

Case study: Outstanding rent & general poor service (landlord/agent)

Resolution requested: Pay the outstanding rent

Award: £3200 owed in rent and £100 for inconvenience, delays and general poor service

Resolved by: Proposed decision

What happened?

The landlord said:

- There have been errors in the amount of rent paid by the agent for a number of months and the agent has not responded to their attempts at sorting this out
- There has been a lack of transparency and no communication in relation to work carried out at the property which was never authorised
- He gave notice to the agent to hand the property back so they can manage it themselves which has been ignored and more work is now going on which was also not authorised

The agent responded, saying that:

- They accept that the rent amounts paid to the landlord were incorrect; that they have now been re-calculated and the amount still owed for the work carried out deducted
- There was a verbal agreement for the work to be done
- Notice has been given to the tenant, to end the tenancy, so the property can be returned to the landlord

What evidence was provided?

Emails, letters

What was decided and why?

Outstanding rent

1. The landlord wrote to the agent in the first month she received a shortfall in rent; queried a replacement door for £800 in the agent's statement, and asked that no more work be done without her consent.
2. The evidence showed that this was a clear instruction to the agent.
3. There was no evidence that the landlord was informed or had agreed to any work being carried out to the property, or that the work was actually necessary, so the scheme was unable to take these amounts into account when assessing the rent still owing
4. At the time of the decision the rent owed to the landlord was £3200 which was awarded in full
5. The agent was advised that the option of taking legal advice was still available, if they want to continue pursuing any money for work from the landlord
6. As the tenancy was coming to an end, the property should be returned to the landlord to self-manage

Poor service

7. The landlord was distressed and inconvenienced by the shortfall in rent which was needed to pay the mortgage and for this compensation of £100 was a reasonable award

How can you avoid this happening in future?

- Make sure all communication between an agent and their client landlord is in writing
- An agent's duties are set out clearly in the Competition and Market Authority Guidance for lettings professionals on consumer protection law (CMA Guidance) chapter 8.
- An Agent:
 - Owes their client landlord a duty to act with reasonable care and skill and in a timely manner
 - Pay any rent collected to the landlord promptly and as agreed in the contract. A landlord can generally expect payment within 5 working days of the agent receiving the rent in their account
 - Have a system in place to contact their landlord promptly if rent becomes overdue
 - Must get express permission to carry out work from the landlord, otherwise they will remain entirely responsible for any work that is done. As in this case there was no evidence of the landlord's express permission to carry out any work or proof of the quality of the work carried out.
 - Must not charge a landlord for work that is not actually necessary. This is likely to be a misleading action

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