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Regulation of letting agents and letting agent fees in Northern Ireland

June 2024

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Northern Ireland Housing Executive
Department for Communities
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Glossary of abbreviations

ADR	Alternative Dispute Resolution
CIH	Chartered Institute of Housing
CPD	Continuing Professional Development
DfC	Department for Communities (Northern Ireland)
LAS	Landlord Accreditation Scotland
NI	Northern Ireland
NIHE	Northern Ireland Housing Executive
OCN	Open College Network
PRS	Private Rented Sector
PSRA	Property Services Regulatory Authority (Ireland)
RICS	Royal Institution of Chartered Surveyors
RTB	Residential Tenancies Board (Ireland)
SLAR	Scottish Letting Agent Register
TPO	The Property Ombudsman
TSS	Trading Standards Service (Northern Ireland)

Executive summary

This report analyses letting agent regulations and practices throughout the UK and Ireland, with a specific focus on developing a new regulatory framework for letting agents operating in Northern Ireland's private rented sector. Compared with other parts of the UK and Ireland, Northern Ireland operates with a 'lighter touch' approach, relying mainly on general consumer protection measures.

Part 1: Regulatory landscape benchmarking

Part one examines letting agent regulations in Great Britain and the Republic of Ireland. While these jurisdictions have distinct frameworks, some common themes emerge:

- Consumer protection: All regions emphasise measures to protect tenants, including mandatory client money protection and redress schemes for dispute resolution.
- Qualifications and standards: Scotland, Wales and Ireland require agent training and/or qualifications and adherence to a code of practice.
- Fee transparency and control: England, Wales and Scotland ban most letting agent fees, while England also focuses on transparency through publication requirements.

Table 1: Summary of Regulation of Letting Agents across UK and Ireland

Requirements on...	Scotland	England	Wales	Ireland
Registration or licensing	✓	✗	✓	✓
Fit and proper person test	✓	✗	✓	✓
Education and training	✓	✗	✓	✓
Continuing professional development	✓	✗	✓	✓
Fee transparency or control	✓	✓	✓	✓
Redress schemes for dispute resolution	✓	✓	✓	✓
Code of practice	✓	✗	✓	✓
Client money protection	✓	✓	✓	✓
Professional indemnity insurance	✓	✗	✓	✓
Enforcement	✓	✓	✓	✓

These jurisdictions offer potential learning opportunities for letting agent regulation in Northern Ireland.

Part 2: Letting agent fees in Northern Ireland

Part two investigates letting agent fee practices in Northern Ireland and summarises stakeholder experiences and views on potential reforms. The key findings are:

- Letting agent fees are a financial burden for tenants, with a lack of transparency identified in a mystery shopper exercise conducted by Renters' Voice in February 2024.
 - As many as 36 per cent (out of 43 letting agents assessed) charged fees, indicated through websites or phone conversations.
 - Fee types included application fees, credit check fees, referencing fees, administration fees, etc.
- A private tenant survey by the Housing Executive's research unit in January 2024 revealed:
 - Nearly half of respondents had previously paid letting agent fees.
 - Pre-tenancy fees were most common, with dissatisfaction expressed regarding affordability and lack of clarity.
 - Many tenants supported a complete or significant ban on letting agent fees.
- Court rulings have clarified that letting agents cannot charge tenants fees for services that benefit landlords (e.g. application processing), meaning a likely prevalence of unlawful practice.
- Stakeholder perspectives:
 - Tenants: Strongly support a fee ban and code of practice, highlighting affordability concerns and a need for clearer communication. Some support for fee exceptions.
 - Landlords: Generally support regulation focused on professionalism and client money protection. Some support a partial ban on fees with exceptions for specific services.
 - Letting agents: Support a well-designed regulatory framework with concerns about affordability and potential impact on smaller agencies. Open to transparency measures regarding fees. Some have already transitioned from charging pre-tenancy fees to income models that do not charge tenants for landlord services.

Parts 3 and 4: Implications and proposed framework

Part three analyses the findings from parts one and two, and part four proposes a new regulatory framework for letting agents in Northern Ireland.

- Key findings:
 - Pre-tenancy fees remain a widespread issue despite legal restrictions, and wider concerns prevail regarding unprofessional conduct.
 - Research conducted into the schemes in Scotland and Ireland showcase the benefits of a dedicated regulatory framework for letting agents.
- Proposed framework:
 - **Consumer protection:**
 - New legislation requiring clear information disclosure, fair dealing, and redress scheme membership for agents.
 - Extending landlord registration to encompass letting agents, facilitating communication and enforcement.
 - Mandatory registration for letting agents (businesses and sole traders) with the below requirements. Non-compliance should attract a fixed civil penalty as a minimum.
 - "Fit and proper person" test.
 - Minimum education and training (Level 2 qualification).

- Redress scheme membership for dispute resolution.
- Client money protection through dedicated accounts.
- Professional indemnity insurance.
- **Letting agent code of practice:** Co-designed with stakeholders to govern professional behaviour and ensure adherence to relevant laws.
- **Education:** Minimum Level 2 qualification and 12 hours of annual CPD for senior letting agents/sole traders.
- **Letting agent fees:** Clarification that tenant fees are unlawful for services benefitting the landlord, allowing only reimbursements for reasonable costs due to tenant non-compliance.
- **Enforcement:** Establishment of a self-funded enforcement mechanism with complaint investigations and proactive inspections. Appointment of an appropriate regulatory authority that would work with other regulators and share data.
- **Review and evaluation:** A review mechanism is included to assess the effectiveness of the framework.
- **Public awareness campaign:** Educate stakeholders on their rights and responsibilities under the new framework.

Overall, the report draws on evidence and recommends a comprehensive regulatory framework to transform the letting agent sector in Northern Ireland. This framework prioritises creating a fair, transparent, and professional environment that protects tenants and fosters a healthy business climate for letting agents.

Introduction

The private rented sector in Northern Ireland plays a crucial role in housing people. However, concerns have arisen regarding the regulation of letting agents and the fees they charge tenants. Compared with other parts of the UK and Ireland, Northern Ireland operates with a 'lighter touch' approach, relying mainly on general consumer protection measures.

This research project delves into this issue, aiming to inform future policy and legislation for letting agent regulation. It builds upon the Department for Communities' 2017 consultation paper, "Private Rented Sector in Northern Ireland: Proposals for Change," which explored the possibility of a new regulatory framework and a potential ban on all letting agent fees for tenants.

Key drivers for reform

- **Financial burden on tenants:** Letting agent fees can pose a significant financial strain, particularly for low-income households already grappling with upfront costs like deposits and rent.
- **Recent court case:** A landmark ruling in *Loughran v Piney Rentals Ltd & F5 Property Ltd* [2017] challenged the legality of letting agent fees paid by tenants. This case clarified that fees benefiting landlords cannot be charged to tenants under the Commission on the Disposal of Lands (Northern Ireland) Order 1986.
- **Continued prevalence of fees:** Despite court rulings and government statements against certain fees, mystery shopping exercises suggest these practices continue.

Research objectives

The project explores several key areas to inform future policy decisions:

- **Comparative analysis:** Examining letting agent regulations in other jurisdictions (UK and Ireland) to identify good practices and potential models for Northern Ireland.
- **Evidence gathering:** Collecting and analysing data on the current landscape of letting agent fees in Northern Ireland. This includes the types and levels of fees charged, and their impact.
- **Regulatory framework options:** Developing options for a robust regulatory framework considering the impact on key stakeholders – letting agents, tenants and landlords.
- **Policy development:** Providing evidence to guide the Department for Communities in its next steps, including the potential for further regulatory work and primary legislation on letting agent fees and practices.

Expected outcome

This research aims to provide the Department for Communities with a comprehensive understanding of letting agent regulation and its implications. Ultimately, the project seeks to contribute to a well-regulated, transparent and affordable private rented sector that fosters security and fairness for stakeholders in Northern Ireland.

Project advisory group

This research was guided by a dedicated Project Advisory Group, providing valuable expertise, guidance and strategic direction. The group consisted of:

- Ursula McAnulty, head of research, Northern Ireland Housing Executive
- Patrice Reilly, senior research officer, Northern Ireland Housing Executive (project lead)
- Catherine Quinn, Private Rented Branch, Department for Communities.

Lead researcher

Justin Cartwright served as the lead researcher for this project.

Resources

This report draws on the following resources:

- Regulations from other jurisdictions.
- Research papers on regulatory frameworks.
- Court rulings on letting agent fees.
- Data from a mystery shopping exercise and tenant survey.
- Views of stakeholders – tenants, landlords and letting agents.
- Relevant documents from government departments.
- Other reports and guidance.

By examining these resources and engaging in further research, this project aims to provide valuable insights to support informed policy decisions for letting agent regulation in Northern Ireland.

Part one: Letting agent regulation in Great Britain and the Republic of Ireland

1.1 Introduction

Part one of this report delves into the regulatory landscape for letting agents in Great Britain and the Republic of Ireland. The primary purpose is to gain valuable insights that could be applied to the Northern Ireland context.

Prior to 2014 there was very little regulation of letting agent activities in any of the four UK nations. The only significant legal requirement for letting agents prohibited discrimination when advertising properties, which dates from the Race Relations Act 1968.

The Estate Agents Act 1979 (which applies across the UK) requires estate agents to:

- have client money protection
- be part of a redress scheme (i.e. an Ombudsman) (since 2007)
- adhere to some standards around professional conduct.

However, these requirements only apply to selling properties and not letting them.

Following a series of new policies implemented since 2014, the current landscape in Britain, alongside Ireland, can be summarised as follows:

Table 2: Regulation of Letting Agents across UK and Ireland

	Scotland	England	Wales	Ireland
Primary regulation type	Registration of letting agencies (businesses and sole traders).	Individual laws.	Licensing of letting agencies (companies or individuals).	Licensing of all people and businesses working as letting agents.
Fit and proper person test	Required.	Not required.	Required.	Required.
Education and training	Required. Sole traders, senior staff and branch managers need an approved qualification (equivalent Level 3 and higher).	Not required.	Required. All individual agents to undertake specified classroom based or online training (a day's duration).	Required. Everyone to generally have an approved qualification (equivalent Level 4 and higher), or lawful experience.
Continuing professional development (CPD)	Required. Sole traders, senior staff and branch managers need 20 hours' training (at least 15 to be formal) over 3-	Not required.	Required. 80 CPD points needed over 5-year licence period.	Required. Minimum five hours' approved training annually.

	year registration period.			
Fee transparency and control	Ban on fees charged to tenants.	Restrictions on chargeable fees. Transparency through publication requirements.	Restrictions on chargeable fees.	Transparency through inclusion in clients' property service agreements.
Redress schemes for dispute resolution	Available. Landlords or tenants can apply to First-tier Tribunal for Scotland.	Required. Individuals or entities to be members of an approved redress scheme.	Required. Licensees to be members of a property redress scheme.	Available. Letting agents can represent landlords at Residential Tenancies Board tribunal.
Statutory code of practice	Yes.	No.	Yes.	Yes.
Client money protection	Required.	Required.	Required.	Required.
Professional indemnity insurance	Required.	Not required.	Required.	Required.
Enforcement	Scottish ministers – complaint-driven enforcement.	Trading Standards or local councils.	Rent Smart Wales (operated by Cardiff City Council) or local councils.	Property Services Regulatory Authority – complaint-driven and proactive enforcement.

This part establishes the groundwork for further exploration in [part two](#) of the report. We will analyse the identified good practices and their potential application within the Northern Ireland context.

1.2 Methodology

We conducted desk-based research incorporating a review of legislation, reports, and relevant publications regarding letting agent regulation in Great Britain and the Republic of Ireland. This provides a comprehensive understanding of the underpinnings of the regulation in the various jurisdictions.

To gain practical perspectives, we engaged with CIH colleagues who are involved with the LETWELL professional development programme for letting agents in Scotland. We also engaged with representatives of Propertymark for a broad perspective.

The analysis focuses on the purpose and central aspects of the regulatory frameworks, as well as the enforcement mechanisms employed to ensure their effectiveness. The key elements include:

Accreditation and training. We examine accreditation processes, training requirements, and codes of conduct associated with letting agent regulation. This provides insight into the standards expected of letting agents and how these standards are maintained.

Funding models and interactions. We examine the fee frameworks supporting regulatory bodies and their interactions with other relevant regulatory schemes. Understanding these aspects provide context for the overall effectiveness and stakeholder appeal of the regulatory frameworks.

Dispute resolution mechanisms. Dispute resolution mechanisms and remedies available to tenants in cases of regulatory breaches are covered. This analysis highlights the availability of these mechanisms in protecting consumers' rights.

Impact assessment. The impact of existing regulatory frameworks on the dynamics of the rental market is analysed from data where this was available. This provides context for the positive and potentially negative effects of regulations on the market.

Based on our findings, in [part three](#) of this report we assess the implications for letting agent regulation in Northern Ireland. This will involve identifying lessons learnt from other jurisdictions that can be applied when considering potential reforms in Northern Ireland.

1.3 Republic of Ireland

The Property Services (Regulation) Act 2011 (“the Act”) regulates letting agents and aims to elevate standards across the property industry, ensuring better protection for consumers. It establishes the Property Services Regulatory Authority (PSRA) as the key oversight body and outlines its key functions in regulating the property services industry.

The PSRA's primary objectives are to control and supervise property service providers (licensees), and maintain and improve standards within the industry. Its main functions include:

- Licensing and regulating property service providers and maintaining a public register of licensees.
- Setting and enforcing standards for service providers.
- Investigating complaints and taking disciplinary action against licensees.
- Administering a fund to compensate clients who suffer loss due to licensee misconduct.
- Preventing money laundering in the property services sector.
- Collaborating with government to develop policy, conduct research, and raise public awareness to improve the industry and consumer understanding.

Licensing and qualifications

Licensing regime

The Act established a licensing regime for property service providers in Ireland. It defines different categories of property service under Section 2, with letting agents falling under “letting of land” (referred to as ‘Category C’).

Any person or business engaged in the letting of land requires a Category C licence from the PSRA to operate legally. This includes individuals acting as sole traders, partnerships and limited companies. Exemptions include short-term lettings of eight weeks or less, for tourism or other leisure purposes.¹

¹ Section 3(1)(l) of the Act

Companies, partnerships and sole traders need a licence to operate. Each principal officer (director, partner, manager, secretary etc.²) and employee providing property services also needs a licence, and a company cannot be licensed unless at least one principal officer meets qualification requirements.³ Independent contractors need a licence for themselves and their business.

Individual licensees must carry their licence (or a duplicate) whenever providing property services and present it for inspection upon request. The licensee's principal place of business must prominently display the original licence. Additionally, a duplicate licence must be displayed at any other business locations. The registration number must be displayed in advertisements, sales brochures and business correspondence, and on signage erected on or near the property for let.

Property Services Register

The PSRA maintains a public register of all licensed property service providers in Ireland, known as the Register of Licensed Property Services Providers.⁴ This register serves multiple purposes:

- **Transparency and accessibility.** The register is freely available to the public at the PSRA's office and [website](#), allowing anyone to easily verify if a service provider holds a valid licence.
- **Comprehensiveness.** The register includes the names and other identifying details of licensees, along with any licence suspensions (if applicable). The applicable licence categories are also indicated.
- **Legal verification.** The PSRA can issue signed certificates upon request, confirming a person's registration status or lack thereof at a specific time. These certificates serve as evidence in legal proceedings.

The PSRA maintains the accuracy of the official Register by requiring licensees to be proactive. Licensees are obligated to promptly notify the PSRA of any errors they discover in their registered details. Additionally, they must report any changes in their circumstances that could affect the accuracy of their listing, such as changes in contact information, employers, or other relevant details. This ensures the Register reflects the most up-to-date information about licensees, promoting transparency and facilitating informed decision-making by clients.

Separately, Section 87 of the Act establishes a mandatory "Commercial Leases Database" maintained by the PSRA which is available on their website at <https://www.psr.ie/psra-registers/commercial-leases-register/>. Section 88 places specific reporting requirements on tenants who enter relevant commercial leases in Ireland.

Licensing application process

Letting agents must submit a licence application to the PSRA. Licences are issued for a period of one year and must be renewed annually to maintain validity.⁵ All applicants must submit a completed application form online at <https://www.psrlicences.ie/ILAS>. The required documents vary depending on the applicant category:

- **Companies and partnerships.** These entities need to provide evidence of the qualifications held by the principal officers who will be responsible for the licensed services. Additionally,

² Section 2 of the Act

³ Section 4 of the Act

⁴ Section 29 of the Act

⁵ Section 31(6) of the Act

proof of professional indemnity insurance covering both the company and its employees, an accountant's report, tax clearance details, business registration certificates⁶, and a €1,100 licence fee⁷ are required.

- **Sole traders and independent contractors.** These applicants must demonstrate their own qualifications relevant to the property service they intend to provide. Like companies, they need to show evidence of professional indemnity insurance coverage, an accountant's report, tax clearance details, business registration (if applicable), and a €1,100 licence fee⁸. Additionally, a passport-sized photograph is required.
- **Principal officers and employees.** Individuals working for licensed companies or sole traders also need individual licences. Their application includes proof of meeting the minimum qualification requirements for the specific service, a €110 licence fee⁹, and a declaration confirming coverage under the employer's professional indemnity insurance. A passport-sized photograph is also required.

Once approved, there is an ongoing requirement for licensees to inform the PSRA about any material matters that could impact their licence validity. This includes changes in principal officers for corporate or partnership licensees.¹⁰

Qualifications, fitness and propriety

The PSRA assesses applicants based on their fitness and propriety to hold a licence.¹¹ This involves ensuring they:

- Possess the necessary qualifications and experience to operate as a letting agent.
- Have adequate financial resources to run the business responsibly.
- Have no history of serious criminal convictions or disciplinary actions related to property services.

Qualifications and experience

The minimum qualification requirements that licence applicants must meet are set by Regulations.¹² Professional body membership alone does not satisfy these standards. There are four ways for applicants to demonstrate they meet the requirements for a letting agent licence:

- **Academic qualification.** Applicants can achieve this by successfully completing a course that awards a minimum number of European Credit Transfer System (ECTS) credits in specific subject areas. The regulations detail the required number of credits for each subject at Levels 6 to 8 and Levels 9 and 10 of the National Framework of Qualifications. Examples of approved qualifications are listed in the PSRA's 2023 guide to becoming a licensed property services provider.

⁶ Section 33 of the Act

⁷ Property Services (Regulation) Act 2011 (Licensing) (Amendment) Regulations 2024

⁸ *ibid*

⁹ *ibid*

¹⁰ Section 41 of the Act

¹¹ Section 30 of the Act

¹² Section 95(1)(d) of the Act; Property Services (Regulation) Act 2011 (Qualifications) Regulations 2012 as amended by the Property Services (Regulation) Act 2011 (Qualifications) (Amendment) Regulations 2015

- **Equivalent qualification from another jurisdiction.** Applicants who hold qualifications from another country can apply if those qualifications are deemed equivalent to the Irish standards.
- **Lawful experience.** Individuals with at least three years of lawful experience providing letting services in the five years preceding the application can qualify. For companies and partnerships applying for a Category C licence, the experience requirement must be met by a principal officer of the company. The PSRA accepts several forms of evidence to demonstrate this experience:
 - General evidence to verify qualifications and experience claims such as transcripts, employer letters or tenancy agreements.
 - Evidence of previous licensing under the Property Services Act (holding a letting agent licence issued by the PSRA any time since 6 July 2012).
 - Foreign licensing – a licence or similar documentation from a relevant authority in another country, demonstrating at least three years of experience providing letting services.
 - Employment experience in a foreign jurisdiction – if a regulatory framework for letting services doesn't exist in a foreign country, the applicant can provide evidence from a previous employer detailing their experience in providing letting services for a minimum of three years.
- **Other qualifications or experience.** The PSRA has the discretion to grant a licence even if an applicant doesn't meet the above criteria. This might be considered if the applicant has relevant experience or qualifications that demonstrate their competence, despite not strictly adhering to the minimum standards. Examples include:
 - Almost meeting the three-year experience requirement due to extenuating circumstances.
 - Having relevant experience combined with some academic qualifications.
 - Holding qualifications exceeding the ECTS requirement in most subjects but lacking credits in one specific area.

It should be noted that the PSRA prioritises maintaining qualification standards. While they have discretion, alternative qualifications or experience should be demonstrably equivalent to the minimum requirements. Applicants are welcome to submit any additional evidence they believe supports their suitability for a letting agent licence.

Consumer protection: Clear information, secure accounts and professional conduct

The Act sets out consumer protection measures to ensure fair treatment of tenants. Letting agents (licensees) are required to:

1. Communicate clear and accurate information about services, properties and fees.
2. Protect client money through designated client accounts.
3. Retain records of services for six years.
4. Demonstrate proper conduct.
5. Adhere to a code of practice established by the PSRA.
6. Maintain professional indemnity insurance.

1. Client communication and property service agreements

The Act outlines specific requirements for communication between licensees and their clients¹³, and in some cases between licensees and their prospective clients¹⁴. This aims to ensure transparency and protect consumer rights. The key provisions are:

- **Lessor disclosure of market value.** Licensees must provide lessors (including prospective lessors) with a written statement estimating the advised market value of land for letting within seven working days of a request, or longer by agreement.¹⁵ The PSRA can request evidence from licensees to justify the advised market value they provide.¹⁶
- **Letter of engagement.** Within seven working days of starting or agreeing to provide property services, the licensee must present a 'letter of engagement' to the client. This document, in a specified format, details information about the service, fees, and termination rights. A signed copy is provided to the client for their records.
- **Client acknowledgement.** If the client doesn't return a signed copy of the letter of engagement within seven working days, the licensee cannot proceed or continue with the agreed service.
- **Agreement amendments.** Any subsequent changes or amendments to the initial agreement must follow a similar procedure. The licensee is obligated to provide a written amendment document for the client's signature within seven days of the agreed changes.

Required information in property service agreements

Schedule 2 of the Act details the mandatory information that must be included in all property service agreements. This comprehensive list protects clients by ensuring they are fully informed about:

- **Licensee details.** The licensee's name, registration number, contact information, and any business names used.
- **Services provided.** A clear description of the specific property services covered by the agreement.
- **Fees and charges.** The amount or rate of any fees or commission payable by the client, along with details on when such fees become due. This includes any applicable VAT charges.
- **Agreement duration and termination.** The timeframe for the agreement's validity and the required notice period for termination by either party.
- **Legal compliance.** A statement confirming the licensee's obligation to report suspicious transactions as required by Anti-Money Laundering legislation.
- **Conflict of interest.** Confirmation that no conflict of interest exists that would hinder the licensee's ability to provide the service impartially.
- **Insurance.** Details of the licensee's professional indemnity insurance coverage.
- **Record keeping.** Information on the type of records the licensee will maintain regarding the provided service.
- **Client account details.** The name and address of the bank where the licensee holds client account funds.
- **Client money handling.** Details on how client money is deposited and how any earned interest is handled.

¹³ Section 43 of the Act

¹⁴ Section 55(2) of the Act

¹⁵ *ibid*

¹⁶ Section 57 of the Act

- **Complaints process.** Information on the licensee's established procedures for handling client complaints and seeking redress.

Additional requirements for letting agreements

For letting agreements specifically, Schedule 2 of the Act requires additional information to be included:

- **Proposed letting details.** The estimated duration of the tenancy and the advised letting value of the property.
- **Agency model.** A description of the agency model used (sole agency, joint agency or multiple agency).
- **Fee estimates.** An estimated total amount or range for fees based on the advised letting value.
- **Advertising.** The terms related to advertising the property, including any costs associated with advertising.
- **Client responsibilities.** Details on any obligations placed on the client if they choose to let the property themselves without using the licensee's services.
- **Inventory of contents.** A schedule listing any contents and fixtures included in the letting agreement (if applicable).

2. Client money protection

The Act mandates licensees to keep client money in designated client bank accounts.¹⁷ Licensees cannot commingle client money with their own funds. Regulations¹⁸ specify the type of accounts for client money, how they can be used, and requirements regarding accounting records for client money transactions.

3. Property service records: six-year retention requirement

Licensees, including those employing others or acting as independent contractors, must maintain specific records for a minimum of six years following the completion of service-related transactions, acts or operations. The Act specifies that these records should document the details of the provided service.¹⁹

4. Ensuring proper conduct in property services

The Act prioritises tackling improper conduct in the industry. To achieve this, Section 95 empowers the PSRA to establish regulations outlining expected standards for licensed property service providers. The Property Services (Regulation) Act 2011 (Minimum Standards) Regulations 2020 define these standards.

Violations of these regulations constitute "improper conduct" as defined in Section 2(1) of the Act and can be grounds for complaints from the public. The PSRA can investigate complaints related to these regulations. If an investigation confirms improper conduct, the PSRA may impose sanctions on the licensee.

¹⁷ Sections 46 and 47 of the Act

¹⁸ Property Services (Regulation) Act 2011 (Client Moneys) Regulations 2012

¹⁹ Section 44 of the Act

The key requirements for licensees are:

- **Trust, transparency and responsiveness.** Be upfront with clients about experience, competence and resources. Respond to client communications in a reasonable timeframe and using agreed methods. Always prioritise the client's goals and objectives within the confines of the law.
- **Accurate advertising.** False or misleading information in advertisements and property listings cannot be published. Licensees must also remove outdated property advertisements upon request or following tenancy commencement.
- **Offer disclosure.** Licensees must disclose all offers to rent the property to the client, including any conditions attached, unless otherwise instructed. They must also confirm receipt of offers to each potential tenant. However, they cannot claim to have received offers that haven't been made. In cases where the offer comes from a related party (licensee, employee, employer etc.), the client must be notified.
- **Tenant screening.** If agreed with the client, the licensee must conduct reasonable checks on references provided by prospective tenants.
- **Client account and payment transfers.** Rent payments received from tenants on behalf of the client must be transferred to a designated client account within an agreed timeframe (typically 30 days) or as instructed by the client.
- **Security deposits.** Licensees holding security deposits for rentals must return them to the tenant within 10 working days of vacating the property, unless exceptional circumstances apply.
- **Management of service charges.** When managing the collection of these fees on behalf of a development's management body, the licensee must follow instructions and transfer collected funds to the designated account within an agreed timeframe (typically 30 days).
- **Management body directorships.** Licensees or their employees cannot hold directorships in the management body of a multi-unit development where they also provide property management services.

Section 62(1) of the Act separately authorises the PSRA to make regulations concerning booking deposits for lettings, and content of letting advertisements. However, specific regulations for these items do not appear to have been made.

5. Code of practice

Separately, the Act gives the PSRA the authority to establish or approve code(s) of practice for property service providers in Ireland.²⁰ The code sets professional standards for property services, with an aim of increasing transparency in conduct and maintaining public trust in the sector.

The code of practice itself does not trigger legal action for non-compliance. However, compliance or non-compliance with the code can be considered as evidence in PSRA disciplinary proceedings or court cases involving alleged improper conduct by a licensee.²¹

The six principles of the current code of practice are:

- **Act professionally.** Maintain a good reputation and ethical conduct.
- **Honesty.** Be truthful and transparent in all dealings.
- **Integrity.** Demonstrate strong moral and ethical principles.

²⁰ Section 18 of the Act

²¹ Section 18(10) of the Act

- **Confidentiality.** Maintain client privacy and secure personal data.
- **Effective and open communication.** Communicate clearly and keep clients informed.
- **Professional development.** Commit to ongoing learning and skill enhancement.

6. Professional indemnity insurance

The Act enforces mandatory professional indemnity insurance for both independent contractors and property service employers. This insurance must be active at the time the service is provided and cover the licensee (or their employees/principal officers) for any liabilities arising from their work.²²

Compensation Fund

The PSRA's Compensation Fund ("the Fund") is maintained to protect consumers from financial losses caused by licensee dishonesty while providing property services.²³ Paying a contribution to the Fund is mandatory for obtaining a licence. While not required with the initial application submission, the PSRA will request this payment once the application nears completion in its first year.

The contribution amount varies depending on the licence type:

- **Property services employer.** Companies, partnerships, sole traders and independent contractors – €200
- **Individual licensees.** Principal officers and employees – €50.

Continuing professional development (CPD)

Individual licensees must complete continuing professional development (CPD) training to maintain their licence. Companies holding licences must ensure their principal officers maintain competence through these schemes. The PSRA, with ministerial consent, develops and implements prescribed CPD scheme(s) through regulations.²⁴

These schemes can target specific categories of licensees (individuals, principal officers of companies, etc.) and may be developed in collaboration with external bodies. The PSRA is responsible for reviewing the effectiveness of these schemes and recommending improvements to the minister.

The current regulations²⁵ establish the Professional Competence Scheme (PCS) which is operated by the PSRA. The key points are:

- Only PSRA-accredited providers can deliver PCS programmes.
- Licensees must complete a minimum of five hours of CPD training annually through these accredited programmes.
- The PSRA approves the curriculum modules offered by accredited providers.
- Accredited providers submit detailed programme content for further approval by the PSRA.
- Licensees must complete all mandatory modules within a calendar year (the Professional Competence Scheme Cycle).

²² Section 45 of the Act

²³ Section 78 of the Act

²⁴ Sections 79-81 of the Act

²⁵ Property Services (Maintenance of Professional Competence of Licensees) Regulations 2017, as amended by the Property Services (Maintenance of Professional Competence of Licensees) (Amendment) Regulations 2020.

- Licensees are responsible for maintaining certificates as proof of CPD completion.
- Licensees must declare compliance with the CPD requirements during licence renewal applications.

Compliance monitoring and consequences of non-compliance

The PSRA enforces the Act and has the power to investigate unlicensed activity and breaches of the Act and its regulations. The PSRA carries out proactive auditing, as well as responding to complaints. Non-compliance with the Act can result in a range of disciplinary actions, fines, and criminal prosecution for property service providers. The key consequences are:

- **Disciplinary action.** The PSRA can impose disciplinary actions such as licence suspension or revocation for various offences, including providing false information in applications or notices of appeal²⁶.
- **Fines.** The Act outlines specific offences that carry significant financial penalties upon conviction. These can range from fines for minor offences to larger penalties for more serious breaches.
- **Criminal prosecution.** In serious cases, non-compliance may lead to criminal prosecution, potentially resulting in imprisonment alongside fines.²⁷ This applies to offences committed by individuals and, in some cases, by directors or managers of organisations that are found to be complicit.²⁸

Examples of specific offences include:

- **Operating without a licence.** Acting as a letting agent without a valid PSRA licence is a criminal offence.²⁹ Using a licence issued to another person is also an offence under the Act.³⁰
- **Financial misconduct.** Knowingly lodging client money in a non-client account or making a false accounting record is an offence.³¹
- **Obstructing investigations.** Withholding information or hindering the PSRA's investigation into any aspect of the Act is an offence punishable by fines or imprisonment.³² This includes investigations into market value calculations for properties.³³

Complaints process and sanctions – licensees

Sections 63 to 76 of the Act outline the procedure for handling complaints against licensees. Following a complaint, the PSRA investigates if it finds merit in the allegations. The licensee and complainant receive a copy of the investigation report and can submit feedback.

²⁶ Section 94(2) of the Act

²⁷ Section 94 of the Act

²⁸ Section 94(4) of the Act

²⁹ Section 28 of the Act

³⁰ Section 38 of the Act

³¹ Section 47 of the Act

³² Section 94 of the Act

³³ Section 57 of the Act

Based on the report, the PSRA decides on a sanction (minor or major) if they are satisfied the licensee engaged in improper conduct. For major sanctions, the PSRA's decision requires confirmation by the High Court before taking effect.

The appeals process allows the licensee to challenge a major sanction decision. They can appeal to the High Court within 30 days. The High Court has the authority to confirm, cancel, or replace the sanction with a different one (minor or major) or impose no sanction at all. If the licensee doesn't appeal within the timeframe, the PSRA applies to the High Court for confirmation of the decision.

The Act provides factors for the PSRA and the High Court to consider when determining the appropriate sanction. These factors include the severity of the misconduct, the licensee's income, any efforts to rectify the situation, and any previous sanctions.

The Property Services Appeal Board also hears and determines appeals against certain decisions of the PSRA.

Investigation of unlicensed property service providers

Section 89 of the Act empowers the PSRA to investigate individuals suspected of operating as property service providers without a licence (contravening Section 28(1)). This investigation can be initiated by the minister, the PSRA itself, or based on a public complaint.

The PSRA appoints an inspector to conduct the investigation and prepare a report. This report details the inspector's findings - whether a contravention is identified or not.

The PSRA has three options after receiving the report:

- **Contravention found.** If the PSRA is satisfied a contravention has occurred, they share the report with the Garda Síochána and the minister. They may also seek an injunction from the High Court to stop the unlicensed activity.
- **No contravention found - further investigation.** If no contravention is found but further investigation seems warranted, the PSRA can initiate one.
- **No contravention found - no further action.** If no contravention is found and further investigation isn't deemed necessary, the PSRA informs the individual of this conclusion. However, this doesn't prevent future investigations if suspicion arises again.

Public disclosure of enforcement actions

The PSRA is required to publish details of specific enforcement actions taken against property service providers under Section 91 of the Act. First, the Act mandates the PSRA to publish details of:

- Convictions for operating without a licence (Section 28(1))
- Decisions to refuse renewing a licence
- Suspensions of licences
- Imposition of major sanctions on licensees (after confirmation by the High Court).

Second, the Act also allows the PSRA to publish details (at their discretion) of minor sanctions imposed on licensees for various offences under the Act.

These disclosures can be made in any format or manner the PSRA deems fit and for a timeframe they determine appropriate. They are currently published on the PSRA's website at <https://www.psr.ie/sanctions-prosecutions/>.

Dispute resolution and agent fees

The Act does not establish a specific framework for resolving disputes between letting agents and tenants. It instead focuses on regulating the letting agent profession and improving communication and industry standards. However, established mechanisms exist for addressing these issues.

Disputes can be resolved through different routes, such as the Residential Tenancies Board (RTB). This government body serves as the primary dispute resolution forum for disagreements between landlords and tenants in Ireland. Letting agents offering dispute resolution services can act on behalf of landlords. Alternative approaches like mediation and court adjudication remain available for resolving disputes.

Additionally, the literature review did not reveal the charging of fees to tenants by agents to be an issue in Ireland. As above, property service agreements must include information about fees and charges payable by the client.

Management and regulatory landscape: Stakeholder views

Letting agents

In 2019, the PSRA published research on the impact of regulation on Property Service Providers (PSPs) in Ireland (Murphy, 2019). The study was based on a survey with a 25 per cent response rate (1,207 usable responses) and interviews with PSPs across all licence categories. The key findings were:

- **Widespread support for regulation.** The report confirms strong agreement (82 per cent) among PSPs that regulation is necessary to maintain high service standards. Most respondents (87 per cent) view the establishment of the PSRA as a positive development for the sector.
- **Effective licensing and auditing.** The current licensing system, with its minimum education requirements, is considered appropriate by a majority (52 per cent) and not a significant barrier to entry (28 per cent find it difficult but not deterring). The PSRA's audit process is viewed favourably by 75 per cent of respondents who have been audited (over 70 per cent).
- **Need for continued development.** The report identifies the roll-out of the CPD programme as crucial, particularly for smaller businesses, to ensure all PSPs stay up-to-date and benefit from networking opportunities.

Separately, the RTB has commissioned comprehensive studies on Ireland's rental sector, focusing on the experiences and perspectives of tenants, landlords, and letting agents. The latest iteration of the residential letting agent portion of the research sheds light on agent services provided and their views on current challenges within the rental market, which involve regulatory issues.

This RTB research³⁴ shows that letting agents typically provide a comprehensive property management service, including advertising, tenant screening, rent collection, and overall property

³⁴ RTB (2023) *Residential letting agents report*.

management. However, the landscape is experiencing a shift due to a shortage of rental properties, which agents attribute to small landlords exiting the market and a lack of new supply being built.

Letting agents attribute the decline in small landlords to a combination of factors:

- **Increased regulation.** Agents report that the pace and complexity of regulatory changes, particularly regarding minimum standards and tenant protections, make the market less attractive for smaller landlords. The perception is that regulations are increasingly tilted in favour of tenants, making it cumbersome and risky for smaller landlords to manage properties.
- **Low return on investment.** Coupled with rising maintenance costs and limitations on rent increases in Rent Pressure Zones, agents report that landlords find the return on investment in the rental market underwhelming.
- **Dissatisfaction with RTB dispute resolution.** Letting agents have expressed frustration with the perceived inefficiency of the RTB's dispute resolution process. The time it takes to resolve disputes can leave landlords financially exposed, particularly for smaller ones. Agents say they generally avoid this process by developing good relationships with tenants. When disputes do arise, agents generally favour mediation over adjudication, where the letting agent and tenant find solutions to the dispute.

Additionally, agents reported that rapid legislative change during the COVID-19 pandemic created a situation where landlords relied on letting agents for up-to-date information. Letting agents also reported playing more of a mediating role where tenants faced rent payment difficulties, helping to maintain relationships during a challenging time.

Small landlords

The small landlords report³⁵ highlights a potential mismatch between the services traditionally offered by letting agents and the evolving needs of landlords. While most agents offer a full-service package, some landlords may only require assistance with specific tasks.

Among small landlords (1-2 properties) who use letting agents, the percentage relying on them for "all aspects – acting on my behalf" has decreased. In 2020, 46 per cent of respondents used this service, whereas in 2022 this fell to 32 per cent. Conversely, the number of landlords who use agents solely for "advertising, finding tenants, and arranging contracts" has risen. In 2020, this service represented 48 per cent of respondents, compared with 59 per cent in 2022.³⁶

Tenants

While not the focus of the RTB report, the qualitative element of the tenant research briefly explored their views on letting agents. The report suggests that the use of letting agents doesn't necessarily translate into a more standardised or responsive experience for tenants. Just as with landlords directly, some letting agents were efficient and responsive to tenant requests, while others were not.³⁷

³⁵ RTB (2023) *Small landlords report*.

³⁶ *ibid*, p.24

³⁷ RTB (2023) *Tenants research report*, p.100

1.4 Scotland

Part 4 of the Housing (Scotland) Act 2014 (“the Act”) establishes a regulatory framework for letting agents, the main features of which are a mandatory register of letting agents incorporating a ‘fit and proper person’ test, training requirements, a code of practice with means of redress, and enforcement powers for Scottish ministers.³⁸

The objective of the regulatory framework has been summarised as helping to “increase standards of service and professionalism within the letting agent industry, whilst providing customers of letting agents with an effective way to resolve complaints against letting agents for breaches of the statutory code of practice, through the Housing and Property Chamber of the First-tier Tribunal.”³⁹

The key points of the regulatory framework are:

- **Letting agent registration and ‘fit and proper person’ test.** The Act requires businesses or sole traders who carry out letting agency work to register with the Scottish Letting Agent Register (SLAR). Letting agency work is defined as activities like finding tenants, managing properties and collecting rent. To register, applicants must pass a ‘fit and proper person’ test which applies to:
 - Sole traders
 - Companies
 - Anyone owning more than 25 per cent of a company
 - Anyone directly concerned with the control or governance of the letting agency work.
- **Training requirements.** For an agent to be registered, required training must have been completed by:
 - Sole traders themselves
 - The most senior company representative involved in day-to-day letting agency operations
 - Everyone directly concerned with managing and supervising day-to-day letting agency work.
- **Letting agent code of practice and means of redress.** People who carry out letting agency work must adhere to the letting agent code of practice that covers conduct, client funds and professional indemnity. The code outlines a clear procedure for landlords and tenants to address concerns if they believe an agent hasn't followed the code.
- **Enforcement powers.** The Act empowers designated authorities to conduct inspections and take enforcement actions against unregistered letting agents or those failing to comply with regulations. This may involve fines or removing them from the register.

Landlords can still manage their properties themselves. However, if they choose to appoint a letting agent, the agent must be registered with SLAR.

Scottish Letting Agent Register (SLAR)

Section 29 of the Act establishes a public register listing all registered letting agents, known as the Scottish Letting Agent Register (SLAR). It is an offence to carry out ‘letting agency work’ without

³⁸ Paragraph 3 of the letting agent code of practice (Scotland) Regulations 2016

³⁹ Scottish Government (2018), p.3

registration.⁴⁰ Letting agency work refers to actions undertaken by a person in response to client instructions related to a specific property. These actions can be categorised into two main areas:⁴¹

- **Finding tenants.** Activities aimed at securing a tenant for a landlord's property. This includes advertising the property, conducting viewings and negotiating lease agreements.
- **Property management.** Services related to managing a rental property on behalf of a landlord. This may involve collecting rent, conducting inspections, arranging repairs and maintenance, and handling insurance.

The client instructions must be relevant to a specific house intended for use as a dwelling by an unconnected person (someone who is not related to the landlord). Furthermore, the Act defines a "letting agent" as any person who carries out letting agency work as defined above.

The Scottish ministers have the power to exclude specific situations from the definition of letting agency work. These exemptions might involve activities performed on behalf of designated bodies or for certain non-profit schemes assisting with rental agreements.

Information included on the register

The Act mandates that the register make the name and address of the registered letting agent publicly available.⁴² In addition to this, the following information is mandated through regulations:⁴³

- **Trading name.** If the letting agent uses a trading name different from their legal name, this will also be displayed.
- **Registration number.** A unique identifier assigned to each registered letting agent.
- **Website.** If the letting agent has a relevant website, the address will be included.
- **Contact information.** The letting agent's contact phone number will be listed only if they agree to its inclusion.

Registered letting agents are legally obligated to promptly communicate ("as soon as practicable") any changes that affect the information previously provided.⁴⁴ Notification must be made in writing, and a fee may be required.

SLAR application process

Letting agents must [submit an application](#) with comprehensive disclosure of information. General details required include their name, address, whether they are a sole trader or business, and company registration number (if applicable).⁴⁵ For companies, partnerships, or other entities seeking registration, the application must include details about:

- **Most senior management.** The name and address of the individual holding the most senior position within the applicant's management structure.
- **Significant owners.** The names and addresses of any individuals who own 25 per cent or more of the entity.

⁴⁰ Section 44 of the Act

⁴¹ Section 61 of the Act

⁴² Section 29 of the Act

⁴³ Regulation 3 of the Letting Agent Registration (Scotland) Regulations 2016

⁴⁴ Section 37 of the Act

⁴⁵ Section 30 of the Act

- **Control and governance.** The names and addresses of any additional individuals who are (or will be) directly involved in overseeing or governing the applicant's letting agency operations.

Regulations set out additional requirements including:⁴⁶

- **Applicants must provide a history of their letting agency involvement.** This includes details of previous registrations, removals from the register, and any past application rejections and enforcement orders. Additionally, they must disclose any other relevant licences, accreditations, or registrations related to letting agency work, including instances where these have been revoked or refused.
- **Professional indemnity and client money protection.** Applicants must confirm if they hold professional indemnity insurance or equivalent/greater protection through another body. If insurance is used, policy details must be provided. Similarly, if applicants hold client money, they must confirm whether or not it is held in a separate client account(s), and disclose if they have client money protection insurance or an alternative form of protection.
- **Business operations.** The application requires details of any charity registration numbers (if applicable), and the number of letting agency offices operated by the applicant.
- **Training requirements.** Details of relevant letting agent qualifications and training records must be included. This includes the title and date of qualifications, and details of the awarding bodies. It also includes the names, job titles, and business roles of staff members who have undertaken the training.
- **Additional information.** Applicants must also include date of birth, previous names, five-year address history, and information relevant to "fit and proper person" considerations outlined in Section 34(2) of the Act.

The Act affords a 12-month timeframe to determine an application. Applicants must be notified of the outcome, including the reasons for refusal if applicable. A decision to refuse or remove will be recorded on the register.⁴⁷ Applicants have the right to make written representations before a final decision is made.

Applicants have the right to appeal decisions to refuse or remove registration. Appeals must be submitted to the First-tier Tribunal within 21 days of receiving notification of the decision.⁴⁸ In cases of refusal or removal, the letting agent cannot recover any fees associated with letting agency work performed after the appeal period expires or the final decision is made.⁴⁹

The registration lasts for three years and must be renewed.⁵⁰ It is an offence to provide false information in an application.⁵¹

SLAR application fees

The application must be accompanied by the prescribed fee. The registration fee depends on two main factors:⁵²

⁴⁶ Regulation 4 of the Letting Agent Registration (Scotland) Regulations 2016

⁴⁷ Section 42 of the Act

⁴⁸ Section 41 of the Act

⁴⁹ Section 43 of the Act

⁵⁰ Section 38 of the Act

⁵¹ Section 31 of the Act

⁵² <https://lettingagentregistration.gov.scot/fees>

- **Number of offices.** The fee increases based on the number of physical locations the letting agency operates from.
- **Application timing.** Applications submitted by new agents not yet letting, and timely renewals before expiry incur lower fees.

Table 3: Fee Structure for Letting Agents in Scotland

Application type	Number of offices	3-yearly fee
New agents (not yet letting) / on time renewal	1 office	£594
New agents (not yet letting) / on time renewal	2-3 offices	£714
New agents (not yet letting) / on time renewal	4+ offices	£840
Late application / unlicensed work	1 office	£918
Late application / unlicensed work	2-3 offices	£1,038
Late application / unlicensed work	4+ offices	£1,165

The fee structure was set following a business regulatory impact assessment, published in 2018, which details the development of the structure.⁵³ The assessment sets out the operating context at the time:

- The letting agent industry in Scotland had grown significantly, offering various property management services to landlords.
- The estimated number of letting agents was 1,693, handling around 150,000 lettings annually.
- While many agents operate professionally, concerns existed regarding poor service and potentially illegal practices by some.

Four policy options were considered for the fee structure:

- **Tiered fee by portfolio size.** Fees would be based on the number of properties an agent manages. (Rejected due to EU regulations)
- **Flat rate fee.** A single fee would apply to all letting agents, regardless of size. (Disproportionately impacts small businesses)
- **Tiered fee by number of offices.** Fees would be based on the number of offices an agent operates from. (Recommended option)
- **No fee structure.** No fee would be charged for registration. (Results in no cost recovery for the government)

Option three was considered the fairest approach, mitigating the financial impact on small businesses. This option allowed for partial cost recovery by the government (around 67 per cent). The estimated proportion of agents by number of offices was:

⁵³ Scottish Government (2018)

- One office: 85 per cent of agents
- Two-three offices: 10 per cent of agents
- Four or more offices: five per cent of agents.

Fit and proper person test

For letting agents to be registered, applicants must pass a 'fit and proper person' test which applies to:

- Sole traders
- Companies
- Anyone owning more than 25 per cent of a company
- Anyone directly concerned with the control or governance of the letting agency work.

To determine if an applicant qualifies as a fit and proper person, all circumstances of the case will be evaluated.⁵⁴ This includes, but is not limited to:

- **Criminal offences.** Convictions for offences involving fraud, violence, drugs, firearms, or sexual offences can disqualify an applicant. However, spent convictions under the Rehabilitation of Offenders Act 1974 are not considered.
- **Discrimination.** Unlawful discrimination based on protected characteristics outlined in the Equality Act 2010 is grounds for disqualification.
- **Compliance history.** The applicant's past compliance with letting agent regulations and codes of practice is evaluated. This includes adherence to registration number usage, enforcement orders, payment of fees, and information disclosure requirements.

Training requirements

All "specified persons" involved in a letting agency must hold an appropriate qualification for the agent to be registered. Specified persons are:⁵⁵

- Sole traders themselves.
- The most senior company representative involved in day-to-day letting agency operations.
- Everyone directly concerned with managing and supervising day-to-day letting agency work.
- An individual based at a letting agency branch where this is no other qualifying person based there.

The qualification must:⁵⁶

- Be Level 6 or above on the Scottish Credit and Qualifications Framework (SCQF) or equivalent.
- Cover the key areas of:
 - Legal obligations of letting agency work.
 - Rights and responsibilities of landlords and tenants.
 - Handling client money.
 - Tenancy management (arranging, managing, ending).

⁵⁴ Section 34 of the Act

⁵⁵ Regulation 6 of the Letting Agent Registration (Scotland) Regulations 2016

⁵⁶ *ibid*, Regulation 7

- Property repairs and maintenance.
- Customer communication and complaint handling.
- Equality issues.

There are currently four approved programmes:⁵⁷

- **LETWELL programme.** Delivered by Landlord Accreditation Scotland and the Chartered Institute of Housing (CIH) Scotland. This programme offers a CIH Level 3 Certificate in Letting and Managing Residential Property (equivalent to SCQF Level 6).
- **Propertymark qualifications.** This programme offers a Propertymark (ARLA certified) Level 6 Technical Award in Residential Letting and Property Management – Scotland.
- **safeagent foundation lettings course.** This course provides a foundation in letting agency work.
- **MRICS qualification.** A valid MRICS qualification can be acceptable, providing it meets specific conditions.

If a qualification was obtained more than three years before the application date, the individual must have completed additional training related to letting agency work within the past three years. This additional training requirement is 20 hours total, with at least 15 hours of verifiable formal training.⁵⁸ In effect, agents must demonstrate completion of continuing professional development (CPD) training when re-registering every three years. This creates a rolling CPD requirement.

Code of practice (conduct, client funds, and professional indemnity) and means of redress

The letting agent code of practice outlines the expected standards for letting agents in Scotland. It focuses on three key areas:⁵⁹

- **Standards of practice.** This covers the professional conduct and behaviour expected from letting agents.
- **Handling of client funds.** Regulations ensure proper handling of both tenant and landlord money entrusted to letting agents.
- **Professional indemnity.** Letting agents are required to maintain appropriate professional indemnity arrangements.

The Scottish ministers draft and enact the letting agent code of practice through regulations. Before finalising the code, they consult with relevant stakeholders.

The current letting agent code of practice (“the code”) outlines a comprehensive set of standards for letting agents operating in Scotland. These standards encompass various aspects of the letting process, ensuring fair and professional treatment of both landlords and tenants.

The code applies to every person that carries out "letting agency work" as defined by the Act, namely any letting agent or property manager who works with landlords to find tenants for their residential properties and/or manages those properties on behalf of the landlord.

⁵⁷ <https://www.mygov.scot/letting-agent-registration/training-and-qualifications>

⁵⁸ *ibid*, Regulation 5

⁵⁹ Section 46 of the Act

Key areas covered by the code include:⁶⁰

- **Clear communication.** Letting agents must provide clear and accessible information throughout the tenancy lifecycle. This includes details on fees, services offered, tenancy agreements, check-in/check-out procedures, and complaint resolution processes.
- **Transparency and fairness.** Honesty and transparency are paramount. Letting agents must avoid misleading statements and ensure consistent and reasonable application of policies. Discrimination against landlords or tenants based on protected characteristics is strictly prohibited.
- **Managing end of tenancies.** A clear end-of-tenancy procedure, including legal notices and information provision to both parties, is mandated.
- **Inventory and check-out.** Letting agents managing check-out processes must conduct thorough inspections and provide detailed reports with photographic evidence (if applicable) referencing the initial inventory/schedule of condition. Tenants have the right to be present during the check-out unless there are exceptional circumstances.
- **Tenancy deposits.** For agents managing tenancy deposits, reasonable steps must be taken to reach an agreement with the tenant regarding repayment. In the event of a dispute, the relevant Tenancy Deposit Scheme's rules apply.
- **Complaint resolution.** Letting agents must have a clear and accessible written complaints procedure outlining the steps involved, timescales, and recourse options, including alternative dispute resolution and the First-tier Tribunal for landlords and tenants.
- **Handling client money.** Robust procedures for handling client money (rent collected and funds held on behalf of landlords and tenants) are required for agents who hold such money. This includes dedicated client bank accounts, clear record keeping, and immediate availability of funds to clients upon request (unless agreed otherwise). Client money protection insurance is mandatory unless equivalent protection can be demonstrated.
- **Debt recovery.** A clear and proportionate written policy for debt recovery, outlining the steps involved and how disputed debts will be handled, is required. Charges for late payments cannot be unreasonable or excessive, and debt collection practices must be professional and avoid intimidation or misrepresentation.
- **Professional indemnity.** Letting agents must maintain adequate professional indemnity insurance to cover potential liabilities arising from their work.
- **Insurance products.** Letting agents offering insurance products to landlords and tenants must clearly explain related costs and disclose any commissions, fees, or other benefits received from insurance providers. Procedures for handling insurance claims on behalf of landlords are also outlined.
- **Reporting criminal activity.** Letting agents have a duty to report suspected money laundering, human trafficking, or other criminal activities to the appropriate authorities.

Code of practice breaches and redress

The letting agent code of practice has a clear process for addressing situations where a landlord or tenant believes the agent hasn't followed the code:⁶¹

- **Complaint to the letting agent.** If a landlord or tenant believes the agent hasn't followed the code, the first step is to notify them in writing (including email). This allows the agent to investigate and try to resolve the issue directly.

⁶⁰ Letting Agent Code of Practice (Scotland) Regulations 2016

⁶¹ Paragraph 7, Letting Agent Code of Practice (Scotland) Regulations 2016

- **Alternative dispute resolution (ADR).** Some letting agents may offer access to an independent ADR service if a solution cannot be reached internally.
- **First-tier Tribunal.** If the landlord or tenant remains unsatisfied after complaining to the agent or using ADR, they can apply to the First-tier Tribunal for Scotland. Scottish ministers also have the authority to apply to the Tribunal on behalf of the complainant if they believe the code has been breached.

If the Tribunal finds a breach of the code, they will issue an enforcement order outlining corrective actions the agent must take within a specific timeframe. This may involve revising documents, altering agreed terms, or awarding compensation. Non-compliance with an enforcement order is reported to Scottish ministers and can lead to removal from the letting agent register.⁶²

Compliance monitoring and consequences of non-compliance

Monitoring of compliance

Sections 52-55 of the Act outlines a system for monitoring compliance with letting agent registration requirements. This includes the Scottish ministers' power to gather information and conduct inspections of premises suspected to be involved in letting agency work.

- **Obtaining information.** The Scottish ministers can serve a notice requiring information from individuals believed to be acting as letting agents. Specific details regarding the form and service of the notice, and timeframe for providing the required information is established through regulations.⁶³ Individuals cannot be compelled to disclose information if the disclosure could expose them to legal repercussions.⁶⁴
- **Inspections.** Authorised personnel appointed by the Scottish ministers can inspect premises suspected of being used for letting agency work. Inspectors have broad powers to enter and inspect the premises, examine and copy documents, and request relevant information from those present. They can also temporarily seize documents or data if deemed necessary. Similar to information requests, individuals cannot be forced to disclose information if the disclosure could lead to legal action against them.⁶⁵
- **Entry warrants.** If access to premises is denied or there is concern that providing notice would hinder the inspection, a warrant can be obtained from a sheriff, justice of the peace, or stipendiary magistrate. A warrant can only be granted if there is reasonable suspicion that letting agency work is being conducted at the premises and entry is justified under specific circumstances, such as refused entry, risk of defeating the inspection purpose by notifying the occupant, or the premises being unoccupied.⁶⁶

Supplemental measures are as follows:⁶⁷

- Inspectors can bring necessary personnel and equipment during inspections.
- Inspections typically occur during reasonable hours, with a minimum of 24 hours' notice provided to the occupant unless there's a risk of hindering the inspection.
- Inspectors are required to show written authorisation upon request.

⁶² *ibid*, paragraphs 9-10

⁶³ The Letting Agents (Notice Requiring Information) (Scotland) Regulations 2018

⁶⁴ Section 52 of the Act

⁶⁵ Section 53 of the Act

⁶⁶ Section 54 of the Act

⁶⁷ Section 55 of the Act

- If a warrant is used to gain entry to an unoccupied premise, the inspector must ensure it is left secured upon departure.
- When items are seized during inspections, a written record detailing the action is left at the premises.

Offences

The offences for individuals and organisations who fail to comply with Part 4 of the Housing (Scotland) Act 2014 and associated regulations are as follows:

- **Providing false information.** Submitting a letting agent registration application containing knowingly false information or omitting required details constitutes an offence. Convictions result in a fine not exceeding level three on the standard scale (currently £1,000).⁶⁸
- **Failing to notify changes.** Letting agents are legally obligated to inform the Scottish ministers of any changes in their circumstances that may affect their registration status. Neglecting to do so without a valid reason is an offence punishable by a fine not exceeding level three on the standard scale.⁶⁹
- **Operating unregistered.** The most serious offence concerns operating as a letting agent without proper registration. Individuals convicted of this offence face potential imprisonment for up to six months, a fine not exceeding £50,000, or both. A reasonable excuse defence is available, but the burden lies with the defendant to demonstrate its validity.⁷⁰
- **Misusing registration numbers.** Individuals who are not registered letting agents but use a registration number in any document or communication (without a reasonable excuse) are committing an offence. This offence carries a maximum fine not exceeding level three on the standard scale.⁷¹
- **Disregarding enforcement orders.** The First-tier Tribunal has the authority to issue enforcement orders against letting agents who fail to comply with the letting agent code of practice. Disregarding such an order without reasonable justification constitutes an offence with a maximum fine of level three on the standard scale.⁷²
- **Information and inspection obstruction.** Individuals who fail to provide required information to the Scottish ministers or intentionally obstruct inspections are also subject to fines not exceeding level three on the standard scale. This extends to those who knowingly provide false or misleading information.⁷³
- **Offences by organisations.** The Act holds organisations and partnerships accountable for the actions of their representatives. If an offence under Part 4 is committed by a body corporate or an unincorporated association with the consent, connivance, or neglect of a relevant individual (such as a director, partner, or manager), then both the organisation and the individual can be held liable and face corresponding penalties.⁷⁴

⁶⁸ Section 31 of the Act

⁶⁹ Section 37 of the Act

⁷⁰ Section 44 of the Act

⁷¹ Section 45 of the Act

⁷² Section 51 of the Act

⁷³ Section 56 of the Act

⁷⁴ Section 58 of the Act

Impact of training requirements

In 2023, Indigo House in collaboration with IBP Strategy and Research published a review of the letting agent training requirements in Scotland. The research was commissioned by CIH Scotland and examines the benefits and implementation of letting agent qualifications and CPD. It also explores stakeholder views on extending similar requirements to other parts of the rented sector.

The methodology for this report involved three main research strands:

- **Evidence review.** This included analysing key texts, data sets, and the letting agent code of practice. It also examined evaluations of similar qualification and CPD programmes in other sectors.
- **Surveys.** Online surveys were conducted with letting agents (100 responses) and private landlords (150 responses). Sample sizes were chosen to ensure statistically significant results.
- **Qualitative research.** This included interviews with tenants (10), letting agents (16), trade bodies, and focus groups with tenants, letting agents, and landlords (12 participants each).

The report's key findings are as follows.

Benefits of qualifications and CPD

The introduction of mandatory qualifications for letting agents has been seen as a positive step. Qualifications ensure agents have the necessary knowledge and expertise to perform their duties effectively, upholding a minimum standard for the sector. This enhances the reputation of the sector and provides reassurance to tenants and landlords. CPD helps agents stay up-to-date with changes in legislation and good practice, further protecting the interests of all parties involved.

Existing qualification structure

Scotland has a well-established system for letting agent qualifications. LETWELL (CIH/LAS) and ARLA Propertymark are the most common qualifications. Other qualifications like safeagent and MRICS are also available.

Stakeholder views on extending qualifications

The report explores stakeholder opinions on extending qualifications to other parts of the rented sector. While most stakeholders agreed on the need for a minimum standard qualification for social landlords, similar to letting agents, there were mixed opinions on private landlords. Some stakeholders favoured a lighter touch approach, such as requiring a basic awareness course, while others advocated for a full qualification.

Additional findings

A high proportion of cases decided by the First-tier Tribunal (FTT) found breaches of the code of practice. Stakeholders highlighted weak enforcement mechanisms for the code, and identified limitations in how effectively breaches were addressed.

Recommendations

The report recommends:

- **Mandatory qualifications across the rented sector.** Considering the benefits of qualifications and stakeholder opinions, the report argues for mandatory qualifications across the entire rented sector – letting agents, private landlords, and social landlords. If private landlords are unwilling or unable to qualify, they should be required to use registered letting agents to manage their properties.
- **Improvements to existing qualifications and CPD.** The report identifies areas for improvement in letting agent qualifications and CPD, including maintaining online and in-person training options, increasing LETWELL capacity, ensuring all courses are relevant to the Scottish private rented sector, and developing a wider range of CPD options.
- **Increased public awareness.** The report emphasises the need for increased public awareness about the letting agent code of practice, the First-tier Tribunal system for resolving disputes, and the recourse tenants and landlords have.

Letting fees ban

Scotland has a ban on letting agent fees charged to tenants. This policy stems from three main pieces of legislation:

- **Rent (Scotland) Act 1984.** This Act outlawed the charging of fees for drawing up tenancy agreements, placing a name on an accommodation list, and requiring any "premium" as a condition of tenancy. The Act defined a premium broadly as any fine, other similar sum, or "any other pecuniary consideration" beyond rent. (Section 82).
- **Housing (Scotland) Act 1988.** This Act clarified that written tenancy agreements for assured tenancies or private residential tenancies were to be provided free of charge (Section 121).
- **Private Rented Housing (Scotland) Act 2011.** This Act made clear that "premium" as defined in the 1984 Act includes "includes any service or administration fee or charge" (Section 32).

Tenants who are charged unlawful fees can reclaim them from the letting agent. Failing that, they can file complaints with the First-tier Tribunal based on the letting agent breaching the code of practice (by not complying with all relevant legislation).

The impact of the fee ban on the Scottish rental market is a subject of debate and has not been formally reviewed. While proponents argue it has increased transparency and reduced tenant burden, others suggest it may have led to increased rents or decreased service offerings from some letting agents.⁷⁵ The Communities and Local Government Committee stated that evidence supporting these claims was inconclusive.⁷⁶

1.5 England and Wales

Background (England)

Prior to 2013, the prevailing government policy was that self-regulation within the letting agent market would be sufficient. This approach assumed that landlords, acting in their own best interests,

⁷⁵ For example, see <https://www.parliament.uk/globalassets/documents/commons-committees/communities-and-local-government/Various-Letting-Agents-Fees-Charges-Scotland.pdf>

⁷⁶ <https://publications.parliament.uk/pa/cm201415/cmselect/cmcomloc/964/96406.htm>

would choose not to engage with letting agents exhibiting poor service. While this theory did not materialise in practice, dissatisfaction with various aspects of private renting among tenants led to a growing demand for reform.

Deregulation and the changing landscape of private renting

The Housing Act 1988 deregulated private renting in England (and Wales). This deregulation was followed by a temporary decline in the number of private renting households, which fell to approximately 1.8 million, representing less than nine per cent of all households. Given the relatively small size of this demographic at the time, there was limited pressure for legislative changes affecting private renting.

However, by 2011, the proportion of households renting privately had nearly doubled to 4.1 million (almost 18 per cent). This trend continued, with the number of private renting households reaching a plateau of around 4.8 million in 2016. This figure has remained relatively stable since then, with only a minor decrease from its peak. Notably, the economic profile of private renters also shifted during this period. Traditionally dominated by students and low-income individuals, the private renting sector began to attract a growing number of young professionals priced out of homeownership due to rising house prices. This demographic shift undoubtedly contributed to the increasing urgency for reform, as private renters became a more substantial voting bloc.

Early reforms and government resistance

The 2010s witnessed growing calls for reform in the private renting sector. However, initial reforms were modest in scope. These included a 2014 requirement for letting agents to join a property redress scheme and a 2015 provision mandating the publication of letting agent fees. The government, seeking to maintain its commitment to free-market principles, initially resisted more substantial reforms, such as fee regulation. Such measures were argued to potentially increase costs for tenants and discourage landlords from letting properties, thereby reducing the overall supply of rental housing.

The government also held the view that consumer power and self-regulation within the letting agent industry would be sufficient to address issues related to poor practice. During the passage of the Housing and Planning Bill 2016, the government initially opposed the introduction of client money protection for letting agents. This position was taken despite compelling evidence from the letting industry itself in support of the proposal. Ultimately, the government relented during the bill's final stages, and client money protection was included. However, at this point, there was still no intention to regulate letting agent fees.

A shift in focus

The 2017 general election saw the incumbent housing minister lose his seat in a constituency with a significant private renting population (approximately one-quarter of the electorate). This event, coupled with the subsequent Grenfell Tower tragedy, may have prompted a shift in government focus towards recognising the interests of private renters. This shift occurred despite the absence of any prior commitment to reform within the party's manifesto.

The Tenant Fees Act was subsequently introduced and came into force in England on 1 June 2019. This Act outlawed most letting agent fees beyond rent, holding deposits, and reasonably incurred expenses. Prior to the Act's implementation, the practice of charging unjustified fees for nominal services was widespread. A common example involved the levying of a substantial fee (often several

hundred pounds) for the creation of a simple renewal contract every six months. This process involved no legal work and essentially amounted to a duplicate of the previous contract with updated dates. Most letting agents utilised standard contracts costing less than £1 each in bulk purchases from legal stationers. This practice of charging excessive fees for minimal services was just one example of the abuses addressed by the Tenant Fees Act.

The Regulation of Property Agents Working Group

A working group of industry specialists led by Lord Best published recommendations for further reform in a [July 2019 report](#) including:

- **Establishment of an independent regulator.** The report proposed the creation of an independent regulatory body specifically for property agents. This entity's functionalities would encompass operational procedures and enforcement mechanisms to ensure industry compliance.
- **Standardised code of practice.** The working group advocated for the implementation of a single, mandatory code of practice that would be legally enforceable for all property agents. This code would establish a clear set of professional expectations.
- **Qualifications and ongoing development.** The report recommended the introduction of minimum entry qualifications for property agents, coupled with a requirement for continuing professional development.

Membership in a government-approved property redress scheme (England)

The Enterprise and Regulatory Reform Act 2013 (Part 6, [Sections 83-88](#)) establishes a mandatory requirement for individuals or entities engaged in "lettings agency work" or "property management work" to be members of a government-approved property redress scheme. This requirement is also established by The Redress Schemes for Lettings Agency Work and Property Management Work (Requirement to Belong to a Scheme etc) (England) Order 2014 ([No. 2359](#)). This came into effect on 1 October 2014.

Function of redress schemes

A redress scheme serves as a mechanism for the investigation and resolution of complaints lodged against its members by an independent third party (Ombudsman). In England, two government-approved redress schemes exist:

- [The Property Ombudsman Limited](#)
- [The Property Redress Scheme](#)

Definitions

The terms "lettings agency work" and "property management work" are precisely defined within the regulations. Lettings agency work encompasses actions undertaken in the course of business at the behest of either a prospective landlord seeking a tenant for their property or a prospective tenant seeking a rental property. Upon locating a suitable property, the letting agent facilitates the tenancy agreement.

Property management work refers to actions undertaken by the agent in response to instructions received from the landlord or tenant (the client) related to arranging services, repairs, maintenance,

improvements, or insurance. Additionally, it encompasses the management of any other aspect pertaining to the tenancy of the landlord's premises.

Enforcement and penalties

Non-compliance with the requirement to join a redress scheme can incur a civil penalty of up to £5,000 for the agent. The local district council, acting as the enforcement authority, issues a notice preceding the imposition of the penalty. The regulations outline the process for issuing penalties and the grounds upon which an agent may appeal to a First-tier Tribunal.

Limitations of the redress scheme

Criticisms have been levelled regarding the limited scope of the redress scheme. The Ombudsman's authority is restricted to adjudicating disputes arising from the agent's actions, not those between the landlord and tenant directly. For instance, while arranging repairs falls within the scheme's purview, disagreements concerning the nature of the defect and the required repairs would not. Consequently, it is common for tenant complaints to be deemed outside the scheme's jurisdiction or only partially addressed.

The Conservative government's Renter's Reform Bill, which was ultimately not enacted, proposed the introduction of a separate Ombudsman specifically for resolving landlord and tenant disputes. This separate entity would have addressed complaints (or portions of complaints) currently falling outside the scope of the existing redress scheme. However, such a system would have presented tenants with a complex two-tiered system to navigate.

Mandatory publication of letting agent fees and related information (England)

The Consumer Rights Act 2015 (Part 3, Chapter 3, [Sections 83-88](#)), as amended by the Housing and Planning Act 2016 and the Tenant Fees Act 2019, mandates the publication or display of letting agent fees and specific additional information. This requirement came into effect on 27 May 2015 ([SI 2015/965](#)).

Publication requirements

Letting agents are required to display a list of their fees for letting agency and property management work in a prominent location within each office where they meet clients face-to-face. This list should be readily viewable by customers. Additionally, if the agent advertises properties on third-party websites (e.g. Zoopla), they must ensure that the fees are published on those websites as well. Alternatively, a link from the third-party website to the agent's own website page displaying the fees is acceptable.

The displayed or published list of fees must include a clear and concise description of the service or cost covered by each fee. This level of detail is necessary to ensure customer comprehension regarding the circumstances under which each fee applies. Furthermore, letting agents are required to publish or display, alongside their list of fees, the names of the client money protection scheme and property redress scheme of which they are members.

Enforcement

The local weights and measures authority (typically Trading Standards, which in two-tier local government areas falls under the county council's responsibility) is responsible for enforcing

compliance with these regulations. They have the power to impose civil penalties of up to £5,000 for non-compliance. In cases where the breach persists beyond 28 days after the initial notice, multiple penalties may be issued. When exercising their enforcement duties, Trading Standards are obligated to consider any relevant guidance published by the secretary of state. The Act also outlines a procedure for appealing against any imposed penalties (Schedule 9).

Client money protection requirements for property agents (England)

The Housing and Planning Act 2016 (Part 5, [Sections 133-135](#)) establishes mandatory client money protection membership for all property agents handling "client money". This requirement is also established by The Client Money Protection Schemes for Property Agents (Approval and Designation of Schemes) Regulations 2018 ([No. 751](#)) and The Client Money Protection Schemes for Property Agents (Requirement to Belong to a Scheme etc.) Regulations 2019 ([No. 386](#)). This came into effect on 1 April 2019.

Definition of client money

Client money refers to any funds received by a property agent in connection with lettings agency or property management work. This encompasses tenant rent payments, but excludes tenancy deposits, which are safeguarded through a separate deposit protection scheme.

Approved client money protection schemes

Currently, six client money protection schemes are approved by the government:

- [Client Money Protect](#)
- [Money Shield](#)
- [Propertymark](#)
- [RICS](#)
- [safeagent \(previously NALS\)](#)
- [UKALA Client Money Protection.](#)

Transparency requirements

Letting agents belonging to an approved scheme are obligated to display their membership certificate prominently within each office where they interact face-to-face with clients seeking or utilising their property agent services (fulfilling the transparency requirement). Additionally, a copy of the certificate must be readily accessible on their website. In the event of a revoked membership, the agent must notify all clients in writing.

Enforcement

Local Trading Standards authorities possess the authority to issue financial penalties for non-compliance. For property agents holding client money who fail to join an approved scheme, the penalty can be as high as £30,000 per breach (Regulation 6). Violations of the transparency requirement can incur penalties of up to £5,000 per breach. The regulations outline the process for issuing penalties by Trading Standards and the agent's right to appeal such penalties to a First-tier Tribunal (as detailed in the regulations' schedule). When exercising these enforcement functions, Trading Standards authorities are required to consider any relevant guidance issued by the secretary of state (Regulation 5) – such guidance can be found within the Tenant Fees Act.

The Tenant Fees Act 2019 and ban on unlawful fees and charges (England)

The [Tenant Fees Act 2019](#), effective 1 June 2019 ([SI 2019/857](#)), significantly restricts the fees that landlords or letting agents can impose on tenants for new or replacement tenancy agreements (beyond rent payments).

Permitted fees

The Act outlines a limited range of permissible fees:

- A refundable tenancy deposit capped at a maximum of five weeks' rent.
- A refundable holding deposit (to reserve a property) capped at a maximum of one week's rent.
- Payments associated with early termination of the tenancy at the tenant's request, capped at £50 or the demonstrably reasonable costs incurred if exceeding this amount.
- Payments related to utilities, communication services, television licences and council tax.
- A default fee for late rent payments, capped at a maximum of three percent above the Bank of England's base rate for each day of outstanding rent.
- Replacement of a lost key or security device providing access to the housing, but only if mandated by the tenancy agreement. In such cases, the landlord or agent must furnish written evidence to the liable party demonstrating the reasonableness of the incurred costs.

Prohibited payments

Any fees beyond those explicitly listed above are considered "prohibited payments" and are unenforceable as contractual terms against the tenant and their guarantor. Landlords or letting agents who charge prohibited payments are committing an offence and may be subject to fines. Offences under the Act can also result in a banning order, potentially prohibiting the landlord/agent from letting property. Additionally, the local authority or tenant may apply for a rent repayment order.

Enforcement

Local Trading Standards authorities are responsible for enforcing offences under the Tenant Fees Act 2019. Enforcement of banning orders and other Housing Act offenses (e.g. housing health and safety rating system, HMO licensing) falls under the jurisdiction of the district council.

Guidance

When enforcing compliance with the Tenant Fees Act and related requirements, councils must consider the guidance published by the secretary of state (available in [PDF format](#)). This guidance is provided alongside [guidance for letting agents and tenants](#) regarding the Act.

Regulations for letting agents (Wales)

Components of the regulatory landscape for letting agents in Wales closely align with that of England. Key pieces of legislation include the Housing (Wales) Act 2014 ([Part 1](#), fully in force 23 November 2016 – [SI 2016/1066](#)), the Code of Practice (effective 23 November 2015 – [SI 2015/1932](#)), and the Consumer Rights Act 2015 (duty to publicise fees, effective 23 November 2015 – [SI 2015/1904](#)). Additionally, The Regulation of Private Rented Housing (Training Requirements) (Wales)

Regulations 2015 ([No. 1366](#)) and The Regulation of Private Rented Housing (Information, Periods and Fees for Registration and Licensing) (Wales) Regulations 2015 ([No. 1368](#)) are relevant.

Mandatory licensing

A significant distinction from the English system lies in the mandatory licensing requirement for letting agents in Wales, as stipulated in [Part 1](#) of the Housing (Wales) Act 2014. This Act defines "lettings work" in a similar manner to England's "lettings agency work," encompassing activities such as finding tenants and managing properties. However, the definition in Wales additionally incorporates advertising and marketing of rental properties (Sections 9 and 10).

Landlords marketing a dwelling but not directly involved in lettings work require registration but are exempt from licensing. Conversely, landlords marketing a dwelling or engaging in other lettings work must either obtain a licence themselves or employ a licensed agent to act on their behalf. The designated national licensing authority for Wales is Cardiff City Council, operating under the name [Rent Smart Wales](#).

Letting agents need to accumulate CPD points to renew their Rent Smart Wales licences. Letting agents need 80 points, over the 5-year licence period.

Eligibility for letting agent licences

The issuance of a letting agent licence is contingent upon the licensing authority's determination that the applicant is a "fit and proper person" and has completed the required training (Section 18). Operating as an unlicensed letting agent constitutes a punishable offence, with potential prosecution by either the licensing authority or the housing authority (Sections 9 and 28). If the unlicensed letting agent is a company, the directors, managers, secretaries, or any individuals acting under their authority who consented to the breach are also liable for prosecution (Section 35).

Licence conditions

Compliance with the code of practice issued by Welsh ministers is a mandatory condition for holding a letting agent licence. Additionally, licence conditions require agents to:

- Upload a list of all managed properties to the Rent Smart Wales website.
- Provide evidence of fulfilling [Business Safeguards](#) (including client money protection, professional indemnity insurance, and membership in a property redress scheme).

Prohibited letting agent fees (Wales)

The [Renting Homes \(Fees etc.\) \(Wales\) Act 2019](#), effective 1 September 2019 ([SI 2019/1150](#)), mirrors the Tenant Fees Act 2019 in England by prohibiting similar letting agent fees in Wales. This Act introduced significant limitations on the fees that letting agents can charge tenants within the context of assured shorthold tenancy agreements.

Alignment with England

The Act largely reflects the provisions of the Tenant Fees Act 2019 in England, establishing a comparable list of prohibited fees that letting agents cannot charge tenants in Wales.

Holding deposit requirements

The Renting Homes (Fees etc.) (Holding Deposit) (Specified Information) (Wales) Regulations 2019 (No. 1493), effective 28 February 2020, introduce specific requirements regarding holding deposits. Notably, these regulations mandate that letting agents in Wales must provide tenants with a notice containing [prescribed information](#) before charging a holding deposit ([Regulation 3](#)).

Additional regulations

The Renting Homes (Fees etc.) (Prescribed Limits of Default Payments) (Wales) Regulations 2020 ([SI 2020/202](#)), effective 28 April 2020, provide further details. These regulations establish limitations on default fees that letting agents can impose for late rent payments, similar to the regulations in England.

Part two: Insights into letting agent practices and regulation in Northern Ireland

2.1 Introduction

This part delves into the issues surrounding letting agent fees and regulations in Northern Ireland. Given the complexities surrounding these issues, we use a multi-perspective approach:

1. **Mystery shopper exercise.** This exercise involved posing as potential tenants and contacting letting agents to enquire about fees associated with renting a property. This will provide insights into the practice, consistency, and transparency of fee structures across different agencies.
2. **Private tenant survey.** A survey was conducted among private tenants in Northern Ireland to gather their direct experiences with letting agent fees. This will shed light on the types of fees encountered, their perceived fairness, and the impact these fees have on tenants' finances.
3. **Tenant voices.** We will explore the lived experiences of tenants through in-depth interviews. This will allow tenants to share their personal stories about how letting agent fees impact their ability to find and secure accommodation. Additionally, their views on potential regulatory changes will be captured.
4. **Stakeholder perspectives.** This section explores the perspectives of various stakeholders involved in the rental market, including letting agents, landlord representatives, housing-related organisations, and other industry bodies. Understanding their positions on letting agent regulation and fees will provide a well-rounded picture of the issue.

By combining these diverse methodologies, we aim to paint a comprehensive picture of the current state of letting agent fees and regulations in Northern Ireland. This will inform discussions concerning potential reforms and their impact on the private rented sector.

Background

The private rented sector in Northern Ireland operates with a lighter touch in terms of letting agent regulation compared with other parts of the [UK and Ireland](#). There is no dedicated regulatory framework overseeing letting agents, with general consumer protection acting as the primary safeguard for tenants and landlords regarding unfair practices and contractual terms.

However, specific regulations exist in certain situations. Letting agents managing houses in multiple occupation (HMOs) require a "fit and proper person" test under HMO licensing. Additionally, mandatory tenancy deposit protection schemes shield tenant deposits in the event of an agency's insolvency.

Letting agent fees charged to tenants have become a cause for concern. The financial burden of such fees can be particularly challenging for low-income families, who already face significant upfront costs like deposits and rent.

Furthermore, recent court cases have challenged the legality of administration fees, with rulings in two instances (a £30 fee by Piney Rentals Ltd and a £36 fee by F5 Property Ltd) deeming them unenforceable under the Commission on the Disposal of Lands (Northern Ireland) Order 1986 ("the Order").

The Order prohibits letting agents from charging fees that contribute to their remuneration for services provided to the landlord. Article 3(1) states:

Where, on a disposal of land, an agent acting for the person making the disposal is entitled to be paid a commission, any stipulation made on the disposal to the effect that the person acquiring the land shall pay the whole or any part of the commission shall be void.

Loughran v Piney Rentals Ltd & F5 Property Ltd [2017]

This county court case involved a dispute between a tenant and two letting agents over fees paid by the tenant during the letting of properties in Belfast. The tenant argued the fees were illegal under the Order.

Key points:

- The Order prohibits landlords from requiring tenants to pay letting agents' commission.
- The tenant paid "administration" fees to the letting agents upon signing the tenancy agreement.
- The tenant argued these fees were, in essence, a commission paid to the letting agent and therefore recoverable under the Order.

Court findings:

- The court agreed that the Order applied to the situation and that the fee could be considered "commission" under the Order's definition.
- However, the key issue was whether the tenant paid the fee to the letting agent for services provided to the landlord in letting the property.
- The court found that the tenant did not have a separate agreement with the letting agent for any services.
- The evidence showed the letting agent was solely commissioned by the landlord.
- While the letting agent listed services they claimed to provide for the fee, the court determined these services were ultimately for the benefit of the landlord in letting the property (e.g. reviewing applications, drafting agreements).

Outcome:

- The court ruled in favour of the tenant, finding the administration fees were recoverable under the Order.
- The letting agent was liable to repay the fee to the tenant.

While not binding due to the court level, the county court judgment offers a persuasive clarification of the 1986 Order.

The case for regulation and enforcement

While some existing legislation provides protection for tenants, the question of further regulation and stronger enforcement remains. The Department for Communities, in its 2017 consultation paper "Private Rented Sector in Northern Ireland: Proposals for Change," proposed a new regulatory framework for letting agents, including a potential ban on all fees charged to tenants.

Their vision, as outlined in the paper, emphasises a professional, well-managed, and affordable private rented sector that offers security for both tenants and landlords. Achieving this vision necessitates increased confidence in the professionalism of letting agents, which can be facilitated by a robust regulatory framework with effective redress mechanisms.

Despite a 2020 [joint statement](#) by the Department of Finance and Department for Communities clarifying the illegality of certain letting fees (following the Loughran judgment), recent mystery shopping exercises indicate these practices persist.

Additionally, the Trading Standards Service (TSS) in Northern Ireland received 68 complaints from tenants and landlords about letting agents between January 2023 and June 2024. Common complaints from tenants included issues with fees, deposits, property condition and the rental process. Landlords reported problems with agents not passing on rent, managing properties poorly and withholding deposits.

The TSS can take enforcement action against letting agents under general consumer protection legislation, including issuing warnings, taking them to court, or referring them to another enforcement body such as the National Trading Standards Estate Agents and Lettings Team (NTSEALT) or Environmental Health. In part due to the lack of specific letting agent regulations in Northern Ireland (unlike England), many complaints fall outside the TSS's enforcement powers. Only 16 of the above 68 complaints were referred for enforcement action.

2.2 Mystery shopper exercise: Fees charged by letting agents

This section details the findings of a mystery shopper exercise conducted by Renters' Voice in February 2024. The exercise aimed to assess the prevalence of letting agent fees in Northern Ireland and their compliance with current legislation.

Background on letting fees

Letting fees are charges levied by letting agents, typically at the outset of a tenancy, to cover processing a tenant's application. While some fees associated with mid-tenancy activities (e.g., change of name fee) exist, the law in Northern Ireland has been clarified since 2017 (Loughran case) to prohibit agents from charging tenants for tasks a landlord would perform without an agent (e.g., application processing).

Objectives of the mystery shopper exercise

This exercise sought to:

- Determine the percentage of letting agents charging fees
- Identify the types of fees being charged
- Assess the transparency surrounding these fees (website vs. phone communication)
- Investigate the compliance of these fees with current legislation.

Methodology

Renters' Voice employed a mystery shopper approach to gather data. They developed a standardised script for callers posing as prospective tenants to enquire about letting fees. The script prompted questions about additional costs beyond rent and deposit, with follow-up enquiries for discrepancies between advertised fees and phone conversations. Renters' Voice gathered data from 120 letting agents across Northern Ireland over a one-week period. Additionally, they recorded which agencies listed fees on their websites.

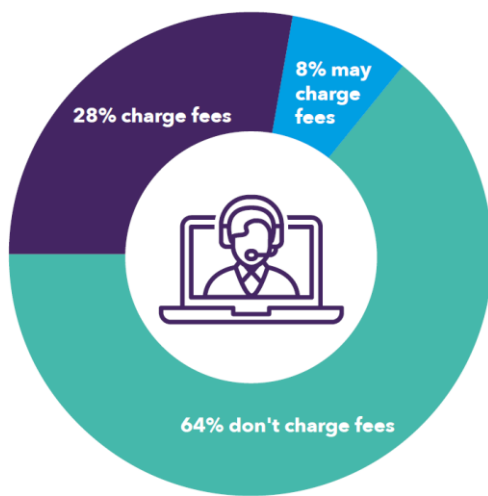
This section analyses the collected data through a two-pronged approach. First, we delve into the nature, purpose, and amount of fees imposed by letting agents across Northern Ireland. This

involves reviewing the mystery shopper exercise dataset to assess the frequency of fees charged, the associated reasons provided by agents, and the breakdown of fee amounts. Secondly, we calculate the proportion of letting agents imposing fees and identify any patterns or trends in the data, such as variations based on location or type of fee.

Letting agent fees: A look at transparency, refundability, and potential regulatory issues

Of the 120 letting agents contacted, 60 per cent (72 agents) were in Belfast and the remaining 40 per cent (48 agents) were spread equally across the counties outside of Belfast. The key findings are as follows.

Figure 1: Proportion of letting agents charging tenants fees



Among 120 letting agents, 43 (36 per cent) indicated they charge fees through their websites and/or phone conversations. Of these agents, 33 (28 per cent of agents overall) confirmed over the phone that they charge fees, while for the 10 remaining cases:

- Fees were advertised online but not mentioned or denied over the phone
- Agents said fees were not charged and cited outdated website information
- Fees were referenced over the phone, but the information provided was unclear.

Types of fees

The data reveals diverse letting agent fees (summarised below). We found some overlap in categories, such as 'administration fees' and 'application fees' being used for similar services. Additionally, 'referencing fees' sometimes included credit checks.

- **Application fees.** Varying amounts charged to process tenancy applications (e.g. £30, £40, £50) - some refundable if unsuccessful. Some agents charge per application, while others have a one-time fee.
- **Credit check fees** covering the cost of tenant credit checks (e.g. £15, £19, £45), a mix of one-off charges and repeat fees for each new application.
- **Referencing fees** covering reference checks (e.g., employer, guarantor, previous landlord) - varied costs depending on the service provided (£30-£50). A mix of one-off charges and repeat fees for each new application. In some instances, these fees could be avoided if the tenant supplied their own references.
- **Administration fees** covering processing costs for applications (e.g. £20, £75).
- **Holding fees** acting as a deposit while references are gathered (£200 - refundable if successful). Not clear how common this practice is.
- **Missed viewing fee.** Charged if a tenant misses a scheduled viewing (£25). Only one instance found.

- **Deposit protection fee** covering registration of the deposit with a scheme (£15).
- **Booking fee (unclear nature)** charged if the application is successful (varied responses). The purpose of this fee was unclear from some descriptions.

Transparency and consistency

There seems to be a lack of transparency and consistency regarding fees:

- Some agents advertise fees on their websites, while others do not
- Fee explanations and justifications varied across letting agents
- Some agents backtracked on fees after discussions, potentially due to the mystery shopper nature of the calls
- In some cases, fees appeared negotiable (e.g. offering own references might waive referencing fees).

Refundability

The data suggests most fees are non-refundable. However, application fees might be refundable if unsuccessful, and holding fees might be deducted from the deposit if successful.

Patterns and trends

Data limitations prevented a definitive geographical analysis. Notwithstanding, in Belfast 24 out of 72 letting agents (33 per cent) confirmed fees over the phone, compared with only 19 per cent (nine out of 48) outside Belfast.

Legality of fees

The data raises important questions about compliance with regulations. In Northern Ireland, the Commission on Disposals of Land (Northern Ireland) Order 1986 and subsequent court rulings (Loughran case, 2017) prohibit letting agents from charging tenants fees for services that primarily benefit the landlord. These services may include:

- Processing tenancy applications
- Referencing checks (e.g. employer, guarantor, previous landlord)
- Administration related to setting up the tenancy.

The data reveals a range of fees charged by letting agents. Based on the limited descriptions and the legal context in Northern Ireland, a preliminary assessment of their legality suggests that most agents charging fees are likely to be doing so illegally.

2.3 Survey: Private tenant experiences with letting agent fees

This section explores the experiences of private tenants in NI with letting agent fees. As DfC is considering policy and legislative changes to reform the PRS in NI, understanding tenant experiences is crucial to this process.

Methodology

An online survey was developed and promoted to current and former private tenants by the Housing Executive's Research Unit during January 2024. The survey aimed to:

- Identify the prevalence of being charged letting agent fees.
- Understand the types of fees charged and their associated costs.
- Gauge tenant perceptions of affordability and fairness related to letting agent fees.
- Gather insights on potential legislative changes based on experiences in other regions (e.g., England's Tenant Fees Act 2019).

The survey was self-selecting, meaning participation was voluntary and not representative of the entire PRS tenant population. A total of 341 people completed the survey.

The survey covered the following aspects:

- Whether respondents had ever been charged letting agent fees.
- Details of pre-tenancy fees, including type, cost, and purpose.
- Details of fees charged during a tenancy (e.g. tenancy renewal fees).
- Tenant perceptions of affordability and fairness of letting agent fees.
- Opinions on potential legislative changes based on the English model.
- Tenant location within NI.
- Respondent demographics (age and household type).

Summary findings: High pre-tenancy fees, low satisfaction

This section summarises key findings from the survey. The full report, with detailed data tables and analysis, is available in [Annex 1](#).

The survey reveals a prevalence of pre-tenancy fees being charged, and significant tenant dissatisfaction with letting agent fees in Northern Ireland. It shows a strong desire for reform, potentially mirroring existing regulations in other parts of the UK. This reform would be seen to create a fairer and more transparent system for tenants in the private rented sector.

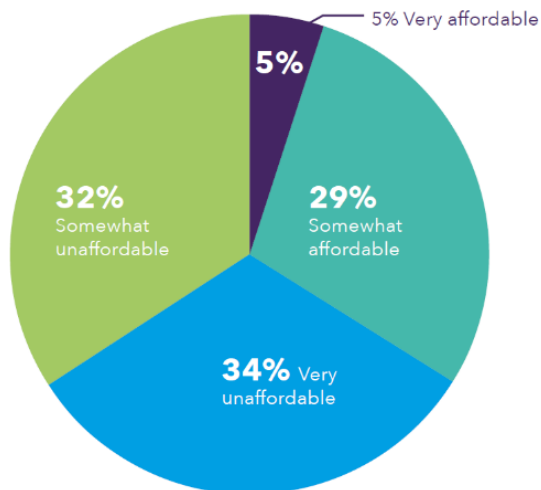
Widespread use of letting agent fees

Nearly half (47 per cent) of the 341 respondents reported being charged fees by letting agents in the past. Pre-tenancy fees were the most common, with 147 respondents experiencing them. The majority of respondents who paid pre-tenancy fees encountered:

- Administration fees (86%)
- Application fees (64%)
- Credit check fees (49%)

The distribution suggests a long-standing practice of charging pre-tenancy fees for a substantial portion of tenants.

Figure 2: Affordability of letting agent fees



Tenants reported a lack of transparency and consistency in how fees were explained. Fees were generally non-refundable, even for unsuccessful applications. Tenants overwhelmingly found fees unfair and a significant financial burden with two-thirds (66 per cent) finding the fees charged somewhat or very unaffordable.

Other concerns included:

- Lack of clarity regarding fee purposes.
- Potential double-charging by agents of both tenants and landlords.
- Negative impact on rental affordability.

Desired changes to fee structure

Most tenants believe reasonable charges include rent, refundable deposits, and capped fees for specific situations such as late payments and lost keys.

The majority advocate for a significant reduction or complete abolition of most letting agent fees. Many suggest following models in England and Scotland where fees are capped or banned entirely, with costs falling on landlords.

Call for a letting agent code of practice

Overwhelming support exists for a letting agent code of practice similar to Scotland's system. This is seen as a way of standardising practices, ensuring transparency, protecting tenants from unfair charges, and holding agents accountable.

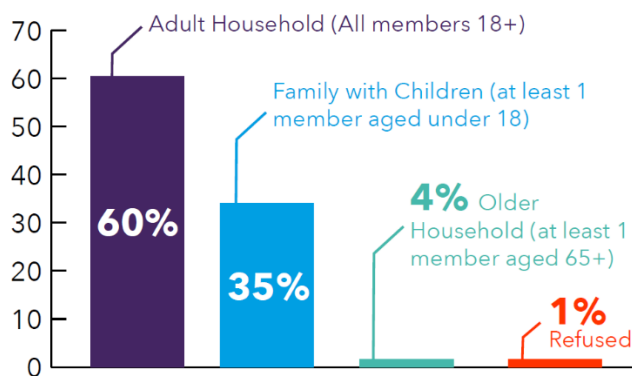
Geographic and demographic impact

The 35-44 age group represents the largest group facing fees, followed by 25-34 year olds. "Adult household" (all members 18+) was the dominant household type, followed by "Family with Children."

This indicates a significant impact on young professionals and childless families, with some impact on families with children.

Belfast City Council had the highest concentration of letting agent fees, likely due to its higher rental activity.

Figure 3: Types of Households Charged Letting Agent Fees.



2.4 Tenant voices: Lived experiences and the impact of letting agent fees

This section summarises the findings of a focus group study exploring the experiences and perspectives of 15 tenants in Northern Ireland regarding letting agent fees. While the law generally prohibits letting agents from charging fees directly to tenants, the discussion aimed to understand how the current system functions and its potential impact.

This study provided valuable insights into the experiences and concerns of tenants. While the current system offers some protection, the findings underscore the need for improved transparency, communication, and potentially, further regulations to ensure a fair and balanced rental market for all stakeholders.

Methodology

Below outlines the process used to select participants for focus groups, as well as the topics covered in the interviews. Participation in this qualitative research phase was incentivised with a £50 shopping voucher.

- Target population: 100 people consented to participate in focus groups.

- Selection criteria: The aim was to achieve a balanced representation across:
 - Council areas (all 11, with adjustments based on response numbers).
 - Household types (adult, family, older adult).
 - Age brackets (18-24, 25-34, 35-44, 45-54, 55-64, 65+).
- Challenges and adaptations:
 - Low response rate for in-person focus groups (1 out of 15 invites).
 - Shifted to virtual focus groups and phone interviews due to higher acceptance rates.
 - Additional participants were selected when initial invitees did not respond.
- Focus group details:
 - Four virtual focus groups and one phone interview were conducted.
 - Specific dates and times are provided for each group.
 - Three groups achieved a mix of participants from different council areas, household types, and age brackets.

The focus groups began with a presentation providing context and background information on letting agent fees. Participants then reviewed relevant statistics from a previous survey before engaging in a facilitated discussion centred around five key questions:

1. **Awareness.** Assessing participants' knowledge of letting agent fees.
2. **Impact.** Exploring how fees influenced their decision-making during the rental search.
3. **Transparency.** Investigating participants' experiences with the clarity of fee structures communicated by letting agents.
4. **Alternatives.** Gauging participants' views on potential changes to the fee structure.
5. **Preferred structure.** Identifying participants' ideal balance between upfront costs and potential rent increases.

Following these discussions, additional questions delved into communication, viewings and applications, inventory checks and repairs, tenancy management, awareness of regulations, and attitudes towards regulation.

Fees in focus: A look at letting agent practices

Detailed findings by question:

1. Awareness of fees:

- Participants reported paying various fees, including admin fees, renewal fees, application fees, reference checks, and guarantor fees.
- Some were unaware these fees were potentially illegal for letting agents to charge tenants in Northern Ireland.

“I had to pay an application fee to get through to the next stage of the process, which was to view a property that I may not actually apply for.”

“I couldn’t use a letting agent due to their fees, I ended up looking for property through Gumtree.”

2. Impact of fees:

- Upfront fees impacted how many properties participants could apply for, potentially limiting their search options.
- Some felt pressured into paying fees due to the competitive rental market.
- Fees were a financial strain, particularly for low-income tenants, causing some to rely on help from family or friends.

“It limited the number of properties I could apply for as I couldn’t keep paying multiple application fees.”

“I had to say no to even looking at properties listed with some agents as their fees were too high!”

3. Transparency of fees:

- Participants reported a lack of transparency from letting agents regarding fees.
- Fees were often unclear or disclosed late in the application process, limiting informed decision-making.

“I did get a list of fees once I had viewed a property I liked.”

“Only when I got my tenancy agreement, which is at the end of the process, did I get hit with a list of fees.”

4. Alternatives to letting agent fees:

- A complete ban on letting agent fees generated mixed reactions.
- Some saw potential benefits for affordability, while others worried about increased rents or a decline in service quality.
- The concept of a capped fee structure for specific services was met with some interest.

“If there were no fees, it may become more competitive as people would apply for everything.”

“I would be concerned agents will find a work around and end up increasing rent costs.”

“Happy to pay fees if I know what I am getting for it!”

5. Preferred fee structure:

- Participants generally favoured a system balancing affordability and clear communication.
- A single, upfront fee clearly outlined before viewings was suggested to help with budgeting.

- Some were open to paying reasonable fees for specific services if such fees were transparent and offered value for money.

“If there was the ability to spread the fees over the first six months of the tenancy, that could help elevate initial upfront costs.”

“One upfront fee. I don’t care what it is for, I just want to know from the beginning what extra money the letting agent will be asking me for.”

Additional questions:

- **Communication and responsiveness:** Responses were mixed regarding agent communication. While some participants found agents to be responsive, others expressed concerns.
- **Viewings and applications:** Most participants felt satisfied with viewings and applications, while some reported feeling pressured or unfairly disadvantaged.
- **Inventory checks and repairs:** Responses on thoroughness of inventory checks and efficiency of repair handling were also mixed.
- **Tenancy management:** The most consistent area of dissatisfaction was ongoing support during the tenancy. The majority of participants expressed a desire for improvement in this area.
- **Awareness of regulations:** All participants were unaware of current regulations regarding letting agent fees in Northern Ireland.
- **Attitudes towards regulation:** All participants supported the introduction of further regulations for letting agents.
- **Focus on regulation:** Participants highlighted the importance of clear communication, professional conduct, and a code of practice for letting agents. Opinions on qualifications were divided, with some concerned about potential cost burdens passed on to tenants.

Human impact

The lack of enforced regulations has negatively impacted tenants. Fees limited choices, caused financial strain, and forced some to rely on social networks for finding financial support. Participants also strongly feel the non-existing management of current regulations is the prevalent issue. Enforcement of any regulations by an independent body is vital.

“I feel paying any additional fees at the point of an offer can be justified, but to pay multiple fees for applications that I may not be successful with, is stressful and money I can’t afford to spend.”

“The private rented market is so competitive, you are under pressure to secure a place for your family so quickly that you will pay whatever an agent asks to secure a property as quickly as you can.”

2.5 Exploring stakeholder perspectives on letting agent regulation and fees

This section summarises the perspectives of 17 stakeholder groups (covering tenant, landlord, letting agent, and wider housing interests) on potential regulations for letting agents in Northern Ireland. While some differences exist, there is an established level of common ground.

Common ground:

- Need for regulation: All groups agree on the need for a well-designed regulatory framework. Concerns include low barriers to entry for letting agents, and weak enforcement of existing rules.
- Key areas for improvement: All groups variously support regulations focused on client money protection, dispute resolution, and agent competency.
- Focus on practicality: All groups acknowledge the need for regulations to be affordable and consider the impact on businesses including smaller agencies.

Differences:

- Extent of regulation: Tenant representatives support a more comprehensive approach, including areas like agent vetting and communication standards. Landlords and letting agents tended to focus on areas like competency and client money protection.
- Fee ban: Tenant groups strongly support a ban on letting agent fees. Landlord and letting agent representatives are more cautious, with some suggesting specific exceptions for certain fees.

Methodology

To gather a comprehensive understanding of stakeholder perspectives on letting agent regulation, semi-structured interviews were conducted with representatives from 17 organisations (see list below). These organisations were chosen to ensure a broad range of viewpoints, encompassing tenant, landlord, letting agent, and wider housing interests. This included organisations advocating for vulnerable populations like young people and people who are homeless.

Three group interviews and one single interview were conducted, with participants categorised based on their primary area of interest (landlord, tenant, letting agent) whenever possible. However, some organisations addressed broader housing concerns and were included in the most relevant group discussions. This approach facilitated a focused exchange of views within each group while also capturing insights from those with a wider perspective.

The interview schedule explored three key themes:

- The need for a new regulatory framework for letting agents.
- The scope of potential regulations, including areas like client money protection, agent competency, and professional conduct.
- The implementation of a fee ban for tenants, considering its impact on stakeholders and the rental market.

Thematic analyses summarising the feedback are presented in this section.

List of participating organisations

We would like to thank the following organisations for their participation:

CPS Property
Depaul
Homeless Connect
Housing Rights
John Minnis Estate Agents
Landlords Association for Northern Ireland
Let NI
MACS NI
Northern Ireland Commissioner for Children and Young People
Northern Ireland Housing Executive
Pinpoint Property
Propertymark
Rea Estates
Renters' Voice
Simon Community
Smartmove Housing
Tenancy Deposit Scheme Northern Ireland

Thematic analysis: Regulation, fees and professional standards

This analysis explores the key themes emerging from stakeholder feedback on a potential regulatory framework for letting agents in Northern Ireland. While stakeholders represent diverse interests, including landlords, tenants, charities and broader housing advocacy groups, a significant level of consensus emerged across several key areas.

Regulation and enforcement

- **Support for reform:** Stakeholders overwhelmingly support the introduction of a new regulatory framework, with a focus on improving professionalism, protecting both tenants and landlords, and ensuring a level playing field.
- **Enforcing existing rules:** Concerns exist about the inadequacy of enforcing existing regulations. Stakeholders call for stronger enforcement mechanisms to address issues with "rogue agents" who exploit loopholes.

“There's a need to enforce existing rules. There were no issues when the 1986 Order was introduced, agents understood it meant a ban on fees. Latterly, some new agents came in and started charging fees through the back door, for example by calling them 'reference fees'. It suddenly became the norm and an opportunity to make money. If agents are still charging it - they need to be penalised.”

- **Building on existing systems:** Exploring synergies between existing regulatory schemes, such as landlord registration and HMO licensing, is seen as beneficial.

Competency and professional standards

- **Minimum qualifications:** There is support for establishing minimum educational qualifications for letting agents, with accessible learning methods and phased

implementation to avoid market disruption. Stakeholders suggest qualifications like the CIH Level 2 Award in Letting and Managing Residential Property, an OCN Level 2 or 3 qualification, and the Propertymark Level 3 Award in Residential Letting and Property Management.

“You can't do straight grandfathering [relying on experience], I do think that minimum education requirements are needed. You need some minimum educational standards in a housing related course, for example the person in control of the agency should have this qualification.”

- **Continuing professional development (CPD):** Stakeholders advocate for mandatory CPD to ensure agents possess the necessary knowledge and skills. Ensuring CPD courses are offered outside peak letting seasons was seen as crucial for accessibility.
- **Client money protection:** Stakeholders emphasise the importance of client money protection schemes and professional indemnity insurance for both tenants and landlords.
- **Code of practice:** Establishing a well-defined code of practice outlining professional expectations, including communication standards, is desired by stakeholders.

Dispute resolution and redress

- **Mandatory redress scheme:** Stakeholders support mandatory membership in a redress scheme with accessible mechanisms for recourse. This could include an extension of the remit of the Property Ombudsman (TPO), or similar models used elsewhere.

“I think you also need a dispute mechanism in there. So as well as having the regulator and the control of the system, there has to be some kind of independent mechanism for tenants themselves to be aware that it's there and to be able to appeal to that body if in the event of a dispute or an issue.”

Key areas for improvement (identified by both landlords and tenants)

- **Clear communication:** Stakeholders emphasised the need for clear communication regarding fees, tenant rights and expectations. Transparency around letting agent fees was seen as a crucial first step, even if a complete ban is not implemented.

“We find, particularly with young people, that there is no level of transparency, so they have no idea what they would be paying fees for and it's really problematic for people that are on a low income.”

- **Protecting tenants:** Stakeholders highlighted the need to protect tenants from unfair practices, including pre-viewing application fees, non-emergency call-out charges, and a lack of transparency around fees.
- **Vetting and suitability:** Tenant stakeholders stressed the importance of vetting letting agents to ensure their suitability, potentially involving background checks and ensuring they are "fit and proper persons."

Letting agent fees

- **Tenant fee ban:** While opinions diverged, there was significant support for a ban on pre-tenancy fees charged to tenants.

- **Transparency and cost considerations:** Stakeholders raised concerns about cost-shifting if fees are banned, with landlords potentially raising rents to compensate. Finding the right balance between affordability for both letting agents and tenants is crucial.
- **Alternative income streams:** Some stakeholders representing letting agencies promoted alternative income models that do not charge tenants for landlord services, indicating a potential path for the sector to adapt.

Balancing regulation and practicality

Stakeholders acknowledge the need for a balanced approach to regulation that minimises bureaucracy and avoids overly burdensome costs for letting agencies.

- **Impact on smaller agencies:** Different requirements for smaller agencies compared to larger firms might be necessary.
- **Minimising bureaucracy:** Stakeholders suggest utilising existing systems for record-keeping and training to reduce administrative burdens.

“There are a number of well recognised bodies. We don't want duplication. If agents register with one of those bodies, say RICS or Propertymark, that would be sufficient. If not one of those groups, then some kind of register, or a requirement of minimum standards.”

Additional considerations

- **Tenancy deposit cap:** While not a core focus of the discussion, the issue of the tenancy deposit cap potentially affecting the exclusion of tenants without guarantors was raised.

This thematic analysis highlights a significant level of consensus among stakeholders on the need for a well-designed regulatory framework for letting agents in Northern Ireland. While specific details regarding qualifications, fees and enforcement mechanisms may require further consideration, a shared commitment to professionalism, transparency and improved outcomes for both tenants and landlords offers a promising foundation for reform.

Part three: Implications for letting agent regulation in Northern Ireland

Unlawful pre-tenancy fees burden tenants

The research findings highlight the continued prevalence of pre-tenancy fees charged by letting agents in Northern Ireland. Data from the [mystery shopper](#) exercise (43 agents, 36 per cent) and [tenant survey](#) (47 per cent of respondents) suggest a widespread practice that is likely unlawful. Tenant focus groups further emphasise the negative impact of these fees, revealing a lack of transparency and a financial burden for many renters (all participants reported feeling pressured or financially strained due to fees).

The need for a robust regulatory system

The current relaxed approach to letting agent regulation in Northern Ireland has demonstrably fallen short. The lack of enforcement creates an uneven playing field for tenants, who may be unaware of their rights or face unfair charges. Partial compliance on fees also creates an uneven playing field for letting agents, disadvantaging agents who do not charge and are undercut by those who do. A more robust regulatory system with stricter requirements and enforcement mechanisms is needed.

Such a system could mandate clear fee structures and require letting agents to provide upfront information about their fees. Additionally, a proactive enforcement body could investigate complaints, hold non-compliant agents accountable, and potentially impose penalties, creating a more robust system that protects tenants and fosters a fairer rental market.

While many individual tenants supported a complete ban on fees, others express concerns about potential rent increases or service decline. Tenant groups strongly advocate for a complete ban on letting agent fees, while perspectives from landlords and agents are more nuanced, with some proposing exceptions for specific fees.

Beyond fees: Addressing broader issues

The question of reform extends beyond fees. The focus groups and interviews highlighted broader issues surrounding some letting agents such as:

- Lack of communication and transparency from letting agents
- Unprofessional conduct
- Ineffective inventory checks and repair handling.

Looking outside Northern Ireland, other countries have implemented more comprehensive rules aiming to address concerns such as these. Notably, when tested with focus groups, these rules were generally viewed favourably across all stakeholder groups. Participants saw them as 'sensible approaches' that 'good agents already follow'. Implementing similar regulations could raise standards across the board.

Across the UK and Ireland various regulatory approaches to letting agents and fees exist. While Scotland and the Republic of Ireland have established dedicated frameworks, Wales incorporates letting agent licensing within its private rented sector framework, and England enforces several individual requirements. Despite these differences, some key elements are shared across multiple jurisdictions, namely:

- **Fitness and consumer protection.** Scotland, Wales, and Ireland have a code of practice governing agent practice, which sets out proper treatment of tenants and landlords. These countries also require professional indemnity insurance for mitigating financial risk, and all jurisdictions require client money protection which safeguards funds held by agents.
- **Dispute resolution.** Access to alternative dispute resolution (ADR) mechanisms is available or required, offering a less-costly and faster alternative to court action for resolving certain tenant-agent disputes.
- **Education:**
 - **Scotland.** Mandatory qualifications are required for sole traders, senior staff, and branch managers within letting agencies. This ensures a baseline level of knowledge and expertise within the sector.
 - **Ireland.** The Republic of Ireland takes a more comprehensive approach, requiring minimum qualification requirements for every person involved in letting agency work.
 - **Wales.** All individual agents must undertake specified classroom based or online training that typically lasts a day.
 - **England.** There is no statutory education requirement, but one has been recommended by the Regulation of Property Agents Working Group.
- **Enforcement.** Mechanisms aim to ensure compliance with regulations. Proactive enforcement sometimes complements complaint-driven investigations, fostering confidence amongst all stakeholders.

Fee bans in Great Britain

The literature review did not reveal the charging of fees to tenants by agents to be an issue in the Republic of Ireland. In contrast, a historical ban on letting agent fees in Scotland, similar to the situation in Northern Ireland, was not initially effective. The Private Rented Housing (Scotland) Act 2011 clarified the ban and incorporated it into the code of practice. Tenants in Scotland can now reclaim unlawful fees from letting agents or file complaints with the First-tier Tribunal.

England and Wales have also addressed the issue of letting agent fees through legislation. The Tenant Fees Act 2019 in England and the Renting Homes (Fees etc.) (Wales) Act 2019 in Wales effectively outlawed most letting agent fees charged to tenants. These Acts established a clear framework outlining the only fees that can be charged.

Leveraging existing structures for efficient regulation in Northern Ireland

In Northern Ireland, stakeholders in this research expressed broad support for regulation, echoing the positive experiences in Ireland (82 per cent of property service providers) and Scotland (positive reception of mandatory agent qualifications). However, a key concern lies in cost-effectiveness for both government and stakeholders. Overly burdensome regulations that might negatively impact businesses should be avoided. Striking the right balance is crucial to achieve effective regulation without unintended consequences.

This concern opens avenues for leveraging existing structures. Stakeholders highlighted potential solutions, such as:

- **Expanding the remit of landlord registration.** This could incorporate letting agents, setting minimum requirements and facilitating communication between government and agents.
- **Professional body membership.** Membership in approved professional bodies offering client money protection, CPD, and redress mechanisms could act as a marker of compliance with

regulations. The Department for Communities (DfC) could approve such bodies to ensure they meet statutory requirements.

- **Approved ADR services.** DfC-approved ADR providers could offer binding dispute resolution, fostering a more streamlined system for resolving disputes.
- **Repurposing tenancy deposit scheme funds.** Funds currently dormant within tenancy deposit schemes could be used to compensate consumers who suffer losses due to letting agent misconduct.

By leveraging these existing structures, the need for entirely new requirements could be minimised. This might involve establishing:

- **A statutory code of practice for ADR services.** This code would ensure compliance with relevant laws, including those pertaining to fee charging, and offer tenants a cost-effective alternative to court proceedings.
- **A resourced enforcement mechanism.** This mechanism would respond to complaints regarding unregistered agents and proactively audit compliance through measures like inspections.

To ensure efficiency and minimise confusion for tenants, a new framework should leverage the existing expertise of relevant regulators. This will avoid expanding on a fragmented system and ensure tenants have fewer points of contact for different concerns within the private rented sector.

A roadmap for effective regulation

In conclusion, the research findings illuminate the ongoing issue of pre-tenancy fees. Focus groups with tenants revealed a critical need for improved transparency and communication regarding letting agent fees. Some were open to paying reasonable fees for specific services if such fees were transparent and offered value for money.

By learning from established regulatory frameworks and incorporating stakeholder input, a roadmap for effective letting agent regulation in Northern Ireland can be established. This roadmap should prioritise leveraging existing structures where possible, while ensuring consumer protection and a fair playing field for all parties involved.

Enforcement of regulations, alongside a potential regulatory framework informed by good practices outside Northern Ireland, is crucial to address the ongoing issue of pre-tenancy fees and ensure a fair and balanced rental market.

Part four: Conclusions and recommendations

The research on pre-tenancy fees charged by letting agents in Northern Ireland highlights a need for improved regulation in the sector. The findings demonstrate:

- Widespread pre-tenancy fees: Both mystery shopper exercises and tenant surveys revealed a significant number of letting agents charging pre-tenancy fees, likely contravening existing legislation.
- Negative impact on tenants: Tenant focus groups highlighted the burden and lack of transparency associated with these fees, and wider issues of unprofessional conduct.
- Good practices outside Northern Ireland: Examples from the Republic of Ireland and Scotland in particular, where research has been conducted into the impact of their schemes, showcase the benefits of a dedicated regulatory framework for letting agents, including:
 - Mandatory education and qualifications
 - Code of practice for agent behaviour, client money protection, and professional indemnity
 - Access to alternative dispute resolution (ADR) mechanisms
 - Enforcement mechanisms.

Recommendations

To establish a more transparent and fair rental market, we recommend the introduction of a new letting agent regulatory framework incorporating the following components. This framework aims to protect consumers and foster a healthy business environment for letting agents.

Introduce new legislation for consumer protection

1. Establish a new Act, which incorporates relevant aspects of the Estate Agents Act 1979.

This would require:

- Information disclosure: Agents must provide clients (and relevant consumers including tenants) with clear information upfront, including details of their fees and charges, any potential conflicts of interest, and their terms and conditions.
- Fair and honest dealing: Prohibit misrepresentation of information and require agents to act in the best interests of their clients (and relevant consumers).
- Redress scheme membership for complaint resolution: Require membership of a redress scheme which offers a way for clients (and relevant consumers) to file complaints if they believe an agent has breached regulations.

In addition to the above, the Act would facilitate the following changes.

Further enhance consumer protection through letting agent registration

2. Extend landlord registration to encompass letting agents (sole traders and businesses).

This could help facilitate two-way communication between government and agents, including updates and engagement around legal changes.

3. Mandate registration for letting agents. All sole traders or businesses undertaking 'letting agency work' must be registered to do so. Existing legislation offers definitions of letting agency work that could be drawn upon for this purpose. This requirement would serve as the cornerstone of enforcement since agents must maintain registration to practice lawfully.

4. Non-compliance to result in a fixed civil penalty. This approach facilitates enforcement by the relevant authorities due to several advantages. Firstly, it simplifies the enforcement

process compared with criminal prosecution. For example, authorities may not require specialised staff trained to a criminal prosecution standard, and the burden of proof would be based on the ‘balance of probabilities’ rather than the stricter ‘beyond a reasonable doubt’ standard required in criminal cases. Secondly, a civil penalty system streamlines the process by avoiding the complexities of the court system. A fixed civil penalty would avoid the need for a penalty policy to determine discretionary fines, which represents an additional resourcing requirement with the potential to introduce ambiguity. However, the ability to appeal such penalties should be enshrined to ensure due process. If a more robust deterrent is deemed necessary, establishing a corresponding criminal offence remains an option. For example, the latter could apply where letting agents wantonly disregard enforcement orders.

5. **To register, agents must meet designated criteria.** This creates a ‘barrier to entry’, ensuring that agents meet minimum standards to register and therefore practice lawfully. They must:
 - Demonstrate they are “fit and proper persons” by meeting the following criteria:
 - Absence of unspent convictions for serious offences, including fraud, violence, drug trafficking, firearms offences, sexual offences, and discrimination.
 - Compliance history with letting agent regulations, and the statutory code of practice (see recommendation seven).
 - Evidence that they meet the following standards:
 - Minimum education and training (see recommendations eight and nine)
 - Redress scheme membership (DfC approved), offering binding dispute resolution for faster and more cost-effective complaint resolution⁷⁷
 - Client money protection (DfC approved) through dedicated accounts
 - Professional indemnity insurance, ensuring protection for letting agents and their clients.
6. **Leverage professional bodies for streamlined compliance.** Membership in a DfC-approved professional body that demands the minimum statutory requirements to maintain membership could serve as evidence of meeting minimum standards, reducing administrative burdens. For instance, upon registration, letting agents could provide their professional body membership number as evidence of meeting these minimum standards, thereby removing the need to submit separate verification documents.
7. **Develop a statutory code of practice for letting agents.** In collaboration with relevant stakeholders, a statutory code of practice should be developed to govern the professional behaviour of letting agents. This code would serve as the principal reference point for adjudicating complaints submitted through redress schemes. The code should explicitly mandate adherence to all applicable laws and regulations, including the Commission on the Disposal of Lands (Northern Ireland) Order 1986. To minimise the potential for complaints being deemed out of scope, the code should be drafted in a comprehensive manner, encompassing potential disputes arising from the tenant-agent relationship. We recommend that the new Act require DfC to formulate and publish a code of practice, and to consult stakeholders before adopting or modifying it. However, for the sake of flexibility, the specific details of the code could be established through subsequent regulations. This would allow the code to be modified more readily to reflect evolving stakeholder needs and good practices, while avoiding the need for changes to primary legislation.

⁷⁷ See Section 57 of [Renters \(Reform\) Bill](#) for example language of a redress clause

Set minimum education requirements

8. **Require a minimum Level 2 qualification in housing/property management or relevant subject area for senior letting agents (including branch managers) and sole traders.** This level aims to strike a balance between uplifting standards and minimising cost burdens for stakeholders. The effectiveness of this requirement should be reviewed after a designated period, including to assess if a higher qualification level or broader coverage across letting agency staff is warranted. For the sake of transparency and to avoid any concerns about impartiality, CIH will not recommend a qualification specification due to our work in providing and awarding housing qualifications.
9. **Mandate a minimum of 12 hours annual CPD for senior letting agents (including branch managers) and sole traders.** This aims to ensure they stay current with regulations and good practices. A flexible approach will allow diverse learning opportunities (e.g. general customer service). The effectiveness of this requirement should be reviewed after a designated period, including to assess if an alternative structure of CPD is needed.

Address letting agent fees

10. **Clarify definition of “commissions” in the Commission on the Disposal of Lands (Northern Ireland) Order 1986.** To reflect the key findings established in *Loughran v Piney Rentals Ltd & F5 Property Ltd*, it is recommended that the definition of “commissions” in the 1986 Order be explicitly clarified. This clarification should encompass any service or administration fee or charge levied by letting agents upon tenants for services that benefit the landlord in securing and maintaining a tenant for the property. Examples of such services may include reviewing tenant applications or drafting tenancy agreements.
11. **Prescribe allowable fees limited to reimbursing reasonable costs arising for letting agents due to tenant non-compliance with tenancy agreements and legislation.** By limiting allowable fees to reimbursing reasonable costs arising from tenant non-compliance, letting agents can still recover legitimate costs incurred due to a tenant’s actions outwith agreements and the law.

Proactive enforcement

12. **Establish an enforcement mechanism to ensure compliance with regulations.** This mechanism would encompass:
 - Investigation of complaints: The enforcement body would be empowered to investigate complaints lodged against unregistered agents, as well as instances of non-compliance with statutory minimum standards by registered agents.
 - Proactive auditing: The enforcement regime should also incorporate proactive auditing measures, including inspections of registered letting agents, to identify and address potential compliance issues.
13. **Implement self-funded enforcement through a fee structure for letting agent registration.** To ensure the effectiveness and sustainability of the enforcement regime, a self-funded approach should be adopted. This could be achieved by implementing a tiered fee structure for letting agent registration. The fee structure should be established following a business impact assessment to guarantee it meets the following key criteria:
 - Cost-effectiveness: The fees should be set at a level that minimises the financial burden on letting agent businesses, while still generating sufficient revenue to support a robust enforcement regime.

- Variable fees based on business activity: The fee structure should incorporate a variable component that reflects the scale of a letting agent's business operations. For instance, fees could be determined based on the number of offices an agent operates.
 - Incentivising compliance: The fee structure could be designed to encourage desired behaviour by offering reduced fees for timely registration renewals, professional body membership etc. Conversely, higher fees or shorter registration periods could be imposed on agents identified as higher risk due to minor compliance issues. This approach would promote a culture of continuous compliance within the sector.
- 14. Appoint an appropriate regulatory authority.** A dedicated regulatory body should possess the necessary skills and expertise to effectively oversee letting agent registration, compliance checks, and enforcement actions. Leveraging existing expertise and, where possible, streamlining the regulatory landscape are both key. Lord Best (2019, p.38) offers a model of enforcement that seeks to avoid duplication. There are two main approaches to consider regarding the regulatory authority:
- Specifying regulatory authority: This approach would explicitly designate a particular body, such as a government department, local council or existing regulatory agency, such as Trading Standards, as the lead regulator in the new Act. Trading Standards are established in estate agent regulation with existing practices that could be adapted to cover letting agents. Alternatively, councils are already responsible for much housing enforcement, potentially fostering a unified approach to private rented sector regulation.
 - Ministerial discretion: Alternatively, the legislation could empower the minister to designate a suitable regulatory authority through secondary legislation. This approach offers flexibility in choosing the most appropriate body based on prevailing circumstances. For example, the function could be delegated to councils along with landlord registration, or it could be delegated to a single authority as with HMO licensing.
- 15. Utilise existing expertise and data.** Establishing clear working relationships between the designated regulatory authority and existing bodies like Trading Standards and local councils can foster collaboration and knowledge sharing. These established actors possess valuable expertise in areas such as consumer protection and enforcement procedures, which can be leveraged to enhance the effectiveness of the new regulatory framework. For example, members of existing regulatory bodies could serve on an advisory board overseeing letting agent regulation, contributing their expertise and ensuring a comprehensive approach. Cross-data checks with relevant authorities, similar to those used for tax purposes, could help identify non-compliant letting agents. Data sharing protocols would be needed to facilitate this.

Review and evaluation

- 16. Include a statutory review mechanism in the new Act.** This review should be conducted within a specified number of years of the Act coming into force to assess the effectiveness of the implemented measures within the letting agent regulatory framework. The review should explore potential adjustments to the framework, considering factors such as:
- Impact on key stakeholders (letting agents, tenants, landlords)
 - Appropriateness of education requirements
 - Effectiveness of enforcement mechanisms
 - Alignment with wider housing policy objectives.

Public awareness

17. **Conduct a public awareness campaign to educate stakeholders about their rights and responsibilities under the new regulatory framework.** This could include information on:
 - Letting agent registration and how to identify registered letting agents
 - The complaints process for escalating disputes
 - Tenant rights regarding letting agent fees.

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Annex 1 – Full report: Private tenant experiences with letting agent fees

This annex presents the comprehensive findings of the survey on private tenant experiences with letting agent fees in Northern Ireland. For information on the survey's methodology and a high-level summary, please see [section 2.3](#).

Q1. Have you ever been charged fees by an estate/letting agent?

Table 2.3.1 Respondents who have been charged agent fees

	N	%
Yes	161	47
No	123	36
Don't know	57	17
Total	341	100

Base: All respondents (341)

Numbers may not tally due to rounding

Analysing the results of question 1 reveals that a significant portion of respondents have been charged fees by agents. Once "Don't know" is excluded, 57 per cent of respondents said that they had been charged fees by an estate/letting agent. This indicates that fees were a common experience for the private tenants who participated in this survey.

Q2. Have you ever been charged a pre-tenancy fee such as application fees etc.?

Respondents who reported no pre-tenancy fees or couldn't recall proceeded directly to question 8 on fees during the tenancy.

Table 2.3.2 Prevalence of pre-tenancy fees among respondents charged agent fees

	N	%
Yes	147	91
No	11	7
Don't know/ can't remember	<5	2
Total	161	100

Base: All respondents (161)

Numbers may not tally due to rounding

The results of question 2 on pre-tenancy fees show that a very high proportion of respondents who had previously been charged fees by letting agents (as identified in question 1), encountered pre-tenancy fees specifically. Among the 161 respondents who indicated being charged fees by letting agents, 91 per cent (147 respondents) reported being charged pre-tenancy fees.

Q3. When was the last time you were charged a pre-tenancy fee by an estate/letting agent?

Questions 3-7 were answered only by respondents who paid pre-tenancy fees.

Table 2.3.3 Timeframe for last payment of pre-tenancy fees

	N	%
Less than 1 year ago	6	4
More than 1 year ago but less than 2	10	7
More than 2 years ago but less than 3	17	12
More than 3 years ago but less than 4	16	11
More than 4 years ago but less than 5	22	15
More than 5 years ago but less than 6	<5	2
More than 6 years ago but less than 7	18	12
More than 7 years ago but less than 8	19	13
More than 8 years ago but less than 9	11	7
More than 9 years ago but less than 10	9	6
10 or more years ago	<5	2
Can't remember but was within last 5 years	13	9
Total	147	100

Base: All respondents (147)

Numbers may not tally due to rounding

Table 2.3.3 explores the timeframe for the last pre-tenancy fee payment reported by respondents who had previously been charged fees. While the sample size limits the identification of a definitive trend, some key observations can be made.

The data reveals a distribution of responses across various timeframes. This suggests that pre-tenancy fees have been a longstanding practice for a significant portion of the respondents encountering letting agent fees.

A majority of respondents to this question (57 per cent) reported encountering pre-tenancy fees within the past five years (consisting of those who paid within the last five years and those who can't remember but paid within the last five years). There is a concentration of responses around the middle categories, suggesting a higher proportion of respondents encountered these fees within a specific timeframe (e.g. between two and eight years ago).

Respondents might be more likely to recall fees from recent years compared to those from a much longer time ago, which could explain these numbers. It could also be partially influenced by the data collection methodology, for example the recruitment strategy could influence the timeframes provided by participants.

However, the presence of respondents across all categories highlights the broader point that pre-tenancy fees are prevalent for respondents who have encountered letting agent fees in Northern Ireland.

Q4a. Was an administration fee charged?

The following questions delve into the specific types of fees respondents may have encountered. Here, the survey aims to understand how letting agents described these fees, the amounts charged, and whether they were refundable.

Table 2.3.4a **Prevalence of administration fees charged by letting agents**

	N	%
Yes	126	86
No	21	14
Total	147	100

Base: All respondents (147)

Numbers may not tally due to rounding

A significant majority of these respondents (86 per cent) indicated being charged an administration fee by letting agents. This suggests that administration fees are a standard practice for letting agents in Northern Ireland for the tenants who encountered fees.

Q4b. What did the agent say the administration fee covered?

The 125 written responses to question 4b (open text box) regarding administration fees charged by letting agents reveal a lack of transparency and consistency in how these fees were explained to respondents:

- **Vagueness.** Many respondents reported that letting agents provided little to no explanation of what the administration fee covered. Terms like "administration," "processing," and "application fee" were frequently used without elaboration.
- **Focus on action, not content.** Several responses indicated agents described the fee as necessary for processing applications, handling paperwork, or managing deposits. However, details about the specific tasks involved were often absent.
- **Non-refundable emphasis.** Some respondents mentioned the fee being non-refundable, regardless of application success. This raises concerns about potential fairness, especially if the fee's purpose is unclear.
- **Limited information.** A few responses suggested agents linked the fee to credit checks or reference checks, but this wasn't universally mentioned.

While the majority of responses lacked detail, a few examples highlighted more transparent practices. Some agents explained the fee covered application processing, credit checks, and reference checks. In one instance, the fee could be applied to multiple properties, offering some flexibility for tenants.

The high prevalence of administration fees could be due to some letting agents considering it to be a standard industry practice in Northern Ireland, with administration fees considered part of the overall service offered. These fees could also be considered by letting agents as a way of recovering costs associated with processing applications, conducting checks, or managing paperwork.

The administration fees charged, and a lack of clear explanations about them could be problematic in several ways:

- The unclear descriptions raise the possibility of tenants being charged for services already covered by other fees including those charged to the landlord as part of the overall service (double charging).

- The lack of transparency could lead to a sense of unfairness or suspicion among tenants regarding letting agent practices.
- Administration fees, coupled with rapid rent inflation in recent years, create an additional financial burden for tenants and erect barriers for those already struggling to secure affordable housing.
- The 1986 Order and the 2017 Loughran case clarify that letting agents cannot charge tenants fees for services that benefit the landlord.

Overall, the findings highlight the prevalence of administration fees as part of the letting agent fee landscape in Northern Ireland for tenants who encountered such fees. There is a need for clearer communication from letting agents regarding fees, and agents should ensure any fees charged are not prohibited. Tenants should have a better understanding of what these fees cover to make informed decisions where possible and avoid potential unfairness.

Q4c. How much was the administration fee?

Table 2.3.4c **Amount charged for administration fee**

	N	%
Less than £21	0	0
£21 - £40	41	33
£41 - £60	35	28
£61 - £80	13	10
£81 - £100	<5	2
More than £100	9	7
Don't know/can't remember	25	20
Total	126	100

Base: All respondents (126)

Numbers may not tally due to rounding

The highest proportion of respondents (33 per cent) reported administration fees between £21 and £40. This is followed by fees between £41 and £60 (28 per cent). This suggests a clustering of fees around these middle categories.

Fewer respondents fell into the lower (£0-£20) and higher (£81+) fee brackets, and 20 per cent couldn't recall the exact amount.

Q4d. Was the administration fee refundable?

Table 2.3.4d **Refundability of administration fee**

	N	%
Yes	<5	3
No	111	88
Don't know/can't remember	11	9
Total	126	100

Base: All respondents (126)

Numbers may not tally due to rounding

The data from question 4d on administration fee refunds reveals a strong bias towards non-refundable fees. A very small proportion of respondents (three per cent) reported a refundable administration fee.

Q5a. Were you charged an application fee?

Table 2.3.5a **Prevalence of application fees charged by letting agents**

	N	%
Yes	94	64
No	53	36
Total	147	100

Base: All respondents (147)

Numbers may not tally due to rounding

A majority of respondents (64 per cent) reported being charged an application fee. This suggests application fees are a common practice for letting agents in Northern Ireland for respondents encountering pre-tenancy fees, albeit at a lower rate compared with administration fees.

Q5b. What did the agent say the application fee was for?

The 94 written responses to question 5b regarding application fees share similarities with those for administration fees (question 4b). There is a similar lack of transparency with both categories lacking clear breakdowns of the services covered by the fee:

- Many respondents reported that letting agents provided little to no explanation of what the application fee covered. Terms like "application fee," "processing," and "administration" were frequently used without elaboration.
- Several responses indicated agents described the fee as necessary for processing applications, handling paperwork, or conducting checks. However, specific details about the tasks involved were often absent.
- Some respondents mentioned the fee being non-refundable, regardless of application success.

Q5c. How much was the application fee?

Table 2.3.5c **Amount charged for application fee**

	N	%
Less than £21	0	0
£21 - £40	30	32
£41 - £60	27	29
£61 - £80	6	6
£81 - £100	6	6
More than £100	<5	3
Don't know/can't remember	22	23
Total	94	100

Base: All respondents who have been charged an application fee (94) Numbers may not tally due to rounding

The data from question 5c on application fee amounts reveals a variation in the charges levied by letting agents, with a concentration in the mid-range.

Like administration fees, the highest proportion of respondents (32 per cent) reported application fees between £21 and £40. This is followed by fees between £41 and £60 (29 per cent). This suggests a clustering of fees around these middle categories. Fewer respondents fell into the lower (£0-£20) and higher (£81+) fee brackets.

Q5d. Was the application fee refundable?

Table 2.3.5d Refundability of application fee

	N	%
Yes	6	6
No	82	87
Don't know/can't remember	6	6
Total	94	100

Base: All respondents who have been charged an application fee (94) Numbers may not tally due to rounding

The data from question 5d on application fee refunds reveals a strong bias towards non-refundable fees, similar to administration fees. The vast majority of respondents (87 per cent) indicated their application fee was not refundable.

Q6a. Was a credit check fee charged?

Table 2.3.6a Prevalence of credit check fees charged by letting agents

	N	%
Yes	72	49
No	75	51
Total	147	100

Base: All respondents who have been charged pre-tenancy fees (147) Numbers may not tally due to rounding

Almost half of respondents (49 per cent) reported being charged a credit check fee. This suggests credit check fees are a common practice for letting agents in Northern Ireland for respondents encountering pre-tenancy fees.

Q6b. What did the agent say the credit check fee covered?

The 72 written responses to question 6b on credit check fees reveal a mixed picture regarding the clarity of explanations provided by letting agents. Many respondents indicated the agent mentioned the fee simply covered a credit check, but there wasn't much elaboration on the specifics. Terms like "application fee," and "admin" were frequently used in addition to "credit check" without details about the credit bureau used or the type of check conducted (e.g. basic vs. full credit report). Several responses indicated agents described the fee as a way to check if the tenant could afford the rent.

Q6c. How much was the credit check fee?

Table 2.3.6c Amount charged for credit check fee

	N	%
Less than £21	0	0
£21 - £40	25	35
£41 - £60	15	21
£61 - £80	<5	6
£81 - £100	0	0
More than £100	<5	3
Don't know/can't remember	26	36
Total	72	100

Base: All respondents who have been charged a credit check fee (72) Numbers may not tally due to rounding

The highest proportion of respondents (35 per cent) reported credit check fees between £21 and £40. This is followed by fees between £41 and £60 (21 per cent). The distribution of credit check fees shows some similarities to both administration and application fees (question 4c and 5c). All three categories have a concentration of fees in the mid-range (£21-£60).

Q6d. Was the credit check fee refundable?

Table 2.3.6d Refundability of credit check fee

	N	%
Yes	<5	3
No	59	82
Don't know/can't remember	11	15
Total	72	100

Base: All respondents who have been charged a credit check fee (72) Numbers may not tally due to rounding

The data from question 6d on credit check fee refunds reveals a strong bias towards non-refundable fees, similar to administration and application fees. A small proportion of respondents (three per cent) reported receiving a refund on their credit check fee.

Q7a. Were you charged a referencing fee?

Table 2.3.7a Prevalence of referencing fees charged by letting agents

	N	%
Yes	26	18
No	121	82
Total	147	100

Base: All respondents who have been charged pre-tenancy fees (147) Numbers may not tally due to rounding

The data from question 7a on referencing fees reveals that these charges are less prevalent compared to other pre-tenancy fees. A significantly smaller proportion of respondents (18 per cent) reported being charged a referencing fee compared with administration fees (86 per cent, question 4a), application fees (64 per cent, question 5a) and credit check fees (49 per cent, question 6a). The majority of respondents (82 per cent) indicated they were not charged a referencing fee.

It is possible that referencing costs might be bundled into other fees, such as administration fees, for some letting agents.

Q7b. What did the agent say the referencing fee covered?

Due to the low prevalence of referencing fees reported in question 7a (26 respondents), the data for question 7b on explanations for these fees is limited. Several respondents were unsure about the specifics of the referencing fee or indicated it was included in another fee (administration fee, application fee).

Q7c. How much was the referencing fee?

Table 2.3.7c Amount charged for referencing fee

	N
Less than £21	0
£21 - £40	7
£41 - £60	8
£61 - £80	<5
£81 - £100	<5
More than £100	<5
Don't know/can't remember	<5
Total	26

The data from question 7c on referencing fees reveals some variation in the charges levied by letting agents, but the small sample size requires caution in interpreting the findings. There's a spread in the reported costs, with the highest proportions falling in the £21-£40 and £41-£60 ranges, though this doesn't necessarily represent a typical distribution due to the limited data.

Q7d. Was the referencing fee refundable?

Table 2.3.7d Refundability of referencing fee

	N
Yes	<5
No	22
Don't know/can't remember	<5
Total	26

The data from question 7d on referencing fee refunds shows a trend similar to other pre-tenancy fees, but the limited data requires cautious interpretation. The vast majority of respondents (22 out of 26) indicated their referencing fee was not refundable. The refundability of referencing fees mirrors the findings for administration fees (question 4d), application fees (question 5d), and credit check fees (question 6d), where all categories show a high prevalence of non-refundable fees.

Q8a. Have you ever been charged fees during a tenancy such as tenancy renewal fees?

Table 2.3.8a Frequency of fees during tenancy

	N	%
Yes	24	15
No	115	71
Don't know/can't remember	22	14
Total	161	100

Base: All respondents who have been charged agent fees (161)

Numbers may not tally due to rounding

The data from question 8a on fees charged during a tenancy reveals that these charges are not the most common experienced by respondents. Only 15 per cent (24 out of 161 respondents) reported being charged fees during their tenancy. The practice is not as widespread as the charging of pre-tenancy fees (91 per cent, question two).

Tenancy renewal fees might not be a standard practice for all letting agents in Northern Ireland. Furthermore, some tenants might be successful in negotiating their tenancy renewal terms and avoiding such fees.

Q8b. When was the last time you were charged fees during a tenancy?

Table 2.3.8b Timeframe for last payment of fees during a tenancy

	N
Less than 1 year ago	5
More than 1 year ago but less than 2	<5
More than 2 years ago but less than 3	<5
More than 3 years ago but less than 4	<5
More than 4 years ago but less than 5	<5
More than 5 years ago but less than 6	<5
More than 6 years ago but less than 7	<5
More than 7 years ago but less than 8	<5
More than 8 years ago but less than 9	0
More than 9 years ago but less than 10	0
More than 10 years ago	<5
Don't know/can't remember	<5
Total	24

The data from question 8b on the timeframe for the last tenancy fee payment reveals a spread of experiences, but the small sample size (24 respondents) makes it difficult to draw strong conclusions about trends over time.

Q9a. Was a tenancy renewal fee charged?

Considering the most recent instance where respondents were charged fees during a tenancy, the following questions aim to explore the specific types of fees they encountered. The survey seeks to understand how letting agents described these fees, the amounts charged, and whether they were refundable.

Table 2.3.9a Tenancy renewal fee charged

	N
Yes	19
No	5
Total	24

The data from question 9a on tenancy renewal fees reveals a high prevalence of these charges among those who ever encountered fees during their tenancy. A significant majority (79 per cent, or 19 out of 24 respondents) who had been charged fees during their tenancy reported that a tenancy renewal fee was included. Considered alongside the responses to forthcoming questions, this suggests that when fees are charged during a tenancy, tenancy renewal fees are the common cause. However, caution is needed in interpreting the findings due to the limited sample size.

Q9b. What did the agent say the tenancy renewal fee covered?

The data from 19 written responses to question 9b on explanations for tenancy renewal fees reveals some recurring themes, but the limited sample size necessitates cautious interpretation. A significant portion of responses mentioned the fee covered aspects of the tenancy renewal process, such as "re-drawing up the contract," or "renewal paperwork." Several responses indicated the agent described the fee as covering administrative costs, employee salaries, or "costs incurred." A few respondents were unsure about the specific explanation provided by the agent. Some responses

suggest the explanations were brief or vague, using terms like "renewal fee" or "admin fee" without further details.

The explanations for tenancy renewal fees share some similarities with explanations for other fees like administration fees and application fees. There can be a lack of detailed breakdowns of the service provided.

Overall, the data suggests that letting agent explanations for tenancy renewal fees often focus on the renewal process and administrative costs, but the details provided can be limited. The small sample size restricts generalisations about these explanations.

Q9c. How much was the tenancy renewal fee?

Table 2.3.9c Amount charged for tenancy renewal fee

	N
Less than £21	0
£21 - £40	7
£41 - £60	8
£61 - £80	<5
£81 - £100	0
More than £100	0
Don't know/can't remember	<5
Total	19

The data from question 9c on tenancy renewal fees reveals a variation in the charges levied by letting agents. The distribution of tenancy renewal fees shows some similarities to administration and application fees (question 4c and 5c), with a concentration in the mid-range categories. However, due to the limited data for tenancy renewal fees, this comparison should be made cautiously.

Q9d. Was the tenancy renewal fee refundable?

Table 2.3.9d Refundability of tenancy renewal fee

	N
Yes	0
No	18
Don't know/can't remember	<5
Total	19

The data from question 9d on tenancy renewal fee refunds reveals a strong bias towards non-refundable fees, but the limited sample size (19 respondents) necessitates cautious interpretation. The refundability of tenancy renewal fees does align with the findings for other pre-tenancy fees with all categories showing a high prevalence of non-refundable fees.

Q10a. Was an inspection fee charged?

Table 2.3.10a **Inspection fee charged**

	N
Yes	<5
No	20
Total	24

The data from question 10a on inspection fees reveals a low prevalence of these charges among those who ever encountered fees during their tenancy. The majority of respondents (20 out of 24) indicated they were not charged an inspection fee. Inspection fees might not be a standard practice for letting agents in Northern Ireland. Alternatively, the costs associated with inspections might be bundled into other fees, such as tenancy renewal fees or administration fees. However, the limited data necessitates caution in generalising this finding.

Q10b. What did the agent say the inspection fee covered?

The four written responses to question 10b were "damage done which was none", "to inspect the property", "inspection" and "ending the tenancy".

Q10c. How much was the inspection fee?

Not enough data was available to report on this question.

Q10d. Was the inspection fee refundable?

Likewise, this question couldn't be reported due to low data availability.

Q11a. Have you been charged any other fees by an agent?

Table 2.3.11a **Incidence of "other fees" charged by agents**

	N	%
Yes	31	19
No	130	81
Total	161	100

Base: All respondents who have been charged agent fees (161)

Numbers may not tally due to rounding

The data from question 11a on "other fees" shows that 19 per cent (31 out of 161 respondents) who had ever been charged fees by letting agents indicated they faced other fees besides pre-tenancy fees, and fees during the tenancy (explored in previous questions). Like fees during a tenancy (15 per cent, question 8a), "other fees" have a lower prevalence compared with pre-tenancy fees (91 per cent, question two).

Q11b. If you have been charged "other fees", please provide details, what the fee was called, what did it cover, how much was charged and was it refundable?

The 31 written responses to question 11b on "other fees" reveal a variety of charges levied by letting agents in Northern Ireland. Some examples include:

- Repair charges (even for landlord responsibility)
- Cleaning fees (sometimes disputed)
- Energy costs due to property issues
- Tenancy protection fees
- Admin fees for certain tasks (new keys, paperwork)
- Fees for setting up payments or deposits
- Guarantor fees
- Re-letting fees for early lease termination
- Check-out fees
- Holding fees for reserving a property
- Rates charged to tenants
- Inspection fees (beyond initial tenancy)
- Late payment fees.

Several responses suggest tenants faced charges for repairs that were the landlord's responsibility, highlighting a potential area of unfair practice. Disputes regarding cleaning fees and check-out fees raise concerns about the appropriateness for these charges. A recurring theme is the non-refundable nature of many "other fees," even when the charges are disputed.

Q12a. Overall, how affordable did you find the fees you were charged?

Table 2.3.12a Perception of letting agent fee affordability

	N	%
Very affordable	8	5
Somewhat affordable	47	29
Somewhat unaffordable	51	32
Very unaffordable	55	34
Total	161	100

Base: All respondents who have been charged agent fees (161)

Numbers may not tally due to rounding

The data from question 12a on affordability of letting agent fees suggests that respondents perceive letting agent fees as an affordability concern. Two thirds (66 per cent) of respondents who had ever been charged fees viewed them as somewhat or very unaffordable.

Q12b. If the fees were somewhat or very unaffordable, describe how it impacted you?

The 106 written responses to question 12b on the impact of unaffordable fees paint a concerning picture for these respondents:

- **Financial strain.** A significant portion of respondents described the fees as a financial burden, requiring them to borrow money from family or friends, use savings meant for other purposes, go into debt, and reduce spending on essentials like food or heating.
- **Impact on budgeting and savings.** The fees disrupted budgeting for moving and settling into a new home. Respondents also reported difficulty saving for future deposits due to depleted funds used for fees.
- **Feeling of unfairness.** Many felt the fees were unjustified, especially considering the rent and deposit already paid. Some questioned the legality of the fees.

- **Mental and emotional impact.** The financial strain caused anxiety and stress for some tenants. In some cases, the fear of additional fees discouraged them from contacting letting agents about problems.
- **Feeling pressured.** The competitive rental market made tenants feel pressured to pay fees despite the financial strain.
- **Uncertain outcome.** There was no guarantee of securing the tenancy even after paying the application fees.
- **Double charging.** Some responses suggest letting agents might be charging fees to both tenants and landlords.

Overall, the data suggests that unaffordable letting agent fees created a significant financial burden for respondents. This burden can lead to stress, anxiety, and difficulty managing basic needs. The data also raises concerns about the fairness and transparency of these practices.

Q13a. How fair do you think the practice of charging letting fees is?

Table 2.3.13a Perception of letting agent fee fairness

	N	%
Very fair	<5	1
Quite fair	7	4
Neither fair nor unfair	19	12
Quite unfair	33	20
Very unfair	101	63
Total	161	100

Base: All respondents who have been charged agent fees (161) Numbers may not tally due to rounding

The data from question 13a on the fairness of letting agent fees reveals a strong negative sentiment among respondents. A substantial majority (83 per cent) felt letting agent fees were either quite unfair or very unfair, suggesting they are generally viewed as an unjust practice.

Q13b. Please explain your answer regarding the fairness of charging fees.

This analysis explores the 161 written responses regarding fairness by respondents who have been charged fees. Some key themes emerged. First, fees were seen as unfair for the following reasons:

- **Double charging.** Many respondents felt letting agents were charging both landlords and tenants, creating an unfair financial burden.
- **Landlord's responsibility.** Tenants argued that fees should be the landlord's responsibility since they are the ones hiring the letting agent. Letting agents already get paid by landlords to find tenants.
- **Hidden costs and lack of transparency.** Unclear explanations for fees and the feeling that fees were excessive or unjustified were prevalent.
- **Financial strain.** The fees added to the upfront costs of moving, deposit, and rent, creating a significant financial burden, especially for those with limited income.
- **Non-refundable fees.** The fact that some fees, like application fees, were non-refundable even if the application was unsuccessful, was seen as unfair.
- **Limited choice and exploitation.** The competitive rental market limited tenant options, making them feel forced to pay fees even if they felt unfair.

- **Unnecessary service.** Some questioned the value provided by letting agents, suggesting the services didn't justify the fees.

Second, fees were considered to have an adverse impact on tenants:

- **Discouraged applications.** The fear of fees discouraged some tenants from contacting letting agents about available properties.
- **Stress and anxiety.** The financial strain caused by fees created stress and anxiety for tenants.

Third, respondents explored alternative solutions to the problems presented by current practices:

- **Landlords cover fees.** A recurring suggestion was that landlords should cover the letting agent fees.
- **Regulated fees.** Some advocated for regulations to limit or standardise letting agent fees.
- **Transparent fee structure.** Clear explanations for the purpose and breakdown of fees were seen as desirable.

Finally, there were a limited number of positive views expressed regarding letting agent fees:

- **Reasonable fees.** A small number of respondents considered fees reasonable as long as they were within certain limits.
- **Cost of doing business.** A few acknowledged the need for letting agents to cover their costs but believed these should not be passed on to tenants.

Overall, the text responses overwhelmingly support the view that letting agent fees are unfair. The financial burden, lack of transparency, and perception of double-charging create significant challenges for respondents.

Q14. What is reasonable to charge a fee for? What fees should be banned or capped?

As the Department for Communities considers reforms to the private rented sector in Northern Ireland, respondents were asked about what constitutes reasonableness for letting agent fees. They were queried on what fees they considered reasonable for letting agents to charge, and conversely, which fees they believed should be banned or capped.

This analysis explores these responses to provide insight into tenant perspectives on letting agent fees in Northern Ireland, particularly in light of the recent changes implemented in England through the Tenant Fees Act 2019. The Act significantly restricts letting agent fees in England, allowing landlords to only charge for rent, capped deposits, specific changes requested by tenants, and some utility or late payment charges. This was explained to respondents as an introduction to question 14.

The analysis looks at the 120 written responses to this question. First, respondents set out what they felt constituted reasonable fees:

- **Rent and deposit.** Almost everyone agreed that rent and a refundable deposit are reasonable fees for tenants to pay.
- **Utilities.** Most respondents felt that if the tenant is responsible for utilities, they should pay for them directly.
- **Capped default fees.** Some agreed to a capped late payment fee or fee for lost keys, with the reasoning that it discourages irresponsible behaviour and covers costs incurred by landlords.
- **Limited application fees.** A small number of respondents saw a low application fee (around £40) as acceptable, but many argued against them entirely.
- **Conditional cleaning fees.** A few people felt a cleaning fee would be reasonable if the property was left excessively dirty, but only if the fee was capped and based on actual costs.

The fees that respondents said they would like to ban, or cap are as follows:

- **Letting agent fees.** A large majority of respondents believed letting agent fees should be banned altogether or at least capped. They felt these fees were unfair and an extra burden on tenants, especially since landlords already pay letting agents.
- **Change of tenancy fees.** Many argued against fees for requesting changes to the tenancy agreement.
- **Early termination fees.** A significant portion of respondents wanted to see early termination fees capped or abolished entirely.
- **Holding deposits.** There was strong sentiment against holding deposits, with some finding them illogical and unregulated compared to deposits.
- **Administration fees.** Many respondents felt administration fees were simply a way for letting agents to charge extra and should not be allowed.
- **Credit check fees.** A significant number of respondents believed credit check fees were unnecessary since tenants could often perform them for free themselves.

Respondents also offered some alternative solutions to problems created by current practices:

- **Alignment with England.** Several respondents suggested that Northern Ireland adopt similar regulations to England, where most letting agent fees are banned.
- **Landlord pays fees.** A recurring suggestion was that landlords should be responsible for all fees associated with finding tenants, including letting agent fees.
- **Tenant protections.** A few respondents called for better regulations and protections for tenants, including capped rent increases and inspections to ensure good property standards.

Overall, the responses overwhelmingly show that respondents believe the current system of letting agent fees is unfair and financially burdensome. They advocate for a significant reduction or complete abolition of most fees, with the responsibility falling on landlords or letting agents themselves.

Q15. Should there be a Letting Agents code of practice as per Scotland?

110 respondents answered this question, and they were overwhelmingly in favour of a letting agent code of practice in Northern Ireland, mirroring the system in Scotland. The key reasons cited were:

- **Standardisation and fairness.** A code would establish consistent practices across letting agents, ensuring tenants are treated equally and understand their rights.
- **Protection from unscrupulous agents.** Respondents shared negative experiences with "rogue agents" and believe a code would prevent unfair practices like unauthorised fees.
- **Accountability.** A code would hold letting agents accountable for their actions and provide recourse for tenants in case of breaches.
- **Alignment with other regions.** Many respondents pointed to existing regulations in Scotland and England, suggesting Northern Ireland should follow suit.

The specific areas of concern that respondents would like to be addressed by a code are:

- **Unreasonable fees.** The high cost of letting agent fees was a major concern, with respondents hoping a code would limit or eliminate these charges.
- **Unprofessional conduct.** Disrespectful or misleading behaviour by letting agents was another concern addressed by calls for a code.
- **Unclear tenant rights.** Uncertainty about tenant rights and how to hold agents accountable was expressed by some.

A small number of respondents expressed reservations or requested clarification:

- **Effectiveness of a code.** A few questioned if a code would be effectively enforced or if agents would find loopholes.
- **Content of the code.** Some wanted more information on the specifics of the proposed code before offering a definitive opinion.
- **Combined regulations.** A few respondents called for a broader approach that included regulations for landlords as well.

Overall, the response to a letting agent code of practice in Northern Ireland was overwhelmingly positive. Respondents believe a code would introduce much-needed standardisation, accountability, and protection for tenants in the private rented sector.

Q16. In which council area was the property for which the fee was charged?

Table 2.3.16 Distribution of fee-paying respondents by council area

	N	%
Antrim and Newtownabbey	17	11
Ards and North Down	21	13
Armagh, Banbridge and Craigavon	12	7
Belfast City Council	55	34
Causeway Coast and Glens	11	7
Derry and Strabane	9	6
Fermanagh and Omagh	<5	1
Lisburn and Castlereagh	13	8
Mid and East Antrim	8	5
Mid Ulster	<5	1
Newry Mourne and Down	8	5
Don't know/can't remember	<5	2

Total	161	100
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Base: All respondents who have been charged agent fees (161) Numbers may not tally due to rounding

The table shows the distribution of letting agent fees charged across different council areas in Northern Ireland. Belfast City Council leads with the highest number of respondents (55), representing 34 per cent of the total. This is followed by Ards and North Down (21 respondents, 13 per cent) and Antrim and Newtownabbey (17 respondents, 11 per cent). Combined, these three areas account for 58 per cent of the letting agent fees reported. The higher concentration of letting agent fees in Belfast is likely due to the large population, higher rental activity and/or presence of more letting agents operating there.

Q17. Age band

Table 2.3.17 Age band of respondents

	N	%
18 - 24	<5	2
25 - 34	38	24
35 - 44	57	35
45 - 54	30	19
55 - 64	20	12
65 and over	11	7
Refused	<5	1
Total	161	100

Base: All respondents who have been charged agent fees (161) Numbers may not tally due to rounding

The table shows the age distribution of respondents who have been charged letting agent fees in Northern Ireland. The 35-44 age group represents the largest portion of respondents (57, or 35 per cent), followed by the 25-34 age group (38, or 24 per cent). This suggests that a significant proportion of those facing letting agent fees fall within the young professional or young family age range. This is intuitive since people who pay letting agent fees are a subset of the overall private rented population, for which the age distribution is known (e.g. census). However, direct comparisons with other datasets are not possible since this survey focuses specifically on people who have been charged letting agent fees at various points in time.

Q18. Household type

Table 2.3.18 Household type of respondents

	N	%
Adult Household (All members 18+)	97	60
Family with Children (at least 1 member aged under 18)	56	35
Older Household (at least 1 member aged 65+)	7	4
Refused	<5	1
Total	161	100

Base: All respondents who have been charged agent fees (161) Numbers may not tally due to rounding

The table shows the distribution of household types among respondents who were charged letting agent fees in Northern Ireland. The dominant household type is "adult household" (all members 18+), accounting for 60 per cent (97 respondents) of those charged letting agent fees. The second largest

group is "Family with Children" (at least one member under 18), representing 35 per cent (56 respondents) of those facing letting agent fees.

This indicates that letting agent fees are relevant for families, though to a lesser extent than adult households. This distribution likely reflects various life stages, the likelihood of renting and therefore encountering letting agent fees.

Q19. Consent to take part in focus group

To gain deeper insights into tenant experiences, respondents were offered the opportunity to participate in focus group discussions as part of this research. These focus groups would explore, in more detail, the experiences of respondents with letting agent fees.

Table 2.3.19 Focus group consent

	N	%
Yes	100	62
No	61	38
Total	161	100

Base: All respondents who have been charged agent fees (161)

Numbers may not tally due to rounding

To achieve a balanced perspective, focus group participants were selected from respondents who consented (62 per cent) to ensure representation across geographic areas, household types, and age groups identified in the survey.