

Voluntary Scheme Disciplinary and Standards Committee

- 1 The TPO Council (the Council) has made arrangements to discipline members agents so that it can meet the needs of the existing voluntary TPO scheme under the OFT's Consumer Codes Approval Scheme. It has also made provision to deal with those estate agents who opt to register with TPO under the OFT Approved Estate Agents Redress Scheme (EARS), established by the Consumers, Estate Agents and Redress Act 2007 (CEARA), which places more limited demands upon estate agents.
- 2 Initial disciplinary action under the voluntary scheme will be the responsibility of the TPO scheme's Voluntary Disciplinary and Standards Committee (VDSC).
- 3 The VDSC and the EARS Disciplinary Committee (EARS-DC) will form a single unit but will need to apply different rules for, although additional demands are made of them, voluntary scheme estate agent members are also required to meet the requirements of EARS.
- 4 These demands vary because EARS does not permit registered agents to be required to comply with a code of practice whereas the voluntary TPO scheme for both sales and lettings agents does.
- 5 The voluntary TPO scheme is not a statutory scheme and has therefore been able to apply for approval of the Code of Practice under the Consumer Codes Approval Scheme, which it did successfully*. The OFT approval of the Code of Practice allows consumers to identify member agents who have signed up to the Code of Practice as "better businesses" and encourages agents to raise their standards of customer service. The voluntary TPO scheme requires member agents to comply with its OFT approved Code of Practice.
- 6 It follows from this that The Property Ombudsman voluntary scheme can make greater demands of its member agents than it can make of those registered solely under EARS who choose not to sign up to the OFT approved Code of Practice in addition.
- 7 The effect of this will be that a member agent could potentially be expelled or suspended from the voluntary scheme by the VDSC (although it would need to be considered whether the conduct is such that the EARS-DC should also take action in respect of EARS), thereby losing the right to display the OFT approved code logo and publicise its scheme membership, while retaining its registration under EARS, which sets expulsion from EARS as a last resort.
- 8 The VDSC has been established by the Council to assist and advise the Council in dealing with disciplinary issues. It has power to put in place a range of sanctions. In the most serious cases it also has power to expel a member agent from the voluntary TPO scheme (and from EARS).
- 9 The decision to expel a member agent from the voluntary scheme will be taken by the Council in accordance with the recommendation of the VDSC. This will not necessarily involve loss of EARS registration. The decision to expel from the voluntary scheme will be executed by the Board.

* Currently for sales only