



Property Sector Report

January to December 2017

Property

Sector Report January - December 2017

New ways of working

In our Investigations process we ran a number of initiatives. The main initiative was to conduct a trial on the way we process our final decisions.

During the trial, an investigation officer completed the investigation report, and a different investigation officer completed the final decision. The trial allowed for another set of eyes to review the original decision, ensuring accuracy and completeness in addressing the issues raised.

We found that the trial showed a reduction in the number of process complaints and post-final decision disputes we received.

Volume and nature of complaint trends

In 2017, we saw an increase in the number of complaints relating to residential managing agents. For the first time, this overtook the number of complaints related to surveying.

Leasehold is a complicated topic, especially for leaseholders. We think a number of factors come into play here, for example:

- The implications and responsibilities of leasehold may not have been appropriately explained to buyers during the purchase process;
- There may also be a misconception as to the role of the agent; and

2017
Complaints about Residential Managing Agents **overtook** complaints relating to surveying

- Equally poor communication from the agent.

We think that better education is required from the outset to help a buyer to understand what owning a leasehold property means. We continue to work

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with the Ministry of Housing, Communities and Local Government (MHCLG) as part of MHCLG's work on leasehold to bring improvements to the sector.

Surveyors offer three levels of inspection. Level one is similar to a Mortgage Valuation Report. Level two is similar to a Homebuyer Report, and level three is similar to a Building Survey Report.

Complaint numbers relating to Homebuyer Reports remains high. Again, complaints relate to a variety of topics ranging from damp and defective roofs through to Japanese Knotweed. However, away from the complaint issue, we often see an over-reliance on standard phrases and condition ratings within reports with little substantive comment. This leaves a consumer unsure on what action they should take pre-purchase and what is considered urgent or simply maintenance.

The standard of reporting in this area needs to improve.

In 2017, Ombudsman Services carried out a study to determine the effectiveness of signposting amongst surveyors. The websites of 100 firms were reviewed to establish whether a published Complaint Handling Procedure (CHP) was available, whether it signposted to Alternative

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Dispute Resolution (ADR) and whether it mirrored industry guidance.

Out of 100 firms, only four had their CHP published on their website. Out of these four firms, only three signposted to ADR and only two mirrored industry guidance.

We have spoken at several conferences about the importance of signposting, responding to a complaint appropriately and delivering a good customer experience.

Customer satisfaction

In January 2017 we launched our customer satisfaction programme to key stakeholders of Ombudsman Services – consumers, participating companies and key external stakeholders such as Citizens Advice and Age UK.

The 360° feedback we received during 2017 has helped us to understand perception

of the service; our independence and impartiality; where we influence, and add value to key external stakeholders.

Feedback received from users of the service has helped us to understand consumer's experience of the customer journey, which has driven process improvements in an effort to maximise overall consumer satisfaction.

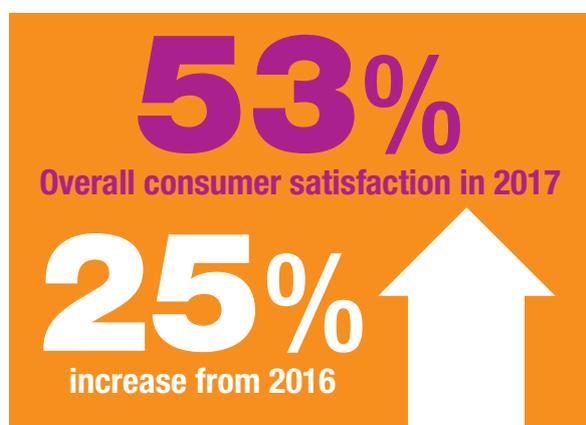
Overall consumer satisfaction in the property sector was 53% - an increase of 25 percentage points from 2016. Overall speed and efficiency saw an increase of 27 percentage points from 2016 to 59% in 2017.

In the interest of the sector

Ombudsman Services announced on 6 February 2018 that it was withdrawing from providing complaints handling in the housing sector. This decision was taken to help reduce fragmentation of redress in the housing sector.

The patchwork of ADR and ombudsman schemes in the housing sector was a mystery to consumers, difficult to navigate and was financially very costly to businesses.

Rather than continue to offer a broken solution to a broken market, we wanted to step away and listen to what consumers actually wanted to happen in the sector by launching our **Building Balance campaign and report.**



Property at a glance

Total initial contacts

5,078

How these contacts got in touch

1,222 24% Telephone 
3,856 76% Written 

of those written contacts

88% @
3,406 emails

12% 
447 letters

>0% 
2 fax

24% of contacts were inside our terms of reference (ITOR)

76% of contacts were outside our terms of reference (OTOR)

Contacts outside of terms of reference

41% Non-member complaints

59% Were outside our terms of reference (OTOR)

Complaints resolved

1,191

Key performance indicators (KPIs)

100% of correspondence actioned within 10 days

94% resolved in under 8 weeks

Outcomes

98% Ombudsman Services decision

1% Pre-investigation case closure

1% Mutually agreed settlement

Awards and remedies

 **38%** Financial

 **3%** Non-financial

 **15%** Both

 **44%** Other or no action

Top complaint types

27% Homebuyers survey/valuation

24% Property management – landlord

9% Residential management agent

The logo for Ombudsman Services features a stylized 'O' composed of a multi-colored ring (blue, green, yellow, orange, red) on the left. To the right of the 'O', the word 'Ombudsman' is written in a bold, grey, sans-serif font, and the word 'Services' is written below it in a larger, bold, grey, sans-serif font.

Ombudsman Services

Good for consumers – Good for business

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