

## TOP LETTING AGENT CALLS FOR INDUSTRY LICENSING

'Things come and go'. That is a well-known saying which can also, at times, apply to businesses. No business should ever, however, suddenly disappear overnight without warning its customers and clients. If the owners of a business decide to close down, it would be normal practice to give adequate warning to customers and suppliers, or perhaps they would sell the client base and then notify customers of the change. In a professionally run business, that is what would be expected.

However, this is not always the case in the lettings industry. Over the years many lettings offices have been 'here today, gone tomorrow', sometimes with the owners disappearing without a trace. Clients have turned up to the office chasing rents only to find it closed or with new occupants in residence with no responsibility for the outgoing firm. Tenants vacating their rented property also turn up to collect their deposit and find themselves in the same position – where is their money and how will they recover their rent or deposit? Perhaps they will but most likely they will not!

With buy to let mortgages running at record levels, there is renewed pressure for legislation to force all letting agents to be registered and licensed. Of the 2 ½ million properties in the private rented sector, under a million are let through a licensed agent. The result is that landlords and tenants could find themselves unprotected and out of pocket if their letting agent went bust or AWOL.

Unfortunately, all too often the police do not take action and the letting agent gets away scott free!

As a member of ARLA (Association of Residential Letting Agents) and as a long-term member of the ARLA National Council, Frances Burkinshaw, Director of Ashton Burkinshaw Ltd, has seen many such occasions over the years. Across the country, lettings businesses have sold themselves as professional, honest, hard working agents, persuading decent people to entrust them with their properties and deposits, only to find later on that they have lost out.

How can we ensure that this does not happen in the future because at present there is no licensing for agents whatsoever? **The only way is to persuade the Government that letting agents must be registered and licensed.** Only those agents who can meet certain high standards would be able to be licensed. Those high standards would include holding monies in a ring fenced 'client account' which could not be touched should the firm go under; ensuring that the firm became a member of a professional body, such as ARLA, who would have redress against that agent and who would have an efficient complaints procedure; this professional body would also have Client Money Protection cover meaning that the clients' rent and tenants' deposits would be covered by insurance.

New legislation is coming into force in April 2007 regarding tenants' deposits but there is no such legislation being introduced to protect rents for landlords! Is their money not important too?

There are also a huge number of unregistered agents desperate for business who are prepared to undercut ARLA members. Landlords would be unwise to think they were saving money by going with them. You get what you pay for. Non-registered agents are more likely to have untrained and unqualified staff who may cut corners with tenant references in order to secure their fee.

But so many people merely look at the cost; they also look at the 'offer of the month' without considering the potential future loss to themselves. If a professional agent does not reduce its fees on a regular basis, it is probably because it is actually offering a better, more professional service. It is probably not cutting corners to be able to reduce fees. Indeed, an agent should not be allowed to cut corners simply to be able to 'appear' to offer a good service at a reduced rate.

A truly professional agent will not be able to avoid certain costs; the less professional agents may be able to. These costs would include: - membership of a professional body, Client Money Protection insurance, professional indemnity insurance, employer's liability insurance not to mention the costs of employing adequate staff to carry out the duties of an agent as per the agreed contract.

Every agent will sell themselves well; that is their talent and their business. Surprisingly some of the larger chains are still not ARLA registered so it is important not to presume that they are because they are a recognised brand.

Says Frances Burkinshaw "Ashton Burkinshaw welcomes the day when the letting industry will have to be licensed and regulated, and taking the nationally recognised ARLA examinations will be mandatory for all

If you are in any doubt whatsoever about any aspect of letting or renting, any member of staff at any one of Ashton Burkinshaw's twelve branches throughout Kent and Sussex will be happy to help. All Ashton Burkinshaw branches are ARLA bonded and offer a caring, professional service with an excellent local knowledge of properties for let within their local areas.

**Photo: Frances Burkinshaw, Director of Ashton Burkinshaw Ltd**

