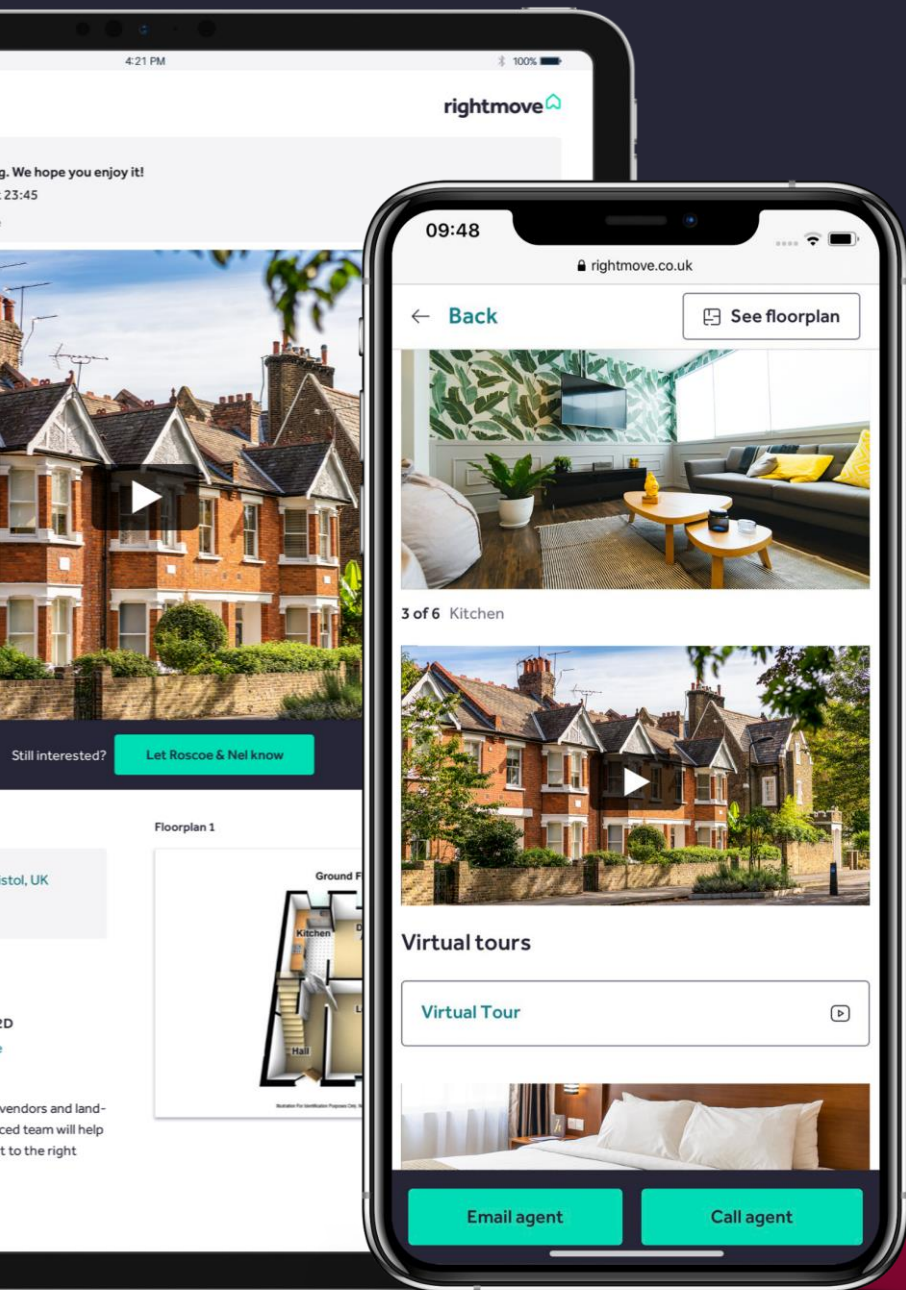


# Stay compliant with Consumer Protection Regulations while building better client relationships

rightmove 

 The Able Agent®



- Improve the quality of data in your CRM
- Grow your team's ability to understand clients' needs
- Improve market appraisal conversion
- Improve sales progression time scales

**Under Consumer Protection Regulations (CPR's) agents are responsible for providing complete transparency on properties and services, to enable buyers and tenants to make informed decisions.**

The Regulations relate to “consumer” protection  
They aim to make sure that businesses tell the truth about goods, services and prices and prohibit unfair commercial practices.

**In your role as an estate or letting agent you are in a position of responsibility and the expert in any advice you give clients.**

Buyers and tenants want access to accurate and essential information to make the decision to buy or rent

Consumers get suspicious if information is missing

- 40% of customers said they thought something must be wrong if information is missing
- More than 50% of respondents said that they would be less likely to buy or rent a property where information was missing on the property listing

NTSELAT/PROPERTYMARK survey

# The value of information



90%

would prefer to find detailed information about a property on a portal



87%

agree that property portals should include all key information about a home in their property listing



£4,123

estate agents lose in commission for every property sale that falls through

# Improve the quality of data in your CRM

## Grow your team's ability to understand clients' needs.

- Better empathy and trust with customers – understand their position and then offer advice.
- Good questioning
- Listening
- Note taking
- Honest and transparent information – “my advice would be”

# Offering better quality information....

- Less time wasted on speculative enquiries
- Transaction times may be shortened
- Number of transactions that fall through may be reduced
- Consumer trust increases
- Stand out from the rest!

# So what are the CPR's?

They relate to "consumer" protection

They aim to make sure that businesses tell the truth about goods, services and prices and prohibit unfair commercial practices.

In your role as an estate or letting agent you are in a position of responsibility and THE EXPERT in any advice you give clients.

It is NOT the client's responsibility to ask relevant questions.

This means you should tell them negative features of a property as well as positive features.

This means as agents you need to find out more information about your clients and the properties you sell or rent to be able to advise appropriately.

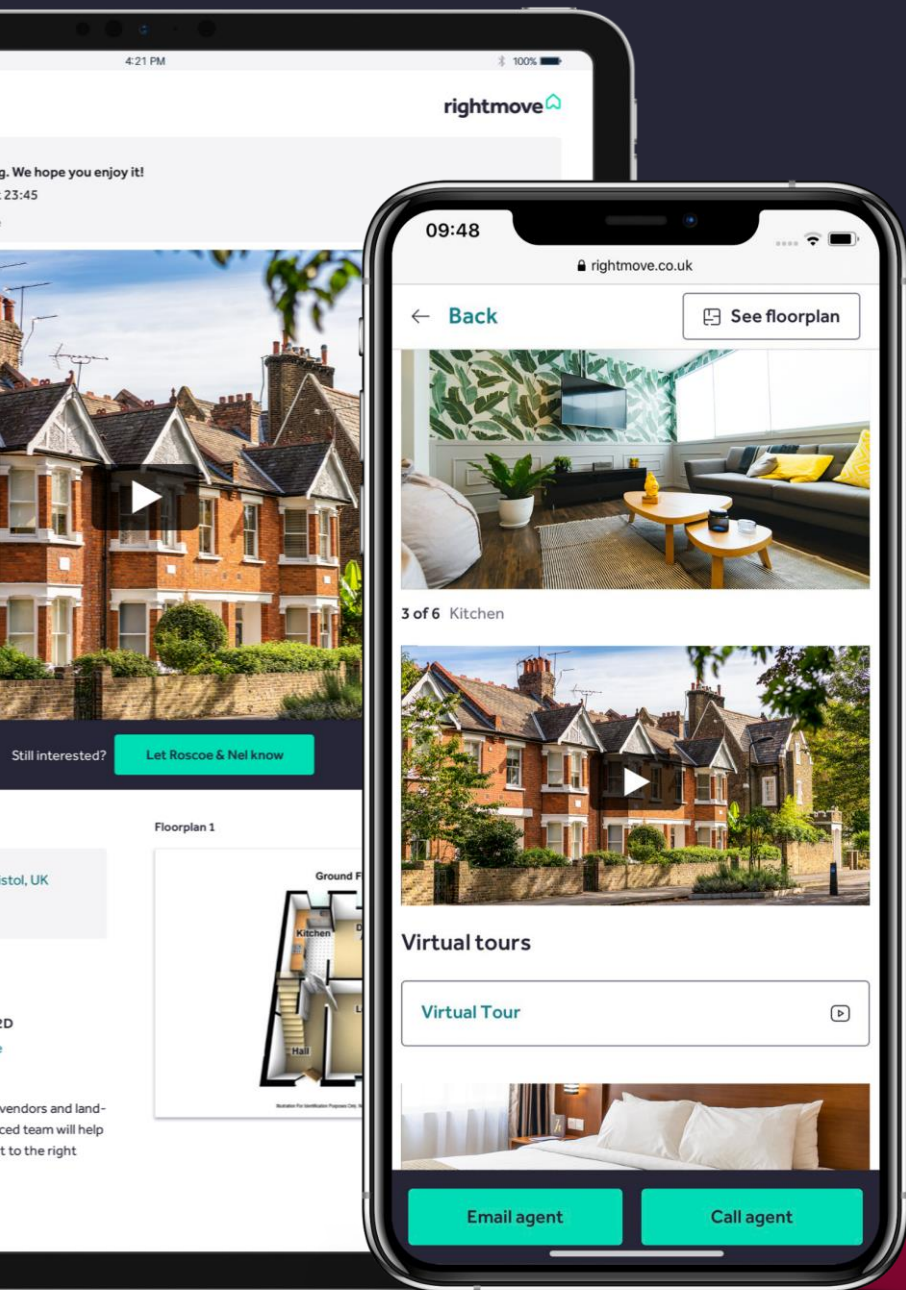


# NTSELAT

## What is material information?

Under the Consumer Protection from Unfair Trading Regulations 2008, estate agents, letting agents and property portals have a legal obligation not to omit material information from consumers.

The CPRs' places a duty on agents to provide the 'material information' that the average consumer needs, according to the context, to make an informed transactional decision.



“the information that the average consumer needs, according to the context, to make an informed transactional decision without which the consumer cannot make a properly informed decision”

- Average Consumer
- Transactional decision
- Material information
- Misleading actions or omissions

# The 'average consumer'

*The CPR's define an average consumer as someone who is "reasonably well-informed", and "reasonably observant"*

**'Transactional decision'** - *Informed choice.*

- To accept an offer
- To view a property
- To put a property up for sale
- To take a property off the market,
- Decision whether to accept/turn down an offer,

**Everything you say or do has the power to influence**

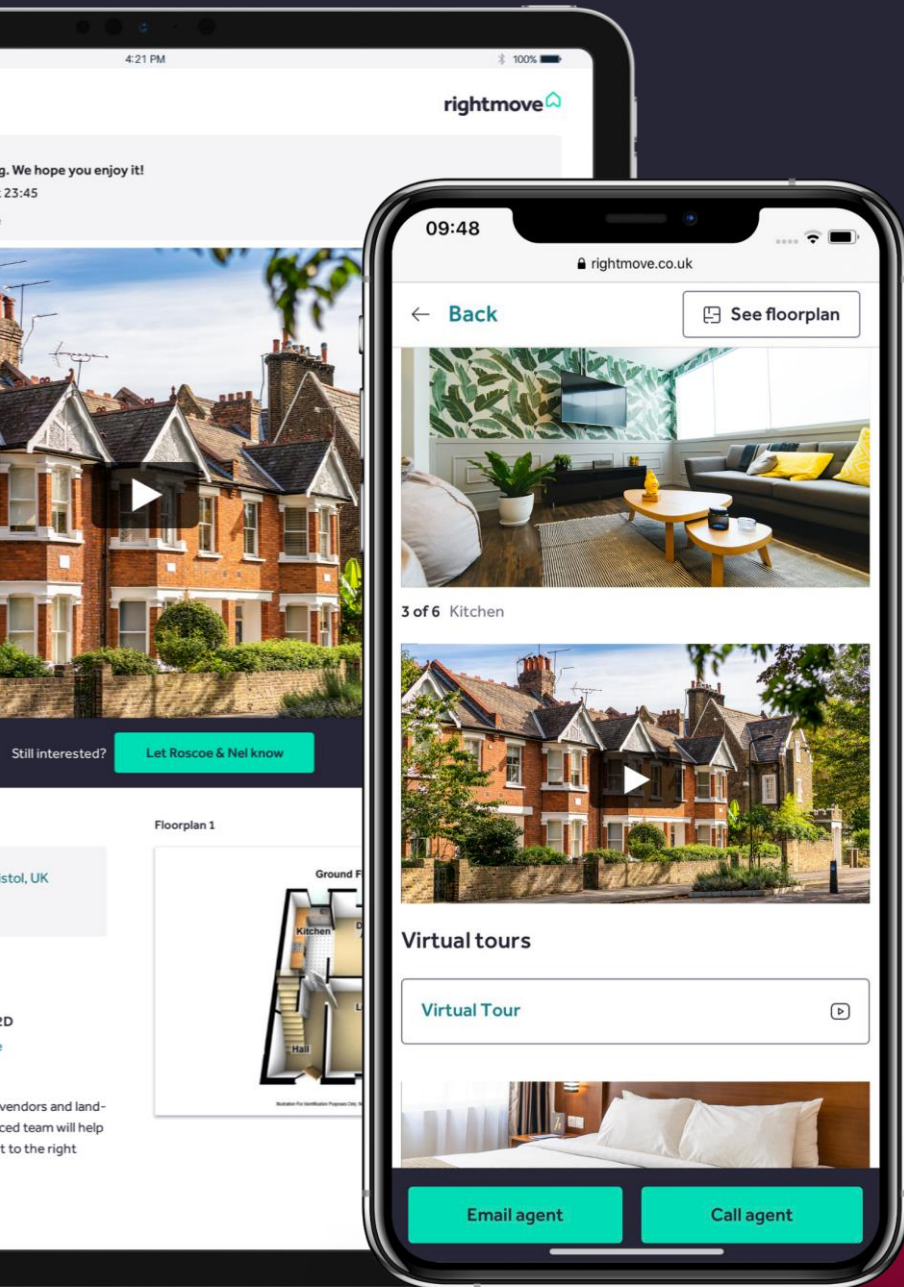
# “Material information”

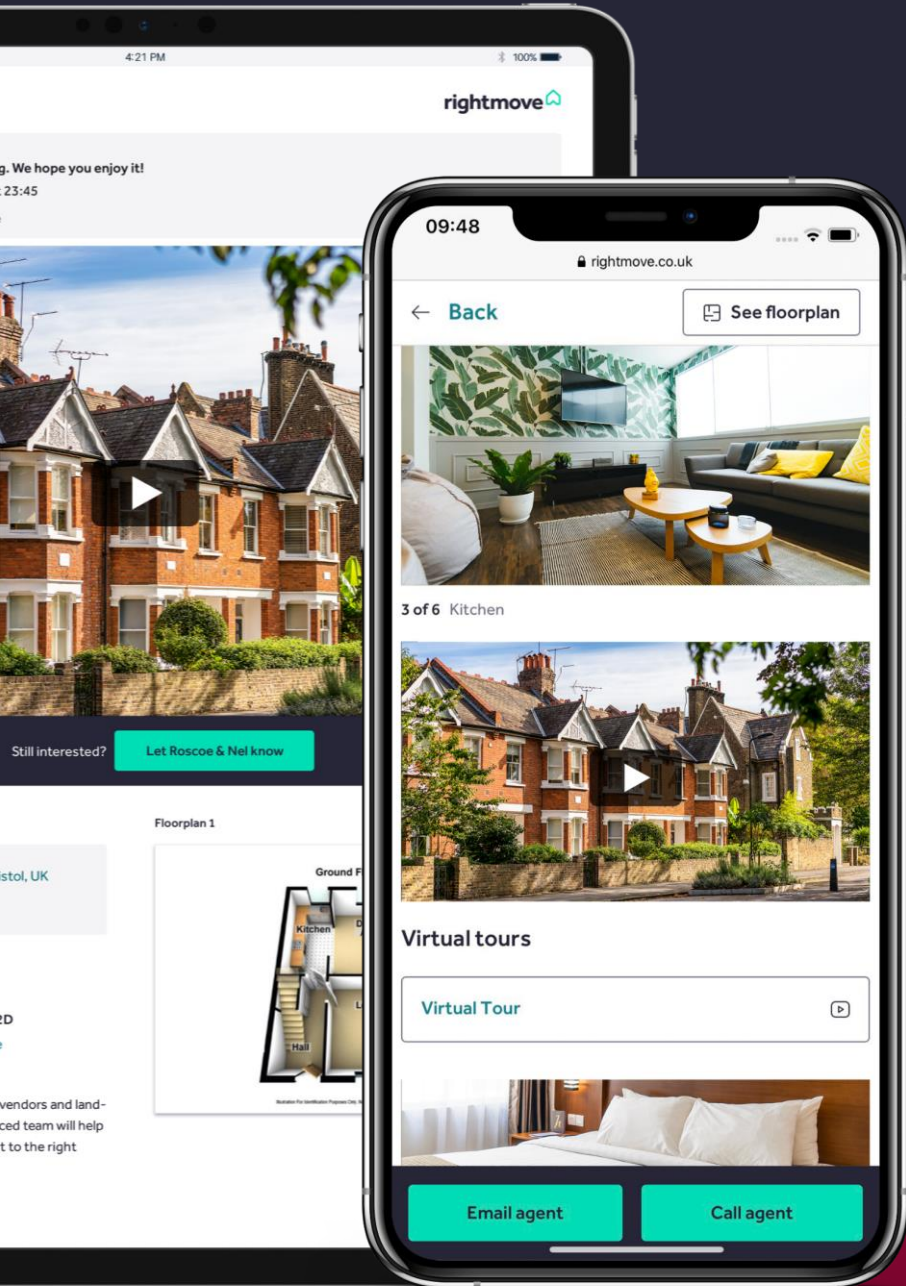
Provide to potential buyers a minimum of

- The asking price
- Location
- Number and size of rooms
- Whether freehold or leasehold

Plus

- The length of any lease, the service charge, ground rent etc
- Uncertainties about title
- Any major structural defects
- Substantial limitations on the use of the property
- Lack of connection to mains services
- Has the seller obtained the necessary planning or building regulations





# Misleading omission

If you do not know a piece of material information, it could be a **misleading omission** if you do not disclose it.

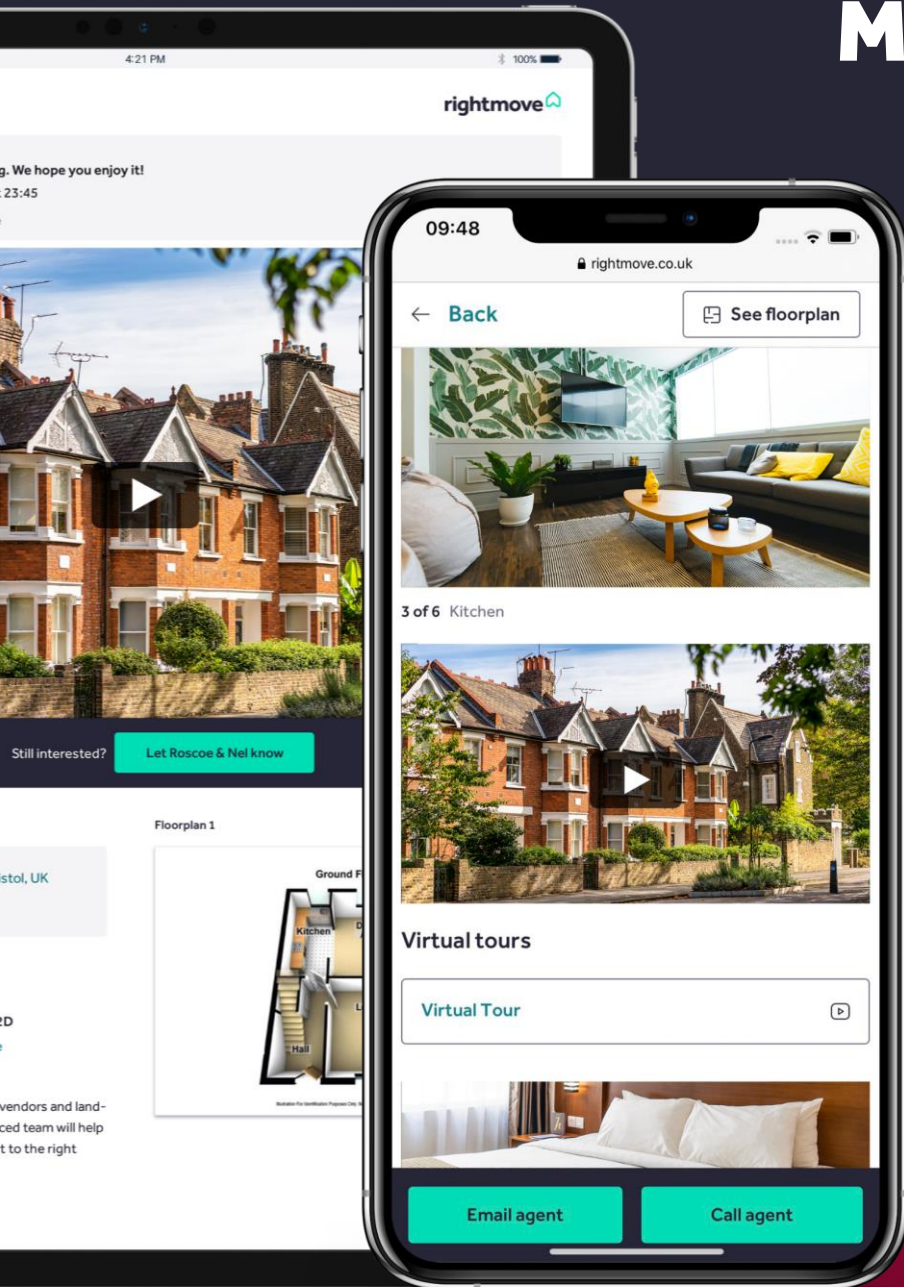
You must consider what the **“average consumer”** might need to know to make an **“informed choice”**

# Misleading omissions

Failing to mention significant non-standard features

- house is freehold but garage is leasehold
- shared ownership of parking area
- property has a sitting tenant
- roof space is leased to a solar panel provider

Failing to mention a serious problem with title to the property OR short lease OR structure OR condition



# **“Misleading actions”**

**Giving false information deliberately or giving information that is likely to deceive.**

Avoid making inaccurate statements about the condition of property  
e.g 'immaculate condition', 'newly decorated'

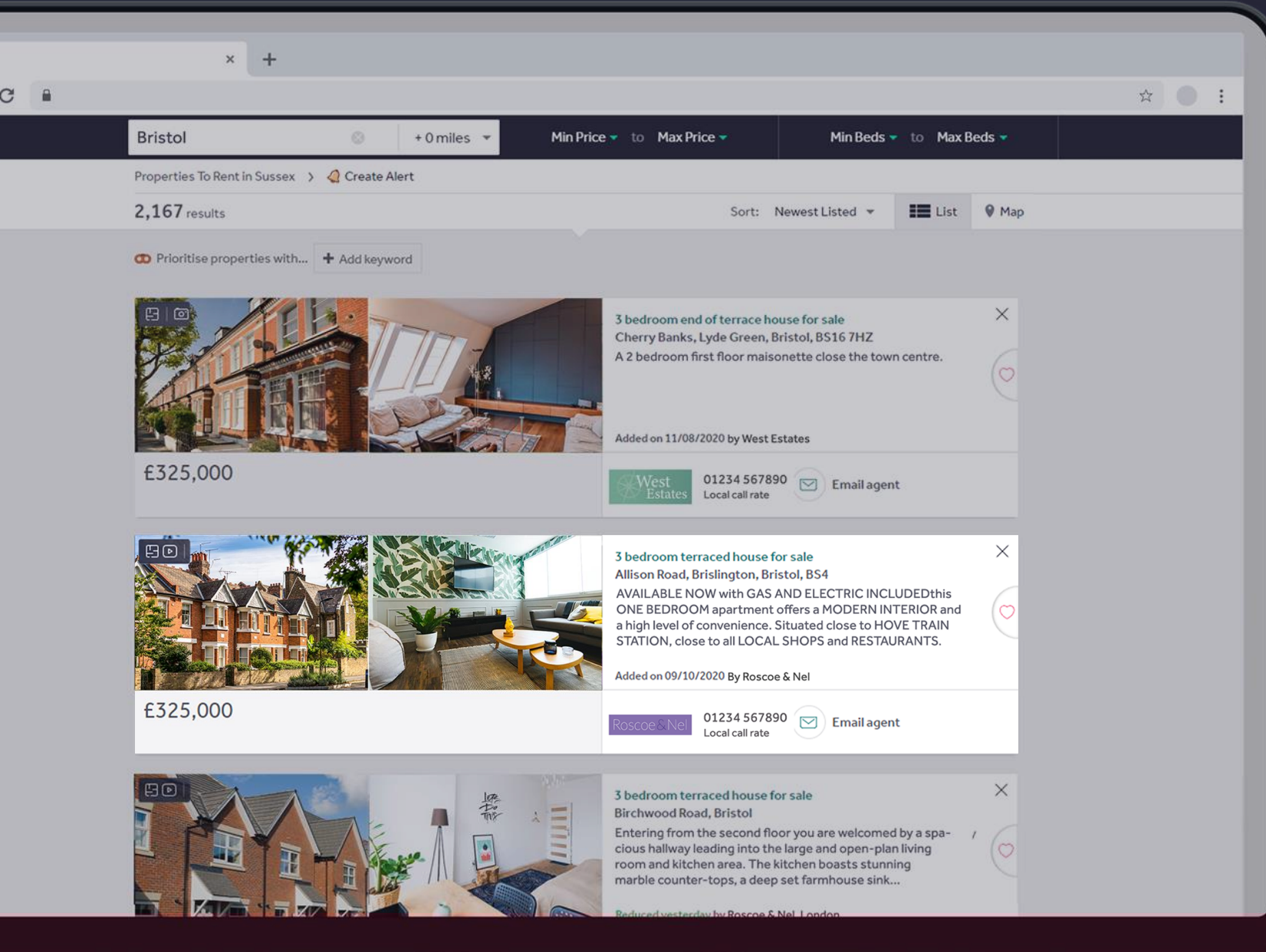
Check accuracy of features "full double glazing", 'full gas central heating"

Don't claim a property has met standards, accreditation, guarantees, has planning permission when it does not.

Avoid giving misleading information about service charges/  
maintenance payments, lease length.

**These are very similar to the repealed Property Misdescriptions Act 1991.**





Using photographs that don't show the property accurately.

Altering images to leave out problematic features.

Failing to clarify that something appearing in a photograph was not included.

# Avoiding Misleading actions

- Verify information through documents e.g. damp guarantee, original features, planning.
- Use property information forms to gather facts at listing. Stand out.
- Be careful using 'New Instruction', 'New' or 'New on the Market', NEW kitchen.....
- Avoid misdescribing the main characteristics / material information of property for sale

E.G 'secluded garden' when there is a public right of way through the garden,  
'peaceful area' when a bypass is planned close to the property

**Check property details thoroughly.**

# “Misleading actions in services”

- Exaggerating your sales record.
- Claiming that you have buyers for properties or that you have sold a property when it is not true.
- **Advising an unlikely selling price to acquire the instruction.**
- Saying that a property is being bought 10 per cent below market value unless you can prove it.
- Promising rental returns not based on fact.
- Giving a vendor false information about interest in their Property.
- Misleading a vendor about a buyer’s position - cash, chain etc.
- Quoting false high offers to induce a potential buyer to put in their own offer or false low offers to encourage a seller to accept a genuine offer that would otherwise be rejected as too low.

- Failing to provide a client with full information on fees, services and charges before they sign the contract.
- Failing to highlight unusual terms in your contract – long sole agency period....
- Failing to inform a prospective client of the types of services that you will offer to the buyer.
- Failing to disclose an interest you have in the sale.

Estate Agents Act 1979.....

- Pressurising a buyer or tenant to use other services, e.g mortgage or solicitors as a condition.
- Pressurising the buyer to act quickly to put in an offer, raise their price, skip the survey, finalise the sale and/or exchange contracts
- Deliberately passing inaccurate information on market conditions getting the consumer to do something – in conditions less favourable than normal market conditions

Estate Agents Act 1979.....

**State your charges and fees inclusive of VAT.**

Or at least make it clear that VAT will be charged on top and identify the relevant rate of VAT.

It is good practice to present a tariff of fees and charges

**Give clients adequate time to read any written information you provide.**

Make sure that you have a sound basis for your claims about market conditions and your advice on prices and prospects for sale or let

Your terms and conditions should be clearly set out, and you should highlight any unusual terms, both in the contract, and in brochures.

# You are the professional

Further checks might be needed.

- Sitting tenant
- Leasehold or freehold....?
- Applications for planning permission
- Footpaths over the land or evidence of flooding.
- Survey reports

You should help buyers find out more detailed information, e.g environmental information such as flood risk maps, council tax

Consider what information the prospective buyer might reasonably expect you to provide before viewing the property e.g no parking

# Advice for Listers

NOTES NOTES NOTES!

Explain to sellers that giving misleading or incorrect information is likely to be uncovered later in the conveyancing process and could leave both you **and the seller** open to legal action.

The CPR's are not a highlighting a negative! They will reduce risk of fall through..

**Get clients to tell you if anything changes. Ask during vendor contact.**

E.g seller keeps you updated if planning permission expires or new planning application or if service charge goes up etc etc



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