Compliance with all relevant legislation and, for TPO full members, following the TPO Codes of Practice is crucial for all agents wanting to run a business that operates to high professional standards in order to provide a clear and transparent service to consumers.

Taking part in the TPO Compliance survey is not only a condition of membership, but also importantly a useful health check for your business that will, we hope, provide you with reassurance.

This information sheet is designed to help you avoid common errors and get a clean bill of health for the Compliance Survey first time.

### Common Non-Compliance Errors and How to Avoid Them – General

1. **TPO Consumer guides and Code of Practice not displayed**
   - ✓ As per the TPO Code of Practice you must ensure that you have copies of the TPO Consumer Guide on display within your office
   - ✓ You must also have available, free of charge, copies of the Code of Practice to give to consumers on request – there is a stationery request form enclosed if you would like new copies

2. **No Internal Complaints Procedure available on request / incorrect information within the procedure**
   - ✓ Part of your Membership Obligations is to maintain and operate an in-house complaints procedure; this must also be readily available in each office for consumers
   - ✓ This procedure must include the following:
     - A timescale of 3 working days to acknowledge the complaint
     - A timescale of 15 working days to respond to the complaint with a formal written outcome of your investigation
     - The correct contact details for TPO. i.e. Address, telephone number, website and email address

   If you would like a copy of our Internal Complaints Procedure template, please visit our website:  
   www.tpos.co.uk/mem-compliance/membership-compliance-survey#icp

3. **TPO Logo not displayed/ Incorrect Logo displayed**
   - ✓ You must prominently display the correct TPO logo (either the joint TPO & CTSI Logo or the Blue/Black & White TPO Logo) on your website, the window of all offices, and on relevant documentation such as marketing literature, property advertisements, and on your letterheads

<table>
<thead>
<tr>
<th>Logo</th>
<th>Status</th>
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<tbody>
<tr>
<td><img src="image1" alt="Logo" /> <img src="image2" alt="Logo" /></td>
<td>INCORRECT</td>
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<tr>
<td><img src="image3" alt="Logo" /></td>
<td>CORRECT</td>
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</table>
4. Energy Performance Certificates (England, Wales, and Ireland) /Home Report (Scotland) cost not mentioned in Terms of Business

✓ If this is a service that you provide then the cost, inclusive of VAT must be included

5. Within your Terms of Business, fees that are shown as a % must be followed by an example that is relevant to the actual fee. As shown below, if this is left blank it means you are able to ensure each example is relevant

| Lettings: 'If the monthly rent was £1000, the fee would be £100 +VAT' | INCORRECT |
| Sales: 'If the asking price was £250,000, the fee would be £2500 +VAT' | |

| Lettings: 'If the monthly rent was £……., the fee would be £…….. INCLUDING VAT' | CORRECT |
| Sales: 'If the asking price was £……..., the fee would be £……INCLUDING VAT’ | |

6. TPO not mentioned within the Terms of Business

✓ As per the TPO Code of Practice you must include TPO’s name and website address within your Terms of Business

7. No mention of the 14 day ‘Notice of Right to Cancel’ within the Terms of Business

✓ The 14 day ‘notice of right to cancel’ must be included within your terms of business, this is in place for when the contract is signed by a client during a visit by you to their home, at their place of work, away from your premises or online. Where the client wishes the contract to begin before the end of the 14 day cancellation period you must obtain confirmation of that request in writing. Where you intend to recover costs incurred during this cancellation period you must obtain the client’s agreement in writing to those specific costs before work commences

8. Excess too high/ Limit of Indemnity too low/ Company Name incorrect on the Professional Indemnity Insurance Schedule

✓ The Limit of Indemnity is to be no less than £100,000
✓ The Excess is to be no more than £1000
✓ The company name stated on your PI must match Companies House exactly, E.g. – If you are registered at Companies House as ‘Limited’, your PI must match show this in full and not be abbreviated to Ltd

9. Not Registered with the Information Commissioners Office (ICO.)

✓ Under the Data Protection Act individuals and organisations that process personal information need to register with the Information Commissioner's Office (ICO), unless they are exempt. More information on this can be found at [https://ico.org.uk/](https://ico.org.uk/)

10. Registration details not included on headed paper

   You must include the following on your headed paper:

   ✓ Registration Number
   ✓ Registered Address
   ✓ Place of Registration (I.E England, Wales, Scotland)
11. Credit / Debit Card Charges
✓ Due to a recent legislation change you can no longer charge for credit or debit card transactions. Please ensure any reference to this is removed from your Terms of Business, Letting Fee display and any other display such as your website.

Common Non-Compliance Errors and How to Avoid Them - LETTINGS

1. Landlord and Tenant Fees not displayed (for further information or guidance on fees that you can or cannot charge, you should contact your local trading standards office)
✓ You must display a full list of fees to both Tenants and Landlords, vague phrases such as ‘Approximately’ and ‘From’ are not permitted. If you wish to list an ‘Admin Fee’, this is only acceptable if a description of what is included for this fee is also provided
✓ Ensure they are printed and prominently displayed in all your offices that members of the public can visit
✓ If you have a website ensure a copy of your lettings fees are posted on your website
✓ The Consumer Rights Act 2015 requires all fees to be transparent, and as such all tenant fees should be a fixed fee, inclusive of VAT

2. Fees quoted excluding VAT or as ‘£100 + VAT’
✓ Ensure your fees are quoted including VAT either as a £ amount or a VAT inclusive %
✓ This is for anywhere that your fees are displayed or quoted
  • i.e. on your website
  • In your office/branch
  • Within your terms of business
  • In contracts with landlords and tenants

Examples:

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<table>
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<tbody>
<tr>
<td>£260 + VAT</td>
<td>INCORRECT</td>
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<tr>
<td>£312 INCLUDING VAT</td>
<td>CORRECT</td>
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Percentage examples relating to Landlord fees:

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<tbody>
<tr>
<td>10% + VAT</td>
<td>INCORRECT</td>
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<tr>
<td>12% INCLUDING VAT</td>
<td>CORRECT</td>
</tr>
<tr>
<td>7% + VAT</td>
<td>INCORRECT</td>
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<tr>
<td>8.4% INCLUDING VAT</td>
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<tr>
<td>Half of one month’s rent + VAT</td>
<td>INCORRECT</td>
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<tr>
<td>60% of one month’s rent INCLUDING VAT</td>
<td>CORRECT</td>
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Examples:
3. Agents not displaying whether or not they are a member of a client money protection scheme

- You must make it clear whether you are or **are not** a member of a client money protection scheme
- As with the fees, this information should be prominently displayed in every office and on your website

**Silence on this subject is a breach of the legislation**

4. Clients’ Money being held in the incorrect account

- Client Account is an account that is protected. If your business were to go into liquidation the money in that account would not be used to settle any outstanding amount
- A client account is separate from your Business Account, specifically for holding the deposits or rent payments before the funds are transferred to the client.
- The word “client” **must** appear in the account name along with the name of your firm but can be a business, client or current account.
- Your bank can provide further guidance on this.

5. Agents including a clause where a commission is charged to the Landlord where a Tenant purchases the property

- Commission cannot be charged in circumstances where the Tenant agrees to purchase the property unless this is subject to a separate Sales Agreement

6. Agents not advising of renewal commission

- You must actively flag any entitlement to renewal commission and the scale of charges that will apply

**Common Non-Compliance Errors and How to Avoid Them – Sales**

1. Fees quoted excluding VAT or as ‘1% + VAT’

- Ensure your fees are quoted **including** VAT either as a £ amount or a VAT inclusive %

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<td>1% + VAT</td>
<td>INCORRECT</td>
</tr>
<tr>
<td>1.2% INCLUDING VAT</td>
<td><strong>CORRECT</strong></td>
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