# Code of Practice for Residential Letting Agents

**(England)**

## Effective from 1 May 2026

This Code of Practice is mandatory for all Property Ombudsman (TPO) Members who are entitled to display the TPO logo and who offer residential letting and/or management services in England. Copies of this Code of Practice and the TPO Consumer Guide should be made available to consumers. You should prominently display the logo in the window of all your offices, your website(s), your letterheads (including emails and other digital communications) and your marketing material.

## This Code comprises of two elements:

- Best Practice - standards set above the minimum level required by law.
- Legal Obligations - standards set by law.

TPO Members are expected to conduct their business practices in-line with both elements of the Code. In line with the Ombudsman's Terms of Reference, TPO can consider complaints raised by consumers against TPO Members against these obligations.

**Note:** TPO is not authorised to take enforcement action or make decisions on potential breaches of legislation. Where potential breaches or criminal activity is found by TPO, we will report the matter to the appropriate authority. Local Trading Standards (and/or appointed lead enforcement authority) are responsible for enforcement of legislation and regulations. The Courts are empowered to determine whether legal obligations have been met. References made to legislation and regulations within this Code are made for information and education purposes.

**Contents:**


1. General Provisions
2. Duty of Care and Conflict of Interest
3. Advertising for New Business (Canvassing)
4. Market Appraisal
5. Instructions, Terms of Business, Fees, Charges and Termination
6. Marketing and Advertising
7. Published Material and Information about a Property
8. Viewing and Access to Premises
9. Offers
10. Holding Deposits
11. Referencing and Pre-Tenancy Checks
12. Tenancy Payments
13. Tenancy Agreement, Inventories and Deposits
14. Rent Collection
15. Management
16. Termination of a Tenancy
17. End of Tenancy – Deposits, Disputes and Damages
18. Clients' Money
19. In-house Complaints Handling
20. Referrals to the Ombudsman
21. Application of the Code
22. Glossary of Terms


All references to the singular include the plural. Terms marked (*) - the first time they appear, are defined in a Glossary of Terms at Section 22. All references to 'landlords' include potential landlords. All references to 'tenants' include potential tenants and viewers.


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## 1. General Provisions

### Applicability

**1a** This Code applies to letting agency services (*) in England, undertaken by a person or organisation who has agreed or is required to comply with it, for the letting or property management (*) of residential property (*). There are separate Codes of Practice for letting agents operating in Wales, Northern Ireland and Scotland.

### General Obligations

**1b** You (*) must comply with this Code of Practice. You must comply with all laws (as amended, re-enacted or substituted with or without modification from time to time) relating to the letting and management of residential property and all other current and relevant primary and secondary legislation and any local licensing obligations.

**1c** You must ensure that all staff are fully conversant with all aspects of the Code of Practice and their legal responsibilities. Such staff must observe the Code and their legal responsibilities in all their dealings with consumers. Staff must have a good working knowledge of relevant lettings and property management related legislation and the law of contract.

**1d** You should provide a service to both landlords and tenants consistent with fairness, integrity and best practice; and you should not seek business by methods that are dishonest, deceitful, manipulative or involve misrepresentation. You must avoid any course of action that can be construed as aggressive behaviour (*) or harassment (*).

**1e** You must treat consumers equally regardless of their race, religion or belief, sex, sexual orientation, gender recognition, disability, pregnancy or maternity, or nationality. Unlawful discrimination includes giving less favourable treatment because someone is perceived to have one of these personal characteristics or because they are associated with a person with such a characteristic.

**1f** You should take special care when dealing with consumers who might be disadvantaged because of factors such as, but not limited to, their age, infirmity, lack of knowledge, lack of linguistic or numeracy ability, economic circumstances, bereavement or do not speak English as a first language.

**1g** You must not release or use confidential information for any purpose other than that for which it was given by consumers (*) during the process of the letting or property management of a residential property without the consumer's permission, unless legally required to do so. Personal data should be processed in line with data protection legislation and your business's privacy notice[1] (*).

**1h** Save where you are required to delete such records sooner under applicable law, you must keep clear and full written (*) records (*) of your relationship with landlords and tenants for at least six years and produce them when required by the Ombudsman and/or any enforcement authority, such as Trading Standards.

**1i** As a TPO Member (*) you must not take or be involved in any action which would bring the scheme into disrepute.

### Publicity

**1j** By law, you must make customers aware of their membership of an approved redress scheme. You must include TPO's name and website address on your website, within your terms of business and within any other sales or service contract you agree with a consumer.

**1k** By law, letting and managing agents in England must display a complete list of fees, charges or penalties (however expressed) for any letting agency or property management service, along with details of any client money protection scheme membership, at the earliest stage in the transaction. This also includes any fees that you intend to charge tenants (see Section 12).

**1l** You must use and display such material promoting the Code of Practice as provided by TPO. You must prominently display the TPO logo in the window of all your offices, your website(s), your letterheads (including emails and other digital communications) and your marketing material (including advertisements).

**1m** You must have available, free of charge, copies of the Code of Practice and Consumer Guide to give to consumers in all your offices.

## 2. Duty of Care and Conflicts of Interest

**2a** You must treat all those involved in the proposed letting including tenants and landlords fairly and with courtesy.

**2b** When instructed, your duty of care is to the client (*). You must offer suitable advice to meet the client's aims and needs. Where the law and the interests of the client conflicts, adherence to the law must prevail.

**2c** You must avoid any conflict of interest. You must disclose at the earliest opportunity in writing (*) to consumers or any relevant third party, any existing conflict of interest, or any circumstances which might give rise to a conflict of interest.

**2d** If you intend to offer or recommend to consumers referencing, insurance, utility, property maintenance, gas or electrical or other services, or those of an associate (*) or connected person (*), where the service provider rewards you for the referral by way of money, gifts or any other form of benefit, you must disclose this arrangement. Any practice by an agent which hides the real price of a service is capable of being found to be an unfair commercial practice or a misleading omission.

**2e** Consumer requirements are key and this applies to the tenant as well as the landlord. You should complete a customer fact find to ensure that any specific requirements are taken into consideration.

[1] https://ico.org.uk/for-organisations/

**2f** If an employee or an associate (or an associate of the employee of your firm) is intending to rent a property which your firm is instructed to let, you must give all the relevant facts in writing to the landlord (or the landlord's representative) before negotiations begin.

**2g** If you or an employee or an associate is intending to rent a property which your firm is instructed to let that person must take no further direct part in the letting of that property on behalf of your business.

**2h** If you are letting a property that is owned by you, an employee or an associate (or an associate of an employee) or in which you an employee (or an associate of an employee) has an interest, you must, before negotiations begin, immediately make this known in writing to the tenant.

## 3. Advertising for New Business (Canvassing)

**3a** You must not use unfair methods when seeking new business. Advertising material must be truthful, not misleading and fully explain who the message is from, its purposes and how the consumer's interest can be followed up.

**3b** In your canvassing material, if you seek to use a property you have recently let or managed, you must seek the owner's prior permission in writing.

**3c** Fees must be shown inclusive of VAT alongside a statement confirming that VAT is included.

**3d** If a consumer is interested in using your services, you must draw to their attention, and explain before they are committed to another contract, any potential situation where they could owe fees to more than one agent.

**3e** You must take decisions on the content of your advertisements independent of your competitors, such as how you advertise your fees, charges or any additional costs, or any special offers, discounts or other value offering.

**3f** You must act promptly if a consumer asks you to stop canvassing them.

## 4. Market Appraisal

**4a** When you give advice to someone intending to let their property, that advice must be in the consumer's best interests and within the law. This should include, but is not limited to:

- The potential benefits and disadvantages of any recommended method of letting and managing the property must be explained in clear terms and take into account customer requirements as outlined in paragraph 2e.
- You and the customer's inability to take steps that make someone less likely to rent a property because, for example, they have children and/or are in receipt of benefits. This includes withholding property information, preventing viewings, or refusing a tenancy on those grounds. Where a permitted exemption applies, this must be evidenced by the landlord and communicated to relevant applicants in writing.

**4b** Any figure you advise as a recommended rent must be given in good faith, reflecting current market conditions. You must never deliberately misrepresent the potential rental level of a property in order to gain or retain an instruction. The landlord should be made aware that once a rental figure is published, they will not be able to accept any offer over that amount.

**4c** Any figures given should, within reason, be supportable by indicators in the market place, preferably by comparables of similar properties in a similar location.

**4d** You must keep your marketing strategy under regular review with your client.

**4e** You must advise the landlord of the need to obtain any necessary consent (for example from joint owners, mortgage lender or someone holding a legal charge against the property, superior landlord (*) and/or freeholder etc) and/or licence[4] (where mandatory or discretionary licencing requirements are in place) prior to formal creation of a tenancy (*); inspect the necessary consents or ongoing applications; advise of the need for the landlord to assess relevant buildings and contents insurance.

**4f** You must advise the landlord of their responsibilities and the need to comply with the obligations and requirements of relevant Health and Safety legislation, and regulations that apply to rented property; and you should verify the validity of the necessary certificates. You must pay particular attention to any relevant electrical, smoke and carbon monoxide alarm regulations and advise the landlord and tenant accordingly. Especially where a property's water systems have not been used for some time, you should advise the landlord with regard to legionella risks and recommend a risk assessment where appropriate.

**4g** You should, within reason, draw to the attention of the landlord any obvious repairs or maintenance issues which appear necessary in preparation for the intended letting.

**4h** You must, where appropriate, make the landlord aware of requirements relating to the deduction of tax from rental income, applying to landlords considered as non-resident or overseas[8]. You must not assist landlords in practices designed to avoid paying the appropriate tax.

**4i** You must draw the landlord's attention to the necessity and benefit of a properly prepared full Inventory and a Schedule of Condition. It is best practice to engage an independent inventory provider.

## 5. Instructions, Terms of Business, Fees, Charges and Termination

### Instruction

**5a** You must, at the point of instruction, inform the landlord in writing that you are a Member of TPO and subscribe to this Code of Practice.

**5b** You must not directly or indirectly harass (*) any person in order to gain instructions, nor must you repeatedly try to gain instructions in a way likely to cause offence.

**5c** You must not instruct other agencies to assist you in letting a property without the landlord's permission. If the landlord gives permission, as the instructing agent, you are liable at law for the actions of the sub-instructed agent and will be held responsible for any failures to comply with this Code of Practice by that other agent even if that sub-agent is not a TPO Member.

**5d** Notwithstanding paragraph 5c, if you are instructed as a sub-agent or share listings via a website, you must continue to act in accordance with all relevant provisions of this Code of Practice.

**5e** You should take reasonable steps to satisfy yourself that:

- the landlord is entitled to instruct you (such as obtaining title information from the Land Registry; declaration of trust; deed of variation; power of attorney) and to sign on behalf of all co-owners.
- there is no other reason, under the law, why the landlord should not let the property (for example, the property is not subject to a rental restriction period following an eviction).

### Signing

**5f** You must sign and date your Terms of Business before they are given to the landlord. The landlord must be given sufficient time to read your Terms of Business before agreeing to instruct you (refer also to paragraph 5g). The landlord should be required to sign a copy which you should hold on file and the landlord must be given a copy to retain.
It is accepted that for portfolio landlords (*) it may be impractical to hold individual instructions on a property-by-property basis; in such circumstances you should ensure that you hold a satisfactory letter of authority from the client.

**5g** Your Terms of Business must clearly state the minimum duration of your instruction, and how it can be terminated by either party. When a contract is signed by a landlord during a visit by you to their home, at their place of work, away from your premises or online, then they must be given a right to cancel that contract within 14 calendar days after the day of signing. The client should be given a 'Notice of Right to Cancel'. Where the landlord wishes the contract to begin before the end of the 14 day cancellation period you must obtain confirmation of that request in writing. Where you intend to recover costs incurred during this cancellation period you must obtain the landlord's agreement in writing to those specific costs before work commences.

**5h** You must give the landlord written confirmation of their agreement with you to act in the letting and/or management of properties on their behalf before they have committed any liability to you. This will necessarily include written details of your Terms of Business which should explain what different types or levels of service are available (for example letting only, rent collection, full management) including any relevant fees and expenses and, where applicable, repair, emergency and rent arrears procedures; and confirm whether you or the landlord will be conducting the 'Right to Rent' checks.

**5i** You must confirm in writing the landlord's instructions to you and which type or level of service is being provided.

### Fair Contracts

**5j** Your Terms of Business must be transparent in relation to the landlord's commitments and liabilities. They must be written in plain and intelligible language and comply with all relevant legislation. You should not use terms that may be deemed unfair, and consequently unenforceable. Your Terms of Business must not contain terms which are inconsistent with the provisions of this Code of Practice for Letting Agents.

**5k** Your Terms of Business must:

- Include all fees and additional costs, fully explain these in a clear and unambiguous way and explain the specific circumstances in which those fees and costs will become due.
- Where you are entitled to an ongoing, extension or similar fee, this entitlement should be clearly flagged to the landlord or client in advance.
- Not include any liability to pay commission where the property is sold to another landlord who retains the existing tenant;
- Not require payment of a commission in circumstances where the tenant agrees to purchase the property unless this is subject to a separate sales agreement.

### Fees and Charges

**5l** Where the fee is a percentage it must be quoted inclusive of VAT. The example amount should be based on the rental asking price. However, you must make it clear that, should the agreed rent be different to the example price, your fee will be correspondingly higher or lower.

**5m** Where you charge a fixed fee you must state the actual amount payable including VAT in the contract and ensure that the landlord understands that the fee will not vary whatever the rental income.

**5n** Your Terms of Business must include clear and accurate information regarding the circumstances under which either party to the contract may cancel or terminate the arrangement and they must actively flag what liability for fees or charges may be incurred in those circumstances.

**5o** You must not make a tenant or landlord pay a charge for or be liable for an element of your service that the other party has also been charged for in the course of the same transaction (see also Section 12).

**5p** Where your Terms of Business include options for landlords to use associated and/or recommended services (such as inventory services), landlords should be presented with the opportunity to actively opt-in to use the service. Requiring landlords to actively opt-out of any additional or recommended service should be avoided. Charges made for not using a service must be disclosed upfront.

### Termination

**5q** Whether you or the landlord terminates the instruction, you must give the landlord appropriate written confirmation that you will no longer be acting, including the date of termination, and giving details of any liability for fees or charges owed by the landlord to you (or any credit or funds owed to the client) and confirming any arrangements for the handover of the property, appropriate documentation, keys etc to the landlord or his appointed representative. This action must be taken promptly to enable a timely handover. Where you have been instructed on a 'tenant find only' basis and a tenant has not been found, you must provide a list of parties that you have introduced to the property.

**5r** Where your contractual arrangement with the landlord is terminated, and the relevant managed property is still tenanted, you must promptly tell the tenants, in writing, of the change in arrangements, including where it is proposed the deposit will be held. In such circumstances, the written authority of the tenant(s) to release their deposit to a third party must be obtained and, where you hold the deposit, notification provided to the appropriate tenancy deposit scheme.

### Subsequent Changes

**5s** Any change to the Terms of Business must be:

- Mutually agreed by you and your client;
- Promptly confirmed in writing;
- Where appropriate, contained in a new Terms of Business signed and dated by your client.

## 6. Marketing and Advertising

**6a** You must not commence the marketing of a property until you have:

- The client's authority;
- Signed Terms of Business (see paragraph 5f);
- A valid EPC compiled in accordance and compliant with the relevant legislation[10] or evidence that a valid EPC has been commissioned. Where you enter into an agreement to supply an EPC, the contract must be clear and transparent to the extent it meets the relevant obligations set out in Section 5 of this Code. If a tenant requests a copy of an EPC, this must be provided free of charge.

### Letting Boards

**6b** You must not erect any form of letting board at a property unless you have been instructed to market that property for rent.

**6c** You can only erect a letting board with the specific permission of the landlord. Where the property is leasehold or commonhold, you should advise the landlord to check for any restrictions within their lease or commonhold community statement and obtain their response before erecting the board.

**6d** Any board you do erect must be appropriate.

**6e** When you put up a board you must by law comply with the appropriate regulations. You must accept liability for any claim arising under these regulations in connection with the board.

**6f** If your board relates to part of a building in multiple occupation, it should indicate the part of the building to which it relates.

**6g** You must not replace another agent's board with your own, hide it or remove it from a property, without the landlord's permission or without notifying the other agent.

**6h** You must comply with local legislation in relation to erecting your boards.

## 7. Published Material and Information about a Property

**7a** You must by law disclose any information of which you are aware or should be aware of in relation to the property in a clear, intelligible and timely fashion and take all reasonable steps that all statements that you make about a property, whether oral, pictorial or written, are accurate and are not misleading.

**7b** All material information (*) must be disclosed and there must be no material omissions which may impact on the average consumer's (*) transactional decision (*) and where information is given to tenants or their representatives, it is accurate and not misleading. In particular you must accurately describe whether the property is being let as furnished, part furnished or unfurnished and whether facilities are shared so that tenants are not misled as to what fixtures, fittings etc will be included. You must be diligent in compiling the particulars.

**7c** Prior to commencement of marketing, the written details of a property (letting particulars) must be agreed with the landlord to confirm that the details are accurate.

**7d** All advertisements must be legal, decent, honest and truthful. Manipulating internet portals (and other channels of marketing) to give the impression a property is new to the market, when it is not; inflating your market share by listing properties multiple times; listing properties that are not currently available to rent; or claiming to have let a property which was let by another agent, is misleading.

**7e** If you intend to include material produced by a third party, you must obtain that party's permission to do so prior to the commencement of marketing.

**7f** Non-optional fees in relation to tenancies that are excluded from the Tenant Fees Act (e.g. contractual tenancies) must be disclosed in advertisements.

## 8. Viewing and Access to Premises

### Viewings

**8a** You must take the landlord's instructions regarding viewings, specifically, whether or not they should be conducted by you.

**8b** You must record any feedback from viewings and pass this to the landlord within a reasonable time. If this feedback is an offer to rent, refer to Section 9 of this Code.

**8c** Before arranging any viewing, you must tell the tenant if an offer has already been accepted by the landlord.

**8d** When you know the property has been or is being marketed by another agent you should establish if the potential tenant has previously viewed the property through that or any other agent. Where there is a potential for another agent to also claim a fee, the client should be advised accordingly before they become liable for fees (see paragraphs 3d and 5q).

### Access to Premises

**8e** Where you are arranging for a tenant to view a tenanted property, the existing tenant must be provided with appropriate and reasonable notice, as prescribed by law, of the appointment unless other arrangements have been agreed with the occupying tenant. You should accompany all viewings unless an unaccompanied viewing has been agreed by the existing tenant.

**8f** You must make sure that all the keys to a landlord's property that are in your possession are coded and kept secure. You must maintain records of when you issue keys and to whom; when they are returned and by whom. These records must be kept secure and separate from the actual keys. You must only give keys to people providing you with satisfactory identification and who can demonstrate a legitimate purpose.

**8g** Access to a property may be required by you, or an authorised third party on behalf of the landlord (e.g. a surveyor, builder, tradesman etc) for the purpose of viewing the condition, state of repair and/or to fulfil related statutory obligations and/or to carry out repairs. The tenant must be given the appropriate minimum written notice of 24 hours or that prescribed by law, of the appointment, (unless agreed otherwise with the tenant beforehand or in cases of genuine emergency) and provided with the option to be present during the visit. Notwithstanding providing the tenant with reasonable notice to access a property, express consent from the tenant to do so must be requested in good time, allowing a minimum of 24 hours for the tenant to respond and a record of the response, if any, made.

**8h** When you are unable to accompany any third party, this must be made clear to the tenant or other occupier beforehand.

**8i** You must exercise reasonable diligence in ensuring that, after any visit by you or an authorised third party, a property is left secure.

## 9. Offers

**9a** Where offers above the published rent are received, you should advise the landlord and prospective tenant that, by law, such offers cannot be accepted.

**9b** It is not advisable for you to accept, or recommend a landlord to accept, an offer on a property that has not been viewed either by the prospective tenants themselves or by a suitably authorised representative of the prospective tenants, for example, an appointed relocation agent or direct associate. Exceptions might be made when a prospective tenant resident overseas is willing to be contacted by digital means or traditional written correspondence.

**9c** You must inform the landlord, in writing as soon as is reasonably practicable about formal offers received on a property up to the point where tenancy agreements are signed unless the landlord has instructed otherwise, or, unless the offer is of an amount or type that the landlord has indicated previously (in writing) is unacceptable. Details of all formal offers made on a property including the name of the tenant, the amount, the date and the response given must be recorded. Where you are instructed as a sub-agent you must inform the principal agent of any offers received.

**9d** Where an offer has been made to a landlord and the landlord declines the tenancy, they should be advised that the tenant's holding deposit will be refunded in full to the tenant and that, where previously agreed, the landlord may be liable for costs incurred by you in pursuing the references.

**9e** You must provide the parties with a draft or specimen tenancy agreement prior to the tenant becoming liable for a holding deposit associated with the rental of the property except where such opportunity is declined or where you hold an instruction to the contrary. Where there is to be a guarantor for the tenant for the tenancy, this facility must be extended to that person.

**9f** Any standard documentation that seeks to create a contractual relationship, via its standard terms or clauses, between a tenant and you or the landlord must be clear about the commitments of each party. Such documentation must be fair, clearly presented and written in plain and intelligible language. Documentation includes an application form, preliminary agreement, reservation form or a holding deposit receipt, terms and conditions of an application. You should advise the landlord that standard terms or clauses or fees and charges deemed unfair by the Courts under these regulations are unenforceable.

**9g** Prior to a tenant's offer being formally accepted, you must set out in written form and must actively flag any significant tenancy pre-conditions and terms for the letting.

**9h** Details of an offer accepted in principle (albeit still subject to references etc) should be confirmed to the landlord as soon as practicable and ideally in writing.

**9i** You must take reasonable steps to keep tenants who have made an offer and which has not already been rejected, informed of the existence (but not the amount) of other offers submitted. You must not misrepresent to either the landlord or a tenant the existence of, or any details of, any other offer allegedly made or of the status or circumstances of any other person who has made an offer.

**9j** You must provide the tenant with a written receipt detailing the charges and fees that will be offset against the deposit if any and the terms of repayment or forfeiture should the tenancy not proceed. Any deductions from the deposit must be reasonable and must take account of the specific circumstances of the situation and the services actually properly provided (for example where the landlord declines the tenancy application; or the tenant decides not to proceed and notifies you promptly after payment of the holding deposit; or where the tenant is not chosen in a competitive environment). Any holding deposit due to be returned must be repaid within 10 working days.

**9k** You must provide to the tenant any information as required by, and in accordance with, the law.

## 10. Holding Deposits

**10a** Where prescribed by law, where instructed by a landlord and following the landlord's acceptance of the prospective tenant's offer, subject to paragraphs 10b to 10l, you may take a holding deposit from the tenant to reserve a property whilst reference checks and other pre-tenancy administration is undertaken.

**10b** Before taking a holding deposit, you must clearly explain the criteria by which the landlord will judge suitability to rent the property (such as income and credit worthiness requirements). You should request relevant information that would enable you to determine that a tenant would not be suitable to rent before taking their holding deposit. When explaining the credit worthiness requirements, you should clearly define what you consider to be credit worthiness and the tenant should have a clear understanding of information they are required to disclose (e.g. whether this includes previous missed or late payments). If you consider that the prospective tenant will not be a suitable, you must not take a holding deposit from them.

**10c** You must explain in writing the purpose of the holding deposit before a tenant is committed to paying. This must clearly state the amount of the holding deposit, the agreed rent for the property and the terms on which it could be refunded, retained or offset against a tenancy deposit payment or the first month's rent (where a tenancy agreement is subsequently entered into). The tenant's agreement must be obtained if the holding deposit is to be used for rent or deposit purposes. The explanation must also clearly state the deadline for agreement (*), being 15 days beginning on the day on which the landlord or letting agent receives the holding deposit, unless a different deadline has been agreed in writing with the tenant and the landlord.

**10d** Where you take a holding deposit from a tenant the payment must be treated as clients' money (*).

**10e** Payment of the holding deposit is limited to a maximum of one week's rent of the annual rent payable in respect of the tenancy immediately after its grant, renewal or continuance. For example, a 12 month tenancy with a total rent of £26,000 divided by 52 weeks, equals a total holding deposit of £500.

**10f** Where there are multiple prospective tenants, payment of the holding deposit must be split between the tenants. For example, where four tenants pay a total weekly rent of £500, you may charge each tenant no more than £125. Where applicable, the split should be based on the percentage of rent each tenant has agreed to pay.

**10g** Where an offer has been accepted and a holding deposit taken, the property should be removed from the market. A holding deposit is paid to 'reserve' a property and demonstrates a tenant's intention to rent that property. Acceptance of a holding deposit confirms your (and the landlord's) intention to accept that individual as a tenant (subject to the satisfactory completion of reference checks etc.)

**10h** You (or the landlord) must not accept more than one holding deposit for the same housing unless you have previously had grounds to retain an earlier holding deposit.

**10i** You must refund a tenant's holding deposit in full within seven days of:

- entering into a tenancy agreement with the tenant (before the deadline for agreement);
- the landlord choosing to withdraw from the proposed agreement;
- the deadline for agreement passing without a tenancy agreement being entered into;
- if you or the landlord impose a requirement that breaches the Tenant Fees Act 2019 or behave in an unreasonable manner such that it would be unreasonable to expect the tenant or relevant person to enter in to the tenancy.

**10j** A holding deposit can only be retained where a tenant (or, where applicable, a guarantor):

- provides false or misleading information (*) which you can reasonably consider when advising the landlord on the decision to let a property;
- fails a right to rent check (provided that you or the landlord did not know, and could not have been expected to know that outcome, prior to accepting the deposit);
- withdraws from the proposed tenancy;

fails to take all reasonable steps to enter into a tenancy agreement (for example, not providing reasonable information requested to support their tenancy application).

**10k** Where you intend to retain a holding deposit you should consider whether it is reasonable to retain all or part of the deposit and provide the prospective tenant with a written explanation as to why you have taken that decision within seven days of event set out in paragraph 10j. You must only charge for work that has been carried out or reasonable costs that you have incurred as a result of the tenant not entering into the tenancy, taking into account individual circumstances. Your explanation must include evidence of your costs (e.g. referencing checks) and details of any amount paid to a landlord as compensation for the period the property was removed from the market.

**10l** If a tenant withdraws from a proposed tenancy because of an unfair term, you should refund their full holding deposit.

**10m** Where prescribed by law for non-standard tenancies (for example, holiday lettings), where you take a holding deposit from a tenant this must be treated as clients' money (*) except insofar as it will be used to meet the costs of referencing and other reasonable administration charges. You must explain the purpose of the holding deposit and its use in writing, including the circumstances where it could be forfeited or refunded, before any tenant is committed to paying.

## 11. Referencing and Pre-Tenancy Checks

**11a** In all referencing processes or procedures, you must be diligent in identifying fraudulent applications.

**11b** You must take references on a tenant or guarantor appropriate to the circumstances of the application and in line with the criteria agreed with the landlord. This should include proof of identification; proof of residence; credit check and proof of income. Your own referencing procedures should usually be by way of a Referencing Service provider or by direct application to third party referees or any combination of the above.

**11c** Where references are provided directly by the tenant or guarantor, you must be diligent in validating their authenticity.

**11d** Where the current existing address of the tenant or guarantor is not evidenced via the Electoral Roll, such an address must, wherever practical, be verified by the tenant or guarantor providing you with a utility bill or bank statement dated within 3 months, or Building Society passbook or Council Tax account for the current council tax year or valid driving licence or similar.

**11e** You must be diligent in verifying the identity and nationality of a tenant or guarantor including verifying the nature of any visa, status of residency and work permit and you must retain a record of steps you have taken. 'Right to Rent' checks must be carried out on tenants in accordance with the Home Office codes and avoiding unlawful discrimination.

**11f** Where a tenant or guarantor fails, in the circumstances, to meet the agreed referencing criteria, you must obtain confirmation in writing from the landlord whether they wish to proceed with that application. If the acceptance of the tenant or guarantor is conditional you must ensure those conditions are met and/or advise the landlord accordingly. Where the tenant has provided factually correct information which has been requested, but you or the landlord do not consider the references to be sufficient in order to let the property, then the tenant is entitled to a full refund of the holding deposit.

**11g** You must provide the landlord with all relevant facts (subject to compliance with data protection laws) relating to the application to enable the landlord to make an informed decision, regardless of whether the tenant has met, or failed to meet, the referencing criteria.

## 12. Tenancy Payments

**12a** In accordance with the Tenant Fees Act 2019[2], all payments in connection with a tenancy falling within the scope of that Act are banned with the exception of the following permitted payments:

- the rent (see paragraph 12b);
- a refundable tenancy deposit (see paragraph 12c);
- a refundable holding deposit (see paragraph 12d);
- a default fee being a payment that is required in the event of a default by the tenant for a lost key, a lost security device giving access to housing or a payment of rent that is late by 14 days or more (see paragraph 12h);
- payments on assignment, variation or novation (*) of a tenancy at the tenant's request, capped at £50 or the reasonable costs incurred if greater (see paragraph 12e);
- payments in respect of early termination of a tenancy agreement at the tenant's request capped at the landlord's loss (see paragraph 12f);
- payments to a local authority in respect of council tax (see paragraph 12g);
- payments in respect of energy and other utilities (see paragraph 12g);
- payments to the BBC in respect of a television licence; and payments in respect of communication services.

  Note that where there is a limit on a permitted fee, that limit is inclusive of VAT.

If the fee a landlord or you wish to charge a tenant is not included in this list, it is a prohibited payment (*) and you must not charge it.

**12b** Rent - When agreeing the rent, setting rent periods, seeking advance rent and increasing the rent ,you must comply with the law

In respect of assured tenancies, you must:

- Agree rent with the tenant before the tenancy starts.
- Only request payments allowed by law; do not require rent before the due date.
- Rent increases must follow legal limits, notice periods, and tenancy terms.
- Discuss any proposed increase with the tenant.

**12c** Tenancy Deposit - This is a refundable payment that you and the landlord may ask a tenant to pay in case of any breach of the tenancy agreement (such as damage or unpaid rent or bills) at the end of the tenancy. You and the landlord are not legally required to take a deposit. Where the annual rent is less than £50,000 you must not ask for a deposit which is more than five weeks of the total annual rent. Where the annual rent is between £50,000 and £100,000 or greater you must not ask for a deposit which is more than six weeks of the total rent. Any deposit above these maximum permitted amounts will be a prohibited payment. Any deposit taken must be protected in a Government backed tenancy deposit schemes within 30 days of taking the payment. You or the landlord must provide the tenant with information as to where and how their deposit is protected. The deposit is the tenant's money and you and the landlord will need to provide evidence to substantiate any proposed deductions from the deposit.

[2] https://www.gov.uk/government/publications/tenant-fees-act-2019-guidance

**12d** Holding Deposit – A refundable payment requested from a tenant to demonstrate a commitment to rent the property whilst referencing checks take place (see Section 10).

**12e** Changes to the Tenancy - Where a tenant requests a change to the tenancy agreement, for example a change of sharer, you are entitled to charge up to £50 for the work and administration involved in amending the tenancy agreement or the amount of your reasonable costs if they are higher. The general expectation is that the charge will not exceed £50. You should provide evidence to substantiate the reasonable costs of carrying out the work if a charge is above £50. Any reasonable requests to vary the tenancy agreement should not be refused. Any costs that are over £50 and are not supported by evidence will be a prohibited payment.

**12f** Early Termination - If a tenant serves notice and then requests to leave before the end of their notice period you may be entitled to charge an early termination fee, which must not exceed the financial loss that the landlord has suffered in permitting, and reasonable costs that have been incurred by you in arranging for, the tenant to leave early. Early termination fees should not be charged unless you can demonstrate through evidence that specific costs have been incurred. Any payment that exceeds the landlord's financial loss and your reasonable costs in this circumstance will be a prohibited payment.

**12g** Council Tax, Utility and Communications Services – In accordance with the tenancy agreement, a tenant is likely to be responsible for paying bills which could include council tax, utility payments (gas, electricity, water), and communication services (broadband, TV, phone). There is associated consumer protection legislation[3] which prohibits landlords and agents from over-charging for these services.

**12h** Default Fees - You can only recover default fees where they have been written into the tenancy agreement. You may charge a tenant a default fee under a term of the tenancy agreement for:

a) the loss of a key to, or other security device giving access to, the housing to which the tenancy relates. You or the landlord must provide evidence in writing to the person liable for the payment to demonstrate that the costs incurred are reasonable. A fee which exceeds the reasonable costs incurred by you or the landlord is a prohibited payment.
b) failure to make a payment of rent in full before the end of the period of 14 days beginning with the date ("the due date") on which the payment is required to be made in accordance with the tenancy agreement. Any fee charged must be no more than 3% above the Bank of England's base rate for each day that the payment has been outstanding. A fee which exceeds this amount is a prohibited payment.

The Tenant Fees Act 2019 does not affect any entitlement for landlords or agents to recover damages for breach of contract. Any claims for damages must be based in evidence and are only permitted where you or the landlord have incurred costs/actual loss as a result of the contractual breach (unless this is for a default fee for a late payment of rent or lost key/security device which is required under the tenancy agreement). Penalty fees written into the tenancy agreement based on the tenant failing to perform an obligation are likely to be prohibited.

## 13. Tenancy Agreement, Inventories and Deposits

### The Tenancy Agreement

**13a** You must take care to prepare an appropriate written tenancy agreement[4] that includes any agreed or specially negotiated clauses or terms particular to the property or the circumstances of the parties to the letting, and any prescribed information or other tenancy information required by law. Where legislation requires a written statement of tenancy terms or other prescribed tenancy information to be provided to the tenant, you must ensure that this information is incorporated within the tenancy agreement or provided in a separate document. You should ensure tenancy agreements are transparent in relation to the commitments of each party. Tenancy agreements must be clearly presented, written in plain and intelligible language. Any permitted payments or other charges must be clearly identified and explained so that the tenant understands their nature and when they may become payable.

**13b** You must give the tenant the opportunity to raise queries in order to clarify and understand their rights and obligations under the tenancy agreement, particularly those relating to maintenance responsibilities, rent, deposit or permitted payments. Whilst you should not seek to vary the tenancy agreement during the period of your agreement with the landlord, there may be occasions where this may occur. In such circumstances the tenant and the landlord must be given the opportunity to see and confirm the changed tenancy agreement.

**13c** You must ensure that tenants are provided with relevant and appropriate documentation, statutory or otherwise, prior to their occupation of the property or commencement of the tenancy, whichever is the sooner (see paragraph 9k).

**13d** By law you must, within 21 days of receipt of formal written request from a tenant, provide that tenant with the name and address of their landlord.

**13e** Prior to the start of a tenancy, you must ensure that both landlord and tenant are aware of your ongoing role and scope, if any, in the continuing collection of rent and/or management of the property. In circumstances where the tenant is to be paying rent direct to a non-resident or overseas landlord, even where that is into a UK bank account, the tenant should be made aware of a tenant's obligations to HM Revenue and Customs in respect of a non-resident or overseas landlord's tax liability.

### Inventories and Schedules of Condition

**13f** Further to instructions from the landlord, you must ensure at the start of a tenancy that any Inventory and/or Schedule of Condition prepared by you, or an appointed sub-contractor, is sufficiently detailed (e.g. full descriptions and dated photographic evidence) and up to date to allow it to be used as a fair measure at the end of the tenancy. It is best practice to engage an independent inventory provider.

**13g** You should arrange for a tenant to be checked-in to the property accompanied either by an Inventory Clerk or other representative of the landlord or the landlord's agent. Wherever this is not practical, the tenants must be provided promptly with the Inventory and/or Schedule of Condition and advised of the need to formally raise in writing any notable discrepancies, deficiencies or differences identified, within a specified period of time.

3 Section 44 Electricity Act 1989, Section 37 Gas Act 1986, Water Resale Order 2006

4 https://www.gov.uk/tenancy-agreements-a-guide-for-landlords

**13h** The tenant must be given sufficient time, up to 7 working days from receipt to read and comment upon and sign the Check-in report and Inventory, and given copies. If the tenant fails to sign and return the documents within the time frame the tenant can be deemed as to have accepted the contents as accurate. You must hold copies on file. You must actively flag and specifically draw to the attention of the tenant that their failure to sign and return the documents will result in the original unamended documentation being accepted as accurate. If the tenant refuses to sign within the relevant timescale they should be asked to explain why and the reason recorded.

### Deposits

**13i** Where required by law, deposits taken for a tenancy must be protected by a government authorised Tenancy Deposit Protection Scheme. Tenancy deposits must not exceed the maximum permitted amount and must be protected within the timescales and otherwise in accordance with the relevant scheme rules, including the serving of prescribed information.

**13j** Deposits belong to the tenant and where they are passed to the landlord for protection any charges due from the landlord for fees etc must be dealt with as a separate issue and not deducted from the funds passed to the landlord.

**13k** You must ensure that the Tenancy agreement includes a clause that specifies how and by whom the tenancy deposit is to be held, and whether interest is to be paid or not. It should include some information on how the tenancy deposit will be dealt with at the end of tenancy and the circumstances or criteria or procedure by which it will be refunded.

**13l** Where required by law, you must hold tenancy deposits as stakeholder in accordance with applicable legislation, meaning the deposit may only be disbursed with the agreement of both the landlord and tenant, or following a decision by an adjudicator or the courts in the case of a dispute.
Even where holding the deposit as stakeholder is not required, it is recommended to do so to protect the deposit and help facilitate fair disbursement at the end of the tenancy.
Any deposits that you hold, whether or not they are protected by a recognised Tenancy Deposit Protection Scheme, must be treated as clients' money.

**13m** The relevant clause of the tenancy agreement must include provision for an unresolved deposit dispute to be referred to an independent dispute resolution scheme. This is via one of the government authorised Tenancy Deposit Protection Schemes and there is a requirement by law to inform the tenant under which scheme the deposit is protected and how to seek resolution of a dispute over the return of the deposit should one arise.

**13n** Where the deposit is in the form of a Bond (for example provided by a local authority) you must advise the landlord.

**13o** Where a deposit replacement product (e.g. such as insurance) is proposed in place of a traditional deposit, the potential advantages and disadvantages of the product must be explained in clear terms to the tenant and the landlord and both party's agreement sought before proceeding.

## 14. Rent Collection

**14a** You must use legally acceptable methods to obtain prompt rental payments from tenants in accordance with their tenancy agreement and, when received, transfer those monies to the landlord promptly.

**14b** You must have procedures in place to notify both landlord and tenant (and guarantor if relevant) in a timely manner, of rent that has become appreciably overdue and take suitable steps to notify rental warranty insurers (if appropriate) as necessary.

**14c** You must provide a tenant, upon request, with a statement or schedule of rental payments received showing how arrears have arisen.

**14d** You must draw a landlord's attention to a build-up of serious rental arrears and should seek appropriate instructions from the landlord or the landlord's professional advisers.

**14e** You must co-operate fully and promptly with legal advisers acting for, or appointed on behalf of, landlords or tenants.

**14f** You must have in place suitable processes and accounting procedures for fulfilling the obligations placed upon an agent for the deduction, if appropriate, of tax from rent received on behalf of a non-resident or overseas landlord and subsequent payment and reporting to, the HM Revenue and Customs.

## 15. Management

**15a** You must manage a property in accordance with the law, the relevant tenancy agreement, and the Terms of Business with the landlord. It is accepted that there will be times when you will have to act as "an agent of necessity" (*).

**15b** You must respond promptly and appropriately in the circumstances to reasonable communications from landlords and tenants or any other authorised or appropriate third party, particularly where these relate to statutory repairing or maintenance obligations or safety regulations.

**15c** You should make provisions for tenants to report emergency repairs outside of normal working hours and ensure that such reports are dealt with as soon as reasonably practicable.

**15d** You must be prudent in the selection, appointment and use of contractors engaged to carry out work on behalf of, or to provide advice to landlords. You must take reasonable steps to ensure such contractors hold relevant professional indemnity and public liability insurance and possess suitable qualifications and/or applicable professional or trade membership where required.

**15e** You must keep suitable records of repairs, maintenance etc carried out on behalf of the landlord and should ensure that instructions to contractors or suppliers indicate both any urgency required in carrying out jobs and, within reason, the scope or scale of the works needed.

**15f** When determining the standard of repair or general maintenance required on behalf of a landlord, you should consider the age, character and prospective life of the property or the relevant part, and the locality in which it is situated.

**15g** Initial contractors' quotes or estimates and subsequent receipts and invoices, submitted to you should be required to provide a sufficiently detailed breakdown to clarify what work is needed to be, or has been, carried out in which areas of the property and at what cost.

**15h** The frequency of any routine visits to be made to the property by you during a tenancy must be agreed with the landlord in advance, normally within the Terms of Business. The landlord should be made aware that such visits are of limited scope, are of a generally superficial nature and are neither an Inventory check nor a survey.

**15i** You must keep records of when, or if any, routine visits are carried out during a tenancy; record any significant findings and be diligent in bringing such findings to the attention of both landlord and tenant, including any corrective actions suggested or required.

**15j** You must communicate promptly to the landlord and tenant on any important issues or obligations relating to the use and occupation of the property, including significant breaches of the tenancy agreement that you become aware of.

**15k** You should be prepared to provide a reasonable degree of guidance and sympathetic support to tenants of a managed property who are being harassed or victimised, or are the target of persistent anti-social behaviour.

**15l** Where in receipt of a request from the tenant to keep a pet in the property, you should pass on the request to the landlord promptly and advise the landlord on the process and timescales for processing the request. Where the landlord declines, you should offer suitable advice concerning the tenant's right to challenge the decision.

## 16. Termination of a Tenancy

**16a** Upon receipt of appropriate instructions from the landlord, you must take steps to serve a notice in accordance with all relevant legislation[5] in writing upon a tenant to terminate the tenancy; either in line with the landlord's instructions or at the earliest time the law allows taking account of the landlord's requirements.

**16b** You must inform a landlord, promptly and in writing, of the receipt of lawful notice from a tenant.

**16c** On giving or receiving notice to bring a tenancy to an end, you must provide a tenant with general written guidance as to what steps need to be taken relating to the preparation of the property for the final check-out, handover of keys and other matters. You must actively flag and draw the tenant's specific attention to any specific clauses or obligations within the tenancy agreement relating in particular to potential deductions from the tenancy deposit but also for example, to specified standards of cleaning etc. Note that you cannot require a tenant to pay for a professional clean when they check-out, but you may request that a property is cleaned to a professional standard.

**16d** Where a tenant does not vacate a property on the due date, you should take steps to ascertain the tenant's intentions and advise the landlord as soon as practicable. Where appropriate, you must take steps to notify any legal protection or expenses insurer and co-operate fully and promptly with legal advisers acting for, or appointed on behalf of, landlords.

## 17. End of Tenancy – Deposits, Disputes and Damages

**17a** Where appropriate to the services being provided and unless you have instructions to the contrary, you must arrange for, or carry out, the final Check-out as soon as is reasonably practicable after the tenants vacate and at the lawful end of the tenancy, preferably during daylight hours. The outgoing tenants should always be offered the opportunity of being present to observe the final Check-out.

**17b** The Check-out must be conducted thoroughly and a sufficiently detailed report or summary prepared with specific reference back to the Inventory and Schedule of Condition prepared prior to the tenancy. It is best practice to engage an independent inventory provider.

**17c** When the final Check-out has been completed and the parties have agreed there are no intended deductions or any dispute, you must refund the full deposit to the ex-tenant(s) or instruct the landlord or tenant's deposit holder in respect of Assured Tenancies within a maximum of 10 working days. Where practical the agent should use fast payment schemes.

**17d** Irrespective of how the tenancy deposit has been held by you, where you are subsequently contractually involved in negotiations between the parties at the end of the tenancy, you must communicate promptly, regularly, politely and fairly. Major pertinent details and recommendations or suggestions must be confirmed in writing and evidence (such as quotations and invoices) must be provided to substantiate any requested deductions from a tenant's deposit.

**17e** You must ensure that instructions to contractors or suppliers and, subsequently, contractors or suppliers quotations or receipts provide a sufficiently detailed breakdown to clarify precisely what work is to be/has been carried out in which areas of a property. It should then be simple for all parties to assess and understand what portion of the work and costs can lawfully be allocated to the landlord or tenant in the light of the Inventory, Check-out report or tenancy agreement obligations.

**17f** Wherever possible, once proposed deductions have initially been raised with the parties, you must pay over to each relevant party any amount of the deposit that is not subject to a dispute, as soon as administratively practicable and ensure that the parties to a disputed tenancy are advised of the timescales and procedures for progressing a dispute.

**17g** You are expected to co-operate and comply fully and promptly with any investigation and the result of any independent, alternative deposit dispute resolution service, such as a Tenancy Deposit Protection Scheme, invoked by the parties.

## 18. Clients' Money

**18a** Where you hold client money you must belong to a government approved client money protection (CMP) scheme[6].

**18b** You must at all times keep clients' money in a client money account with a bank or building society authorised by the Financial Conduct Authority.

**18c** You must have appropriate client money protection handling procedures.

[5] www.gov.uk/evicting-tenants

[6] www.gov.uk/government/publications/client-money-protection-for-letting-and-managing-agents

**18d** You must obtain a certificate confirming membership of an approved CMP scheme and display this prominently in each of your offices where you deal with the public and on your website. You must provide a copy of the certificate to any person who may reasonably require it, free of charge.

**18e** You must transfer monies due to a landlord and provide an appropriate, regular statement of income and expenditure in accordance with agreed terms. Other than for minor amounts, adequately detailed invoices or receipts should support payments made on behalf of a landlord and copies provided to the landlord upon request.

## 19. In-house Complaints Handling

**19a** You must maintain and operate an in-house complaints procedure. Such procedures must be in writing; explain how to complain to your business and to the Ombudsman; be readily available in each office and on your website; and be available for inspection by both the Ombudsman and/or TPO Limited.

**19b** All verbal and written complaints must be recorded by you at the time they are made.

**19c** You must agree to deal with any properly appointed representative of a Complainant (*).

**19d** All written complaints must be acknowledged in writing within 3 working days and a proper investigation promptly undertaken. A formal written outcome of your investigation must be sent to the Complainant within 15 working days of receipt of the original complaint. A senior member of staff or designated complaint handler not directly involved in the transaction should deal with the complaint. In exceptional cases, where the timescale needs to be extended beyond this limit, the Complainant should be kept fully informed and an explanation provided.

**19e** If the Complainant remains dissatisfied, the Complainant must be told how the complaint can be further pursued within your business. This should provide the opportunity for a speedy, separate and detached review of the complaint by staff not directly involved in the transaction. Such a review must be sent to the Complainant within 15 working days.

**19f** Following the conclusion of your investigation, a written statement expressing your final view, and including any offer made, must be sent to the Complainant. This letter must also tell the Complainant how the matter can be referred to the Ombudsman, pointing out that any such referral by the Complainant must be made within 12 months of your final view.

**19g** You must not imply that payment of any outstanding commission fee or additional costs is a condition of a review by the Ombudsman.

## 20. Referrals to the Ombudsman

**20a** You must co-operate with any investigations by the Ombudsman being conducted in accordance with the Ombudsman's Terms of Reference.

**20b** You must:

- comply with any award and/or direction made by the Ombudsman against you and accepted by the Complainant and which is binding upon you under the Terms of Reference; and
- pay the Complainant the amount of any such award if accepted by the Complainant within the period for payment required by the Ombudsman.

## 21. Application of the Code

**21a** TPO members who have agreed to abide by this code are expected to act in accordance with its prescribed standards.

**21b** This code and its standards will be applied in the Ombudsman's casework where consumer complaints are received and accepted for consideration in line with the Ombudsman's Terms of Reference. In these instances, the Ombudsman will consider the impact on the consumer of any identified breaches of the code identified through the Ombudsman's casework processes.

## 22. Glossary of Terms

In this Code, the following interpretations and definitions apply:

**22a** Agent of Necessity. Created by an emergency arising from a situation making it necessary or proper for the agent to act without receiving the sanction or authorisation of the landlord and/or the tenant.

**22b** Aggressive Behaviour. Here are some illustrative examples of aggressive behaviour or practices. It is not an exhaustive list. In each case, the test is whether the average consumer's freedom of choice or conduct is (or would be likely to be) impaired and, as a result, they take (or would be likely to take) a different transactional decision. When you gain new landlords and instructions, when you market property for rental, when you negotiate rents and arrange tenancies you should not:

- Impose onerous or disproportionate requirements which prevent a landlord client from exercising rights to terminate an agreement or switch to another agency.
- Refuse to allow a landlord to cancel their contract with you, where a cancellation period applies and has not expired.
- Pressure a landlord or tenant to use associated services, for example to take out an insurance policy through an associate.
- Pressure (for example by persistent and/or aggressive telephone calls/emails) the prospective tenant to act quickly to put in a rental offer or finalise the tenancy agreement.
- In order to make commission quickly, pressure a landlord to accept a rental offer at a lower rate than is reasonable for their property, for example by telling them that they cannot get a better offer.
- Pursue commission or other fees from the prospective or existing tenant/landlord to which you are not entitled.
- Intimidate, pressure or coerce landlords or tenants into dropping complaints against your business, for example by using threatening or abusive language or actions when you deal with complaints.

**22c** Associate. Includes a brother, sister, husband, wife, civil partner, aunt, uncle, nephew, niece, parents, grandparents, children and grandchildren. The definition also includes business associates.

**22d** Average Consumer. The 'average consumer' is someone who is reasonably well-informed, and reasonably observant and circumspect. For example, an average consumer would pay some attention to documentation given to them, but not necessarily to the small print unless key points in it are brought to their attention. An average consumer would check out publicly available facts for themselves where this is straightforward to do, although what checks they actually make will be influenced by the information that you have given them.

Where a commercial practice is targeted at a particular group consumers, the 'average consumer' will refer to the average member of that group, not the average consumer generally. This will be relevant to you if you are targeting your commercial practice at a particular group of consumers.

**22e Client.** A person who has instructed you to let a property on their behalf which is located in England. Where appropriate, this definition includes a client's properly appointed representative.

**22f Clients' Money.** Money held or rent collected for and on behalf of landlords, including ex-landlords is considered as client money and this will include deposits or money held for and on behalf of an applicant, tenant or ex-tenant.

**22g Client Money Protection.** Provides compensation to landlords, tenants and other clients should an agent misappropriate the rent, deposit or other client funds.

**22h Complainant.** Someone who is an actual or potential landlord or tenant or former landlord or former tenant of residential property
making a complaint against a Member Agent. Where appropriate, this definition includes a Complainant's properly appointed representative, third parties and other definitions as set out in the Ombudsman's Terms of Reference.

**22i Connected person.** Includes:

- Your employer or principal.
- Your employee or agent.
- Any associate including the term "business associate" as defined within Sections 31 and 32 of the Estate Agents Act 1979.

**22j Consumer.** Refers to an actual or potential tenant or landlord.

**22k Deadline for Agreement.** A 15 day period beginning on the day on which the landlord or letting agent receives the holding deposit, unless a different deadline has been agreed in writing with the tenant and the landlord. The period where the agent and landlord conduct pre-tenancy checks before a decision is made whether to enter into a tenancy agreement with the tenant. The time period can be varied with the written agreement of the tenant and the landlord.

**22l False or Misleading Information.** The difference between the information a tenant has provided and the correct information, or their conduct in providing false or misleading information, where this materially affects the landlord's decision to grant the tenancy because it reasonably calls into question the tenant's suitability to rent the property. For example:

- the tenant's income declaration was significantly too high
- the tenant provided information which was clearly inaccurate about their income or employment
- the tenant failed to disclose (when directly asked by you) any relevant information which later comes to your attention, such as valid County Court Judgements.

Misleading information that is not relevant to their suitability as a tenant and cannot be used as a reason to retain a holding deposit, is, for example:

- where a tenant misspelled their name, the name of their employer or a previous address
- a tenant omitted to declare a previous address – and the omission had no bearing on their credit worthiness or other assessment of suitability
- the tenant slightly misstated their income.

**22m Harass/Harassment.** Unwanted conduct which has the purpose or effect of:

- violating a person's dignity;
- creating an intimidating, hostile, degrading, humiliating or offensive environment for a person.

**22n In Connection with a Tenancy.** In the legislation "in connection with a tenancy" is defined as requirements:

- in consideration of, or in consideration of arranging for, the grant, renewal, continuance, variation, assignment, novation or termination of a tenancy;
- on entry into a tenancy agreement containing relevant provisions;
- pursuant to a provision of a tenancy agreement, or pursuant to an agreement relating to such a tenancy with a letting agent, which requires or purports to require the person to do any of those things in the event of an act or default of the person or if the tenancy is varied, assigned, novated or terminated;
- as a result of an act or default related to the tenancy unless pursuant to, or for breach of, the tenancy agreement; and
- in consideration of providing a reference for a former tenant.

**22o Letting Agency Services.** Things done by an agent in the course of a business in response to instructions from:

- a private rented sector landlord who wants to find a tenant: or
- a tenant who wants to find a property in the private rented sector.

**22p Material Information.** Required by consumers to make informed 'transactional decisions'. In the most straightforward lettings, the material information that you should give to tenants may be quite basic although you should bear in mind the requirements of paragraph 7a.

**22q Member.** An agent who is a Member of the TPO scheme and who has undertaken to abide by all provisions of the Code of Practice.

**22r Novation.** In contract law and business law, is the act of: replacing an obligation to perform with another obligation; or adding an obligation to perform; or replacing a party to an agreement with a new party.

**22s Portfolio Landlord.** A landlord with a number of properties that are being let, often through the same letting agent.

**22t Privacy Notice.** A published notice to consumers explaining how collected personal data will be used and the lawful basis for processing it.

**22u Prohibited Payment.** A prohibited payment is a payment outlawed under the ban imposed under the Tenant Fees Act 2019. Trading Standards will enforce the ban on prohibited payments. If you are uncertain as to whether a charge is permitted, you should contact your local trading standards authority for advice.

**22v** **Property Management.** In this Code, property management means the management of a property in the private rented sector on behalf of the landlord, generally following the finding of a tenant. It does not relate to 'block' management (residential leasehold management).

**22w** **Records.** Means all written correspondence, file notes, contracts and agreements in hard or digital copy or electronic communications including emails, texts and other forms of digital messages or faxes.

**22x** **Residential Property.** Means property (land and/or buildings or part thereof) used, last used, or to be used for residential purposes. Excluding holiday lets.

**22y** **Superior Landlord.** The owner of a superior interest in the property, such as a freeholder or leaseholder or intermediate landlord.

**22z** **Tenancy.** Means any agreement under which a person occupies property as a tenant or licensee, including tenancies, student accommodation agreements, and licences to occupy, except where expressly excluded by law (for example certain licence types under the Tenant Fees Act 2019).

**22aa** **Transactional Decision.** Informed decisions made by consumers, which include, but are not limited to:

- A decision to find out more about your services, or to rule out using the services of one of your competitors.
- A client's decision whether and on what terms to sign or renew an agreement with you, or their decision to end an agreement.
- A prospective tenant's decision whether to view an advertised property, or whether and on what terms to make an offer on a property or renew a tenancy.

**22ab** **Written, in Writing.** Includes typed or hand-written letters, records or notes, emails, texts, other forms of digital messages and faxes. Electronic signatures are acceptable.

**22ac** **You.** Applies to all those Letting and Managing Agents and their staff providing services bound by this Code.