

**Scottish Government - Energy Performance Certificate reform – lodgement fees and penalty**

**charges: technical consultation**

**Response from Propertymark**

**March 2025**

**Background**

1. Propertymark is the UK’s leading professional body of property agents, with over 18,500 members representing over 12,800 branches. We are member-led with a Board which is made up of practicing agents and we work closely with our members to set professional standards through regulation, accredited and recognised qualifications, an industry-leading training programme and mandatory Continuing Professional Development.<sup>1</sup>

**Overview**

2. The Scottish Government have launched a technical consultation paper on the proposed changes to lodgement fees and penalty charges, as part of their reform of Energy Performance Certificates (EPCs). This is a consultation on potential changes to the level of EPC lodgement fees charged in Scotland, as well as the level of penalty charge notices associated with EPC enforcement. It follows publication in January 2025 of the Scottish Government’s Response to our 2023 consultation on EPC Reform, which confirmed that we will introduce new EPC regulations in 2025 and bring them into force in 2026. This technical consultation will form the final consultation on changes to the EPC regulatory regime, ahead of laying those new regulations.

**Questions**

**Q1 To what extent do you support or oppose the Scottish Government’s proposal that elements of the EPC regulatory regime which provide direct benefits to service users should be funded through a statutory fee levied on lodgement of each EPC?**

3. Propertymark strongly supports this proposal. This is the third of three consultations on EPC reform in Scotland. The Scottish Government have recently responded to their consultation on Energy Performance Certificate reform. As part of the Scottish Government’s plans for reform, several proposals have been made including strengthening governance arrangements for EPC

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<sup>1</sup> <https://www.propertymark.co.uk/>

assessors, to ensure that high-quality assessments are carried out across the country and new plans for assessment procedure and EPC Register, which will be shared with the UK Government to ensure similarly high standards across the UK. Improving EPCs is essential in not just Scotland, but also across the UK. Research from Which? found that EPCs were often 'riddled with inaccuracies and unhelpful advice that could cost homeowners a fortune<sup>2</sup>.' These improvements will require increased revenue and funding from the Scottish Government to implement. We are mindful that the Scottish Government must achieve value for money for the people of Scotland and that this must strike a fair balance in costs to direct service users who would directly benefit from the improvements.

**Q2. To what extent do you support or oppose the Scottish Government's proposal to raise the statutory fees levied upon lodgement by £3.40 for both domestic and nondomestic EPCs?**

4. Propertymark somewhat supports the proposal to raise the statutory fee levied upon lodgement by £3.49 for both domestic and non-domestic EPCs. We have already addressed that we feel it is fair that the funding of the proposed improvements to the three elements of the EPC regulatory regime should be directly funded by those who will directly benefit from the improvements. Given the scale of the proposed improvements, we feel that the increase of £3.49 for both domestic and non-domestic EPCs is both fair and proportionate. We feel that this is fair and proportionate because firstly, the total cost of an EPC remains relatively low. Secondly, if the cost of EPCs rose by inflation since 2017, then the proposed costs would only be slightly higher than the rate of inflation. Thirdly, the total proposed costs remain lower than some smaller countries within the EU including Lithuania, Ireland and Denmark which are comparative with Scotland.
5. However, if any future considerations are given on any proposed increases in charges, then the Scottish Government must consider this decision alongside the broader economic challenges faced by landlords and property agents from rent control legislation and increased costs to materials, labour and administration. Furthermore, while the cost is relatively modest, it should be understood that the increase could have a disproportionate impact on some landlords and property agents especially those who operate in remote locations such as the Scottish Highlands and Scottish Islands. Many properties in the areas are disproportionately impacted because they require more frequent reassessment due to unique heating systems (e.g., biomass, oil, electric heating), which may necessitate additional EPC lodgements. In addition, compared to urban

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<sup>2</sup> [The problem with Energy Performance Certificates: can you trust your EPC? - Which? News](#)

centres, rental yields in rural areas are lower, meaning increased fees represent a higher proportion of landlords' operational costs.

**Q3. To what extent do you support or oppose the Scottish Government's intention to review the lodgement fee level within two years of the new Regulations coming into force, to ensure they remain appropriate?**

6. Propertymark somewhat agrees. However, we would recommend that for the reasons we have already outlined in question two, we believe there should not be any further increases unless the situation radically changes.

**Q4. To what extent do you support or oppose the Scottish Government's intention to review the new on-site Audit & Inspection function within two years of the new Regulations coming into force, to see if it remains appropriate?**

7. Propertymark strongly supports this decision. We agree with the Scottish Government that paying for enhanced audit and inspection will deliver genuine benefits to service users and that these benefits will be experienced by consumers in the long-term. It is essential that any proposed improvements are evaluated and monitored to ensure that they are effective, relevant and if any further improvements can be made. Propertymark would be very happy to continue to engage with the Scottish Government on this matter including providing access to our members in Scotland to support any future reviews the Scottish Government conduct.

**Q5. What are your views on the appropriate level of penalty charges under the new Regulations going forward?**

8. Propertymark strongly supports increasing the level of fees to offer a sufficient deterrent to breaches of the regulations. Under the current regulations for EPCs, local authorities in Scotland can issue a penalty charge if an owner of a property fails to obtain a valid EPC during the marketing of a sale or let of a property. These penalty charges have remained stagnant since 2008 and set at £500 for breaches on domestic property and £1,000 for non-domestic property. The UK Government are currently consulting on proposals to increase their penalties in line with inflation to £325 for domestic and £815 for non-domestic property. While the Scottish Government's proposed penalties are slightly higher at £500 for domestic property and £1,000 for non-domestic,

we think this would offer greater incentive towards compliance and increase the perception of the value of an EPC.

**Q6. To what extent do you support or oppose the Scottish Government's intention to review the level of penalty charges within two years of the new Regulations coming into force, to ensure they remain appropriate?**

9. Propertymark strongly supports this proposal, and again, we would be happy to support the Scottish Government in any way that we can. One consideration that the Scottish Government should consider on an ongoing basis is whether Scottish local authorities have sufficient resources to enforcement standards. Failure to occupy enforcement across Scotland could result in a postcode lottery of enforcement.

**Q7. Please provide any other commentary or observations you have on funding of the regulatory functions through lodgement fees, proposed in this consultation.**

10. In conclusion, we are supportive of all the Scottish Government's proposals which we think will improve the quality of EPC assessments and strikes the right balance in fairness. However, given the financial challenges experienced by both landlords and their property agents, any further increases in charges should be avoided.