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## The Property Ombudsman Lettings Consumer Code of Practice Desktop Audit August 2025

### Background information

The Ombudsman for Estate Agents (OEA) scheme was established 1 January 1990. The Property Ombudsman (TPO) operates multiple codes of practice covering residential sales, residential lettings, buying agents and property buying companies.

The name "The Property Ombudsman" came into being on 24 April 2009; the name change was made to reflect the broader jurisdiction in relation to complaints TPO deal with.

The Property Ombudsman has approval as an estate agency redress scheme under the Consumers, Estate Agents and Redress Act 2007. The Enterprise and Regulatory Reform Act 2013 requires all residential lettings agents to belong to an approved redress scheme. TPO has achieved approval of its scheme along with The Property Redress scheme.

TPO is authorised by CTSI (Chartered Trading Standards Institute) as an ADR (Alternative Dispute Resolution) provider. TPO is also approved as an Ombudsman by the Ombudsman Association.

Many lettings facilities are part of Sales Agents (see audit for Residential Sales Code of Practice).

### Audit Process

A qualified Chartered Trading Standards Practitioner from CTSI completed the audit via Teams as TPO no longer have an office.

The audit focused on the following areas:

- Advice to members, including general compliance and staff training
- Customer service provisions
- Consumer complaints process, including ADR
- Customer satisfaction and how this information is used to develop and improve the code
- Sanctions against members for non-compliance with the code

## **Audit Summary**

At the date of the audit, there were 11,855 letting agents of which there were 7,803 companies with 4,052 branches (and for sales there were 14,001 member agents of which 8,865 were companies with 5,136 branches).

## **Member Application Process/New members**

A small number of new applicant's documentation was examined. The process focuses on ensuring that prospective members understand their obligations and that they have all the necessary indemnities and insurances in place. There is also a photographic ID check and supporting invoice/utility bill.

Checks include:-

- Complete an Expelled TPO Director List Search
- Complete a postcode search on the database (ACT) to establish if they are already on the system
- Check status as limited company/sole trader and any VAT registration
- If they are a limited company, use the company registration number & visit <https://beta.companieshouse.gov.uk/> to check details match
- Check the agent has completed the tick boxes confirming they have the relevant documents, CMP and Professional Indemnity Insurance.

There were 842 new applicants to the scheme in the previous 12 months, making total number of full members dealing in residential lettings 11,855.

TPO continue to call businesses who fail the membership application criteria. Their shortcomings are discussed to see if the business can rectify this e.g. by increasing their PI insurance cover to increase consumer protection and qualify for membership.

The current 'Welcome Pack' includes copies of Consumer Guidelines and Codes of practice along with the TPO, CTSI and CCAS logos and is emailed to members upon joining.

A 'New Member Checklist' is also included in the Welcome Pack, which gives guidance on procedure.

Two member applications were supplied for the audit. The applications were reviewed and found to be satisfactory. The online presences for the two new members was also reviewed. One was found not to have a website and the other displayed both the TPO and CTSI logos.

## **Existing Member Inspections/Audit**

TPO aim to complete 2000 audits, across both sales and lettings, per year which represents approximately 8% of members. In the year to date, there have been a total of 1312 audits of members who were registered for either sales, lettings or both.

All audits are carried out remotely. TPO review the agent's website and other company websites for the following:

- Correct TPO/CTSI Logo
- Internal complaints procedure available matching TPO time scales
- All branches registered
- Registered for Client Money Protection scheme with certificate displayed on website
- Information Commissioner's Office registration
- HMRC Anti-Money Laundering registration where any rentals are over €10,000 per month

An email is sent to the member with details of any issues found during the audit and they are given a four week period to correct any issues.

The selection of which members to audit is made at random via a data pull, manually adding any agents that have been brought to the attention of the Compliance Department in relation to a suspected non-compliance issue.

### **Recommendation:**

The TPO's audit regime has changed from questionnaires being sent to members to reviews of websites. As this is a less detailed examination of the status of compliance of the member and would miss members that do not have websites, statistical analysis should be carried out of the robustness of the monitoring of the compliance of members in line with the ACS Criteria.

## **Membership Withdrawal and Sanctions for Non-Compliant Member Businesses**

An automated email is sent to members who fail to renew their subscription detailing what must be done in relation removal of logos etc and how to reinstate membership.

In instances of non-compliance, sanctions are available ranging from warnings to expulsion. A letter is sent detailing any actions required. This may direct the member to pay an amount to a consumer that has been awarded during a complaint adjudication. If the amount is not settled or no response received, a second letter is sent. If the matter is still not resolved, the member is expelled.

TPO provide the National Trading Standards Estate and Lettings Agency Team with a monthly feed that includes details of all members that have ceased membership, a press release is published regarding the expulsion and Zoopla are informed.

Two termination letters sent to members were examined, neither company continues to display the TPO logo. The termination maybe for non-payment, resignations or failure to pay an award following a complaint.

Between July 2024 – July 2025, 888 full members ceased membership.

As of 19<sup>th</sup> August, there are five members in the TPO disciplinary process, two are residential lettings, one is residential sales and two are residential leasehold management.

### **Marketing and Advertising by Member Businesses**

TPO issues comprehensive branding guidelines to all their members, and all new members receive a pack of marketing and branding materials when they join the code. TPO and CTSI logos are supplied, with window stickers sent by post.

Member's websites are checked as part of the monitoring process, marketing and advertising is checked as part of the random compliance audit process, with shop front photographs checked for the correct use of logos.

### **Terms and Conditions and other Pre-Contractual Information**

TPO no longer check this.

### **Customer Service Provisions**

TPO complaints handling tool kits were developed after working with an industry working group, led by TPO, examining trends in complaint handling performance. The toolkits for Complaint Handling – England, Wales & Northern Ireland, Complaint Handling – Scotland and Complaint Handling – Residential Leasehold are available to download on the TPO website.

TPO has a dashboard for bigger corporate members to review their complaints, which are listed according to complaint type and branch.

The TPO has introduced training on consumer vulnerability for its staff. It is considering launching the training for members.

### **Consumer Complaints Process**

There is a two-stage process.

- 1) Initial enquiry and advice and/or evaluation to see if there has been a potential breach of the code
- 2) Passed to the early resolution team for settlement, and escalated where necessary for adjudication

In 2024, the TPO saw a 27% overall increase in consumer enquiries, with 73,035 people seeking assistance. Tenants generated 61% of lettings enquiries where their most common request was for advice around repairs and maintenance.

Changes to the scheme's Terms of Reference, sent at point of new membership continues to have having a positive impact. At the start of the process, a greater emphasis is placed on ensuring that fully completed complaint forms are received. TPO resolve around 35% of enquiries at the first stage, meaning issues were resolved at the earliest possible point, avoiding matters escalating into formal complaints. The self-service portal remains the most popular channel to seek advice and contact TPO.

## **Customer Satisfaction and Feedback**

Feedback on the services provided by TPO is captured via consumer surveys. The surveys are issues at various stages of TPO's processes.

- Stage 1- consumer enquiry
- Stage 2- early resolution (consumer & agent)
- Stage 3- complex complaint (consumer & agent)

Feedback for the services provided by TPO members who follow the approved codes is captured via platforms such as Trustpilot along with their social media channels. The TPO Comms team monitor Trustpilot reviews, many of these are quite negative. TPO are not concerned about this as they feel that the review represents the outcome of the complaint rather than the service provided by TPO.

TPO obtain customer satisfaction feedback of it's own services by conducting surveys and provide the results to their board in their quarterly reviews. Consumers and members are asked about their experience after an enquiry or a resolution or final decision has been achieved. The responses help identify any service improvements.

In total 404 consumers and members responded to the surveys.

20% of consumers that used the Consumer Enquiry service said the advice and guidance provided resolved their issue.

60% of consumers stated TPO membership would be a contributing factor when choosing their next agent.

82% of respondents stated the dispute had been supported in whole or in part.

## **Conclusions**

This is a long established and well-run code and continues to fulfil its obligations as a code sponsor. However changes to the monitoring regime should be assessed to ensure they remain statistically robust.

TPO aim to review both their Codes within the next 12 months. However this timetable will largely depend on the legislative landscape, and the changes to the private rented sector being introduced by the government.