



Primary Authority Partnership

Warwickshire County Council Trading Standards

Old Budbrooke Road, Warwick, CV35 7DP

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Propertymark

Arbon House, 6 Tournament Court, Edgehill Drive, Warwick, CV34 6LG

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The Property Ombudsman

Milford House, 43 - 55 Milford Street, Salisbury, Wiltshire, SP1 2BP

Primary Authority Advice

This advice is applicable to all member businesses acting in a capacity of a letting agent, managing agent or landlord. If you are contacted by a local authority enforcement body, please ensure that you inform them that you are a member of the scheme.

Advice requested:

NTS Guidance on Transparency of Fees Involving Property Sales says that estate agents etc. should disclose information about referral fees. Does this also apply to letting agents?

Legislation considered:

Consumer Protection from Unfair Trading Regulations 2008 (as amended)

Estate Agents Act 1979 (as amended)

Other Material considered:

National Trading Standards Estate Agency Team Guidance on Property Sales, September 2015

National Trading Standards Estate Agency Team Guidance on Transparency of Fees Involving Property Sales, Compliance with the Consumer Protection from Unfair Trading Regulations 2008, February 2019

CMA Guidance for lettings professionals on consumer protection law, June 2014

Assured Advice Issued:

The NTS referrals guidance makes it clear that estate agents must disclose not only the price(s) of their services, but also details of referral fees, retainers, etc, paid to them by other businesses – e.g. conveyancers, financial advisers, etc.

The scenarios where a letting agent could earn a referral fee include instructing plumbers, electricians, EPC providers, referencing providers, utility services etc. It is clear that where referral fees are earned from any of these, whether they be in the form of a fee per referral, a retainer or any other form of hospitality, gifts, etc., then details of this should be disclosed in exactly the same way.

Failure to do so may constitute a misleading omission, contrary to the Consumer Protection from Unfair Trading Regulations.

Date Advice is Effective from:

09 04 2019

Reference and renewal:

The reference for this advice is: WTS/PM/TPOS/35

This advice will be reviewed annually; however it will remain valid until it is marked 'obsolete' on the Primary Authority Database. If any part of this document requires amendment following a review, a completely new version will be added to the database and the previous version shall be marked 'obsolete'.