be drawn by sector or by activity.

##### d) Accountability

The group considered how the regulator would be held to account for the content of the code.

##### e) Effect of minor breaches/enforcement powers

The group considered whether property agents should be banned for repeated but relatively minor infringements of the statutory code, or whether they should only be banned for major contraventions. Members highlighted the importance of ensuring that appropriate transitional arrangements are in place, and agreed that malpractice prior to the introduction of a code could be taken into consideration by the regulator.

The group also discussed phoenix companies and the importance of local authorities and courts notifying the regulator when agents have been banned.

##### f) Core principles

Members discussed the draft core principles listed below and drawn from other industries codes of practice.

- Integrity
- Quality
- Communication
- Public Trust
- Corporate Governance
- Client Money Protection
- Records
- Delegation
- Equality
- Information Handling

- Abuse
- Conflicts of Interest
- Dispute Resolution
- Training
- Legal Compliance

## **5. Future programme**

- a) Regulatory models: comparison including Scotland, Wales and financial regulation – 12 February 2019
- b) Regulatory models: sub-group meeting – 12 March 2019
- c) Regulatory models: working group meeting – 2 April 2019
- d) Leasehold fees and charges: sub-group meeting – 29 April 2019
- e) Leasehold fees and charges: final meeting – 14 May 2019
- f) Final report: first meeting – 11 June 2019
- g) Final report: final meeting – 9 July 2019