

SIMPLY LET

WRITTEN SUBMISSION

Simply Let is a residential letting agency based in Inverness. We are a small company of two directors and two further employees. We are regulated by RICS, Licensed by ARLA, members of the Council of Letting Agents, accredited by Landlord Accreditation Scotland and carry the SafeAgent badge.

We seek to make renting a completely dependable option for both our landlord clients and for their tenants and we are keen to see management standards raised throughout the PRS. Indeed we believe that standards must be raised if the sector is to properly fulfil its key role in meeting Scotland's housing need. We therefore welcome this Bill and the opportunity to submit our views on its proposals, particularly in relation to Parts 3 and 4.

Q7. Do you have any comments on the proposals for transferring certain private rented sector cases from the sheriff courts to the new First-tier Tribunal?

We welcome this proposal and believe that it potential to simplify and accelerate the processing of cases and will be less stressful for tenants.

Q10. Do you have any comments on the proposal to create a mandatory register of letting agents in Scotland, and the introduction of statutory provisions regarding letting agents' practice?

We do not believe that mandatory registration of agents will by itself be effective in raising standards of management. Registration of landlords has, in our experience, failed to improve management standards to any significant extent. Effective and visible policing of the system would be necessary as well as the imposition of penalties for non-registration, but even with that in place we do not consider that registration alone will be effective.

The proposals couple this requirement to a requirement for agents to abide by a Code of Practice. Much will depend therefore on the content of that Code. In our view it must be a demanding one if it is to be effective in raising management standards amongst agents.

In our view anyone who plays any part in managing a tenant's home, or who is entrusted with the management of a landlord's valuable asset (and possibly pension fund) must be competent and qualified in their field and appropriately insured. They must also, in your view, have protective measures in place for the handling of money which does not belong to them and offer a path to redress for clients who have a valid complaint.

It follows from this that a Code of Practice for letting agents must contain, as a minimum:-

- a requirement to undertake training and CPD for all staff
- a requirement to hold third-party monies in a discrete and ring-fenced client account
- a requirement to have client money protection in place
- a requirement to hold Professional indemnity insurance
- a requirement to offer recourse to an Ombudsman scheme

Without all of those components management of a standard necessary to secure a high quality PRS is unlikely to be achieved and tenants' and landlords' interests will remain at risk.

Our much preferred option, instead of registration, would be a requirement for all agents to belong to a recognised professional body such as the Royal Institution of Chartered Surveyors or the Association of Letting Agents. These bodies already have all of the above requirements in place.

We are concerned at Article 220 of the Housing (Scotland) Bill Policy Memorandum which, in relation to this option (requirement to belong to a professional body) states *“This approach would also be likely to place the most significant financial burden on the industry. All letting agent businesses would be required to undertake mandatory accreditation and training, before being considered for membership of a professional or trade body.”*

In our view the interests of letting agents should not take precedence over the wider public interest objective of a high quality PRS. As stated at the beginning of this submission, Simply Let is a small firm. Notwithstanding that our budget for professional memberships and training is significant as, without those things, we could not operate on a professional basis and assure landlord clients and tenants a fully informed service.

Lastly, if registration is the requirement enacted we believe there is scope for confusion. "Registered Letting Agent" suggests reliability and fitness for purpose but may not in fact be any guarantee of that at all. The public are likely to be confused between "Registered" and "Regulated" and, unless registration is backed by a fully effective code containing all of the elements above and is rigorously and visibly policed, we fear that low standards of management will masquerade under the mantle of registration leaving landlords and tenants poorly served.

Simply Let
28 February 2014