

Regulation of Property Agents (RoPA) Working Group

Meeting Minutes

Tuesday 23 April 2019, 11.00am – 1.00pm, Millbank House

Attendees: Lord Best (Chair), Luay Al-Khatib (Royal Institution of Chartered Surveyors – RICS), Andrew Bulmer (Institute of Residential Property Management – IRPM), David Cox (Association of Residential Letting Agents – ARLA), Professor Christopher Hodges (Oxford University), Wendy Martin (NTS), Richard Lambert (National Landlords Association – NLA), David Pilling (Ombudsman Services – OS), Joe Lane (Citizens Advice)

Apologies: Anthony Essien (LEASE), Mark Hayward (National Association of Estate Agents – NAEA)

1. Introductions and declarations of interest

- RICS declared their interest as a delegated professional body (DPB) under the Financial Conduct Authority's regime for insurance regulation.
- National Trading Standards declared their interest in regulation, as they in providing the lead enforcement authorities for lettings and estate agency.

2. Review of minutes from working group meeting, 12 February 2019

The group agreed the minutes.

3. Review of sub-group meeting, 12 March 2019

Professor Christopher Hodges reported on this meeting noting the current absence of redress for agents with a complaint against another agent, and the importance of redress schemes as a valuable source of market data.

4. Regulatory models

a. The regulator of property agents

The group agreed that there should be a single regulator with licensing powers. This body should have the ability to set standards for property agents in the form of a code of practice and qualifications requirements; as well as undertaking risk-based investigation and intelligence gathering. Members agreed the body should have the power to undertake a range of enforcement actions against agents who fail to comply, ranging from ordering training through to revocation of licenses for the worst offenders. The regulator should be independent of the sector and accountable to the Ministry of Housing, Communities and Local Government. It should be financed by contributions from regulated firms.

b. Enforcement

The group agreed that the new regulator should cooperate flexibly with existing public enforcement agencies, particularly local Trading Standards teams. Alternative dispute resolution services would continue to take complaints directly from consumers to avoid the regulator becoming overburdened, and the regulator would complement these services through their power to order agents to compensate consumers.

c. Role of professional bodies

Members discussed the potential role of professional bodies under a new regulatory system, including both the potential merits and possible drawbacks. It was agreed that any delegation of the regulator's power would be subject to conditions and at the regulator's discretion.

d. Miscellaneous

The group agreed that the regulator should take on responsibility for approving and governing those organisations providing services to property agents which are currently approved and governed directly by the Ministry i.e. redress and client money protection schemes.