Agent FAQ’s re Fee Review

Why have you done this?
Following a profile of rising enquiries and complaints which have increased the required resources to operate the scheme the board directed a “root and branch” review of the scheme’s activities and fees.

As an Ombudsman scheme the new fee structure has been specifically developed with the principles of fairness, transparency and value for money.

Fairness means that each member will pay a proportionate fee towards the running costs of the scheme.
Transparent means that our fees and discount structure are published.
Value for money means we will seek to operate in a cost efficient manner to deliver a quality service providing added value to our members.

What is the increase?
The membership fees for sales and lettings has increased from £195 to £225 per branch + VAT.
Including VAT this moves from £234 to £270 per branch.

When does it take effect?
The new fee structure will be implemented as our agents renew during 2020.

Why have the fees increased?
Fees have not increased since 2014 however since then the number of enquiries that TPO fields has increased by 73% and the number of complaints has increased by 40%. This has meant that TPO has had to increase the resource required to operate the scheme and invest in its systems to effectively manage this level of increase.

If an inflationary increase had been applied since 2014 what would the fees have been?
If TPO had increased its fees year on year by 3% the charge now would be similar to the new rate.

Will my fees increase like this again?
No – TPO will in future review the costs required to provide the scheme on a 3 year rolling programme and set its fees accordingly. If there are no significant changes in legislation we anticipate that this is likely to be similar to the rate of inflation. You will be advised annually of any changes to fees.
You have significant reserves, why aren't you using them?

The December 2018 report shows that a deficit of £394k which has been drawn down from reserves and it is expected that 2019 and 2020 will show smaller deficits as TPO transitions to the new fee structure during 2020.

Why isn't there a cost for consumers which will reduce my fee?

The TPOS is a government approved scheme to provide independent redress in relation to disputes between consumers and property agents.

A key principle of an Ombudsman scheme which is widely accepted is that access to redress for the consumer is free. Within the private sector such schemes are typically funded by a levy.

What does fair usage mean?

The new fee structure has been designed so that the cost of the scheme is proportionate to its use.

3 supported complaints will be included within the annual membership fee with the 4th and subsequent complaints attracting a case fee.

We are pleased to be able to report that the vast majority of our members do not present with more than 3 supported complaints and therefore will not pay additional case fees. Agents with persistent supported complaints use more of the scheme resource and will be charged accordingly.

Why are there discounts for larger agents?

Larger organisations are able to consolidate their membership which results in operational efficiencies for TPO. For example we send one invoice for an agent that has 60 branches rather than 60 separate invoices.

Members may only apply one discount! For example you don’t get a size discount + Propertymark discount. If more than one discount is applicable the choice of discount is at the agents’ discretion.

What’s Propertymark?

Propertymark protect and guide consumers in property transactions, uniting the experience of the leading membership organisations for property lettings, sales and auctions to create a single voice promoting professionalism and integrity in the property industry. By holding members accountable and empowering consumers with knowledge and advice, Propertymark protects consumers and their money.

Around 10,000 estate agency offices and more than 9,000 letting agents along with auctioneers, valuers, commercial agents and professional inventory providers display the new ‘Propertymark Protected’ logo, actively ensuring maximum protection for their clients through Client Money Protection, Professional Indemnity insurance, independent redress and being subject to Propertymark Conduct and disciplinary procedures.

TPO and Propertymark are working in partnership to ensure Propertymark members are kept informed and educated on matters relating to compliance. TPO regularly run workshops and speak at events which Propertymark runs for members and the wider industry. Due to the collaborative nature of the partnership, TPO is extending discounts to Propertymark members on their workshops.
Why do you get a discount if you are a member of Propertymark?
As a member there is a commitment to quality standards and each of their members are:-
- Backed by a Client Money Protection (CMP) scheme
- Experienced and trained professionals who are required to undertake regular training
- Kept up to date with complex legislative changes and best practice
- Submit independently audited financial accounts to Propertymark
- Checked to ensure they meet all legal obligations
- Adhere to a nationally recognised Code of Practice
- Hold professional indemnity insurance

TPO also work in collaboration with Propertymark to offer training to agents.

Why do I need to pay more? I've never had any complaints referred to TPOS!
I've been with TPO for years ... why don't I get a loyalty discount?
It is a legal requirement to for agents to belong to a Government approved redress scheme. The scheme infrastructure and resource has to be in place to provide that service based on the predicted level of activity. Typically private sector schemes are funded by a levy on its members.

The new structure provides for fair usage meaning members will be pay for proportionate usage of the scheme. The basic subscription includes 3 supported complaints.

TPO receive approx. 30,000 enquiries every year of which approximately 5,000 result in complaints.

What is an early resolution?
TPO have a dedicated team of resolution officers and will work with the consumer and agent to resolve the dispute at the earliest opportunity. An early resolution is defined as a complaint that has been resolved without the need for a formal review by an adjudicator on behalf of the Ombudsman.

What does supported and not supported mean?
These are cases that have been progressed to a full review by an adjudicator on behalf of the Ombudsman.

Supported complaints are those which have been upheld in favour of the complainant and may have a financial award attached or a direction to comply with.

Unsupported complaints carry no further action for the member agent.

How will I know how many supported complaints I have had?
TPO will be in contact with you every time a complaint is progressed.

TPO will communicate with you in advance to discuss the 4th and any subsequent supported complaint before raising the appropriate invoice for payment.
What do I get for my membership fee?

As a member of TPO you will be able to display the TPO logo which signals to consumers and agents alike your commitment to high standards of service backed up by the TPO codes and redress service.

Members also have access to:

- Internal complaints procedure toolkit
- Complaints handling training
- Codes and guidance
- Assured advice - TPO has a Memorandum of Understanding with Warwickshire County Council Trading Standards (WTS) service to operate as the primary authority for eligible member agents. Members benefit through the provision of tailored advice, on a range of legislation enforced by Trading Standards. Only TPO members will be able to rely upon that advice should Trading Standards Officers from a different local authority have a different interpretation of the legislation.
- Discounted ticket price to attend the annual TPO conference with the opportunity to “Be the Ombudsman” and talk to the team
- Committed, experienced and skilled team dealing with consumers and agents alike.

What’s the difference between TPO and PRS?

Unlike The PRS, The Property Ombudsman scheme is a “not for profit” organisation which has been providing a free, impartial and independent service resolving disputes between Consumers and Property Agents since 1990.

TPO does not have shareholders but is accountable to its board which is made up of 9 board members, 3 are sector Directors and 6 are independent directors. Please see the website for full information.

TPO is the largest provider of redress in the sector and prides itself on the wealth of experience and knowledge within its team. We are a voice that promotes raising standards across the industry and our key message is:

- Get it right – We do have codes of practice – that ensures that everyone receive the same standards of service based on current legislation and best practice.
- Put it right – Complaint handling is a skill and TPO invest in training Adjudicators and Resolution Officers to a professional level to investigate and identify what went wrong.
- Set it right – Identifying trends and issues which require remedial action which TPO do via the industry and consumer forums.

How do I sign up for direct debit?

You will be invited to join the direct debit scheme for payment which will help reduce the membership administration costs as well as ensuring you renewal payment is received on a timely basis resulting in no gaps in your membership.
Everyone can access the codes and templates – Why should I be a member?

As a member of TPO you will be able to display the TPO logo which signals to consumers and agents alike your commitment to high standards of service backed up by the TPO codes and redress service.

Aside from the codes and templates members also have access to:

Complaints handling training

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