

Training is vital!

... but I would say that, wouldn't I?

The fact is, one of the first questions any Trading Standards Officer (TSO) will ask – when investigating a potential Property Misdescriptions Act complaint – is whether the staff concerned were appropriately trained.

Clearly, there could be two possible answers but only one is correct.

So spot the deliberate mistake in this pithy exchange taken from a PMA transcript:

Question: *Have you had any staff training?*

Answer: No. We're a small firm and can't afford it.

Question: *What are your PMA precautions?*

Answer: Everything – draft particulars, draft advertisements – crosses my desk.

Question: *Who wrote this particular advertisement?*

Answer: My Branch Manager.

Question: *Why?*

Answer: I was on holiday.

Question: *Did she have any special training?*

Answer: No.

Question: *Why not?*

Answer: We're a small firm and can't afford it?

Those who have had any experience with Quality Assured systems will have spotted the glaring though unintentional error.

Here was an increased area of risk where the agent admitted no increased precautions or procedures had been put in place. This undoubtedly contributed to the decision to prosecute and, from the 54-page Interview transcription, Prosecution Counsel had picked out this as one section worth quoting to the Court. The conviction – overall – was arguably unfair but this lack of training was cited by the Judge in justification for the conviction and quite substantial fine.

And, as you may have gathered, this was a small firm.

However, a much larger firm ran into similar criticism when the Regional Director had to admit that there had been no staff training on the PMA in his patch for over two years. This agency was also convicted as was, unfairly in my opinion, the branch manager concerned.

Incidentally, there have been something over 300 PMA Prosecutions to date which is why I always recommend a PMA training session at least every two years.

... but I would say that, wouldn't I?

And now we have HIPS!

From 1 June 2007, everything you know about marketing property starts again from scratch – training is vital can you afford to wait?

Money Laundering

Not a lot of people realise that under the Money Laundering Regulations, staff training is not just a recommendation, it is a legal obligation!

If an enforcement officer were to ask a member of your staff (any member of staff) the identity of your agency's Money Laundering Reporting Officer – and they did not know – you would be in real trouble with penalties which could include unlimited fines and up to two years imprisonment!

Yet, surprisingly, and despite these very harsh penalties, ignorance of the Regulations remains widespread with compliance poor.

I recently had a call on my hot-line advice service where an experienced subscriber said, *"Surely, David, we don't have to check every client do we?"* He had just rung around other agencies in one of his towns and found only one local and one national firm were doing so. I told him he had to comply and that the rest were simply ignorant of the law and I set out for him the absolute minimum he could get away with – it was not that onerous and comfortably fits on one side of a piece of A4. I just hope his teams are now doing it!

Okay, they were not estate agents, but one large banking group was fined £2.3m., and another £1.5m., for inadequate staff training, while for missing an obvious case of money laundering, a solicitor has received a six-months prison sentence and an estate agent awaits sentencing. Compliance really is essential.

Getting tighter

Finally, while on the subject of tighter regulation, even the newly empowered Office of Fair Trading (OFT) is in on the act – the Estate Agents Act. Do your staff write letters confirming every offer, promptly and impartially? These days the OFT is making a meal of even minor lapses in compliance. We had one estate agent who had failed to disclose that it was her house she was selling – a breach of the Undesirable Practices Order. She came within a whisker of a full life-long ban: it took an application to the High Court for Judicial Review to save her!

This Estate Agents Act may have come into force over 25 years ago but staff training remains as vital as ever. The recent OFT Report makes it clear they are looking for greater disclosure, tighter regulation and full disciplinary control. Last year the OFT issued over ten times more Orders than in 2003 and 2004 put together! Clearly the Office is not waiting for the outcome of the promised Government consultation on the Act, it is taking action already. You have been warned

Get Ahead of the Pack

Although the Regulations are still being fine-tuned, the main details are sufficiently settled to start serious staff training. As publicity increases over the next few months it will be important to let you clients know your team are well ahead of the pack. Get HIP!

***Training really is vital:
at least, with David Perkins, it can also be fun!***

David Perkins & co.

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