

Canvassing for New Business



This guidance note supplements paragraph 5l of the TPO Code of Practice for Residential Estate Agents and paragraphs 4h and 4i of the TPO Code of Practice for Letting Agents and is aimed at assisting agents to understand and fulfil their obligations under the Codes in respect of canvassing for new business. This guidance note provides advice on what might be seen as inappropriate practice and has been drafted with the aims of improving business standards and enhancing consumer protection.

Note that general guidance only can be given. You should make yourself familiar with the Consumer Protection from Unfair Trading Regulations 2008 for a fuller understanding of what is deemed an unfair or banned practice or what might constitute aggressive behaviour; and the rules of the Advertising Standards Authority in regard to what are acceptable forms of advertising.

Inappropriate practices when canvassing - to help avoid the consumer experiencing what could amount to harassment or being misled and to lessen irritation resulting from causing the consumer effort or raising expectation.

- Door knocking or cold calling at properties for sale with other agents.
- Continuous unsolicited calls, emails or general junk mail.
- Use of a 'compliments slip' or 'note' that does not explain its true purpose but merely makes a statement such as 'contact me urgently'.
- Acting as someone who you are not or using third parties to project your business.
- Specifically targeting tenants by whatever means for details of landlords so that unsolicited approaches can be made to those landlords.

As a matter of best practice and to provide the consumer with the maximum amount of information to be able to make an informed decision and to further avoid them being subject to harassment:

- Any 'flyer' should state clearly who it is from, its purpose and the services you can offer. It is desirable that it also makes clear the potential for two fees where a previous agent has been or is currently instructed. Note that any claim that your performance is better than another agent has to be capable of being substantiated otherwise it could be constructed as a misleading practice under the Consumer Protection Regulations.
- Any follow up telephone call to check on receipt of or to follow up a flyer should state who is calling and why and refer to the flyer. If the consumer makes clear they are not interested the call should be terminated and no further follow up made. Similar principles apply to email follow up.

Note that paragraph 5m of the Sales Code requires that if as a result of an unsolicited approach the consumer expresses interest in engaging your services, you must draw to their attention and explain before they are committed to another contract the potential of paying fees to more than one agent where another agent has been previously instructed to sell their property.

As a matter of best practice the consumer should sign a declaration confirming that they have understood their potential liability.