

**Research into the impact of
the OFT's case against
Foxtons in respect of
commission fees in letting
agreements**

Report by IFF Research

June 2011

OFT1346

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1 EXECUTIVE SUMMARY

1.1 In May 2005, following a number of complaints from consumer landlords,¹ the Office of Fair Trading (OFT) approached Foxtons, a residential property agency offering letting, buying/selling and property management services in London and Surrey, to challenge some terms and conditions in their 'Long Term Lettings and Management' agreements with consumer landlords. The OFT challenged three kinds of terms:

- **Renewal Commission Terms:** Terms which allow the letting agent² to recover a further commission from the landlord where the tenant continues to rent the property from the landlord beyond the original term of the tenancy, and where the agent is not asked to provide any additional service in exchange.
- **Sales Commission Terms:** Terms which allow the agent to recover a commission where the property is sold by the landlord to the tenant and in some cases an occupant and/or any other party introduced by the agent, notwithstanding that the landlord does not wish the agent to perform any service in connection with the sale.
- **Third Party Renewal Commission Terms:** Terms which allow the agent to recover a commission from the landlord, where he has sold his interest in the property to a third party (and so has no control over and derives no rent from it), in the event that the tenant

¹ A landlord may or may not be considered a consumer for legal purposes depending on the circumstances in each case. A consumer is an individual, not a company, and in letting the property is acting 'for purposes outside his trade, business or profession.' Consumer landlords are likely to include individuals who let out their property whilst travelling abroad; who let out part of their property in order to fund their mortgage; or whose property investment represents part of their pension plan or other long term saving.

² Letting agents act as intermediaries between landlords and tenants in arranging the rental of residential property. Some agents who provide a lettings (or lettings and management) service also provide estate agency services (that is, arrange the buying and selling of property), while other agents provide a lettings (or lettings and management) service only.

continues to rent the property (from the purchaser) beyond the original term of the tenancy and the purchaser does not agree to pay the renewal commission.³

- 1.2 In February 2010, the OFT secured a final High Court order against Foxtons preventing it from using or relying upon unfair terms in its letting agreements with consumer landlords.⁴
- 1.3 The OFT wrote to a number of letting agents and industry bodies to draw their attention to this court order, and to confirm that it expected letting agents to amend their terms so as to comply with the law as set out in the Foxtons Judgment.
- 1.4 The OFT subsequently commissioned IFF Research in January 2011 to conduct a quantitative research study to examine current practices within the UK lettings market. The study comprises two strands: a telephone survey of 800 letting agents and an online survey of just under 1,000 consumer landlords.
- 1.5 Looking at the market from the two perspectives has advantages in that it allows us to present a more 'rounded' picture. On the letting agent side, each agent has equal 'weight' in the data irrespective of organisation size or number of contracts held with consumer landlords; as such it does not make allowance for each agent's share of the landlord market. The survey of consumer landlords offers a complementary perspective, providing insight into the prevalence of certain behaviours in the market rather than at the level of individual letting agents.
- 1.6 By analysing the findings from the two survey strands in tandem we are able not only to compare and contrast the experiences and perceptions of the two types of market participants across a number of

³ www.offt.gov.uk/OFTwork/consumer-enforcement/consumer-enforcement-completed/foxtons/

⁴ This case is referred to officially as OFT v Foxtons Limited [2009] EWHC 1681 (Ch). In this report we refer to the case as the Foxtons case or enforcement action against Foxtons.

awareness and attitudinal measures but also measure the prevalence of behaviours at two levels: that of the individual letting agent and that of the consumer landlord (the 'market').

- 1.7 In the consumer landlord survey we interviewed individual consumer landlords, whilst in the letting agent survey we interviewed the person responsible for the terms and conditions of letting contracts (that is, one person per organisation who is in effect regarded as speaking on behalf of the organisation as a whole).
- 1.8 Using a combination of our survey findings and data from Dun & Bradstreet we were able to weight the letting agent data to be broadly representative of the population of letting agents in terms of geographical distribution (thereby ensuring that our data were not skewed by UK region). As such we are able to extrapolate the findings from the letting agent survey to the population of UK letting agents. As there is no readily available data on the population of consumer landlords, it is not possible to reliably assess the extent to which the survey findings can be extrapolated beyond the sample of interviews achieved and as such, the findings apply only to those surveyed.
- 1.9 The objective of the research is to provide evidence to inform an OFT-led evaluation of the Foxtons' consumer enforcement case, contributing to an estimate of the impact of the intervention, including considering:
 - the extent to which letting agents appear to have changed their practices, and how they have done so, and
 - the extent to which consumer awareness and behaviour have changed.

Incidence of practices addressed by the Foxtons case

- 1.10 Letting agents and consumer landlords report that the three kinds of commission terms that were challenged by the OFT in the case against Foxtons are still being used by a relatively large number of letting agents.

- 1.11 Almost three-fifths (57 per cent) of letting agents report charging a sales fee or commission;⁵ 42 per cent of letting agents report charging a renewal fee or commission when providing a letting service only, that is, without management services, (and, in 75 per cent of these cases, agents report that these apply indefinitely or for as long as the tenant continues to let the property); while over one-quarter (28 per cent) of letting agents report charging third party fees or commission. Letting agents based in London or Surrey (that is, where Foxtons operate) are more likely to charge two of the three types of fee and commission (renewal and third party).
- 1.12 The results of the consumer landlord survey also indicate that the use of these terms is relatively common, although consumer landlords report a lower prevalence than letting agents. Fewer than one in five consumer landlords (18 per cent) say their contract definitely includes a sales fee or commission, 34 per cent say their contract definitely includes a renewal fee or commission, and 10 per cent say their contract definitely includes third party fees or commission.
- 1.13 Consumer landlords who took part in the research were not asked to consult their contracts directly, so the lower reported incidence could be attributed to poor recall, especially if terms are not prominent in their contracts or clearly explained before or at the time of entering into the contract. Indeed, only 55 per cent of consumer landlords reported that they had 'read their contracts thoroughly' in the first instance. Findings should also be viewed in the context of different methodologies being used for each survey (see Chapter 3 for more details).

⁵ A fee is a fixed monetary sum; whereas sales commission is expressed as a percentage (for example, of a property's value or the monthly rent).

Awareness of consumer enforcement action

- 1.14 In general, awareness of enforcement action and the Foxtons case specifically are higher among letting agents than among consumer landlords.
- 1.15 Agents' and consumer landlords' awareness in London/Surrey is higher than elsewhere in the UK. Two possible interpretations of this are that those in the same geographical area as where Foxtons operates perceived the case to be more relevant to them or were more exposed to coverage of the case, thus resulting in higher levels of recall.
- 1.16 We asked letting agents and consumer landlords about their awareness of the case using three separate awareness measures:
- spontaneous awareness of any enforcement action against letting agents
 - spontaneous awareness of the specific OFT enforcement action against Foxtons and
 - prompted awareness of the specific OFT enforcement action against Foxtons.
- 1.17 Forty-eight per cent of **letting agents** are aware of **any** enforcement action against letting agents with 35 per cent spontaneously aware, that is, without being prompted, of the Foxtons case specifically. Awareness (of any enforcement action and of the Foxtons case specifically) is higher in London/Surrey than the rest of the UK. When directly prompted with the OFT enforcement action against Foxtons, awareness of the case rises to 58 per cent of letting agents. Letting agents who were aware of the case (either spontaneously or after prompting) were most likely to report having become aware of it after February 2010 (that is, following the final High Court Order against Foxtons).
- 1.18 By contrast, only nine per cent of **consumer landlords** report being aware of any regulatory or enforcement action taken against letting/

estate agents, regarding unfair contract terms; three per cent are spontaneously aware of this specific case (that is, without being prompted with a description), and 31 per cent claim to have heard of this case when prompted with a description of it. Again, those in London/Surrey are more likely to report being aware of this specific case (spontaneously and when prompted). Three-fifths (62 per cent) of those aware of the case when prompted report that they've 'just heard of it and don't know anything about it'.

Changes to the market since the Foxtons consumer enforcement case

- 1.19 There is some indication that the Foxtons case has had a positive impact on the market. The surveys addressed a number of factors to explore the impact of the case, including:
- letting agents' changes to overall business models (including pricing structures and contract terms), and specific practices on information provision, training and fees/charges and
 - consumer landlords' confidence (for example, in their knowledge of the lettings market and their understanding of their contract fees and commissions) and behaviour (for example, the extent to which they read their contracts, renegotiate fees and shop around).
- 1.20 There are indications that the Foxtons case may have prompted letting agents to provide clearer information to consumer landlords, with 16 per cent of the consumer landlords surveyed in London (that is, one of the areas in which Foxtons operates) reporting that fee information has become 'much clearer' since the initial judgement (significantly higher than those elsewhere in the UK). Likewise, 15 per cent of agents who are spontaneously aware of the Foxtons case report that they now

provide clearer information to clients⁶ (significantly higher than those not aware of the case).

- 1.21 Since July 2009 (that is, the time of the initial High Court judgement against Foxtons), letting agents are just as likely to have increased the **commission** they charge to consumer landlords as to have decreased it; and they are more likely to have increased the **fees** they charge to consumer landlords than to have decreased these. Consumer landlords too are more likely to report experiencing increases in letting agent fees than decreases⁷. This is likely, of course, to be due to a range of factors and does not necessarily stem from the High Court judgement.
- 1.22 While there are numerous other market conditions that may influence increases and decreases in fees and commission geographically (and as we shall see, the majority of letting agents do not attribute changes to fees or commission to the Foxtons case), it is possible that the Foxtons case may have an influence on **fees** charged – although it is not possible to establish causality through this research. By comparison with other areas of the UK, in London and Surrey – the areas in which Foxtons operates – both letting agents and consumer landlords are more likely to report reductions in the fees they charge **in general**:
- consumer landlords in London and Surrey are more likely to report fee reductions (seven per cent report fee decreases in London/Surrey, compared with four per cent elsewhere in the UK (that is, outside of London, Surrey and the South))

⁶ This was a spontaneous question, that is, responses were not prompted by a list, but were recorded verbatim and then grouped into themes. We cannot therefore be certain of what specific aspects of information have been made clearer by letting agents.

⁷ By comparing the views of letting agents with those of consumer landlords, we can establish the incidence of fee increases and decreases from the perspective of individual market players (that is, the letting agents), and verify this by looking at the impact on the market itself (that is, represented by the consumer landlords).

- consistent with this, letting agents located in London/Surrey were less likely to have increased fees (24 per cent; whereas this was 44 per cent for all agents) and more likely to have decreased fees (38 per cent; whereas this was 25 per cent for all agents).

1.23 Considering **specific** types of fee, agents in London/Surrey are more likely to have decreased their renewal commission/fee for letting-only services (23 per cent, compared with 12 per cent across all agents). Furthermore, among agents who do not charge renewal fees or commission at all, the proportion reporting that it was unethical or not good practice to do so was consistently higher among those spontaneously aware of the Foxtons case (that is, able to cite this case without first being prompted with a description of it). For example, 29 per cent of letting agents who were spontaneously aware of the Foxtons case reported that it was unethical or not good practice to charge renewal fees or commission, compared with 17 per cent of those not spontaneously aware.

1.24 Consumer landlords who are aware of the Foxtons enforcement action tend to be more confident across a range of factors (for example, that they know the market rate for properties; and know what to look for in letting contracts). Those aware of the case are also more likely to have thoroughly read contract terms and conditions and to be very confident that they have understood the contract fees and commission.⁸ Sixty-two per cent of consumer landlords who were aware of the case had read the contract terms and conditions thoroughly, compared with 52 per cent of those who were not aware of the case; similarly 45 per cent of those who were aware of the case were 'very confident' in their understanding of contract fees and commission, compared with 29 per cent of those not aware.

⁸ Whilst this includes contracts that were agreed before the Foxtons case, it is possible that consumer landlords may have been prompted by the case to revisit terms and conditions agreed prior to the case.

1.25 Although it is not possible to establish a causal relationship, we suggest two possible interpretations of this overall pattern of responses: (a) that awareness of the Foxtons enforcement action has prompted consumer landlords to increase their scrutiny of these matters and, by doing so, build their confidence in their own knowledge and understanding; and (b) that those who, due to inclination, aptitude or prior experience, were **already** more attentive to these matters, were also more likely to hear about and/or remember the Foxtons case.⁹

Attribution of changes to the Foxtons case

1.26 Fewer than one-tenth of **letting agents** that are aware of the Foxtons case and that have made changes to the fees and commission they charge to consumer landlords for lettings attribute these changes to the Foxtons case, whereas between a quarter and a third attribute other types of change (to the firm's business model; to the training they provide; and to the information they provide) to the case. However, given that a higher proportion of letting agents who were aware of the Foxtons case have changed their business model, the extent to which actual links between changes and Foxtons might be under-reported is unclear.

1.27 One per cent of **consumer landlords** claim they took action – either shopping around or seeking to re-negotiate their fees – as a result of hearing about the Foxtons case.¹⁰

⁹ These are, however, interpretations of overall patterns of responses in the data, across multiple variables. We cannot be certain of the reasons for these patterns.

¹⁰ Of course, some consumer landlords who did not take action as a result of hearing about the case may have simply assumed that positive changes would be made by their letting agent, as a result of the case (in our survey of consumer landlords 10 per cent reported that they had experienced letting agent-instigated contract changes and eight per cent reported experiencing letting agent-instigated reductions in fees).

Conclusions

- 1.28 The conclusions that might be drawn on the basis of this research are as follows.
- 1.29 The three types of commission terms that were challenged by the OFT in the case against Foxtons still appear to be used by a relatively large number of letting agents.
- 1.30 Awareness of enforcement action against Foxtons is low among the consumer landlords surveyed, but substantially higher among letting agents. Among both audiences, awareness of the Foxtons case is higher in London and Surrey (the areas in which Foxtons operates) than elsewhere in the UK.
- 1.31 There are some indications that the case has had a positive impact on the lettings market particularly for consumers, although there may be other influences at work and we cannot establish causality:
- There is evidence of improved information provision to consumers and, to a lesser extent, changes to fee levels and structures.
 - While the reported incidence of two of the three types of charge (renewal and third party commission) is higher in London and Surrey than it is elsewhere, so are reported reductions in the level of fees in general, and in renewal fees specifically. Such reductions are likely to be driven by a range of market conditions.
 - Although consumer landlords seem fairly confident in their understanding of their contracts, it should be noted that just over half of them report that they read the terms and conditions 'thoroughly'. Those who reported having read the contract thoroughly were considerably more likely to describe themselves as very confident in their understanding of the types of fees and commission associated with their contract, though.
 - Consumer landlords who report being aware of the case are more likely to be confident in their knowledge of the lettings market and

their contract's fees and commission – another indication that the case may have had a positive impact.

2 INTRODUCTION

Background

- 2.1 Foxtons is a residential property agency offering letting, buying/selling and property management services in London and Surrey. Following a number of complaints from consumer landlords the OFT approached Foxtons in May 2005, challenging certain terms in their 'Long Term Lettings and Management' agreements with consumer landlords claiming they were in breach of the Unfair Terms in Consumer Contracts Regulations 1999 (UTCCRs). The UTCCRs only apply to contracts between a consumer and a business. Different laws apply if the landlord is a business such as a company or a professional or commercial landlord.
- 2.2 The OFT challenged three kinds of terms:
- **Renewal Commission Terms:** Terms which allow the letting agent to recover a further commission from the landlord where the tenant continues to rent the property from the landlord beyond the original term of the tenancy, and where the agent is not asked to provide any additional service in exchange.
 - **Sales Commission Terms:** Terms which allow the agent to recover a commission where the property is sold by the landlord to the tenant and in some cases an occupant and/or any other party introduced by the agent, notwithstanding that the landlord does not wish the agent to perform any service in connection with the sale.
 - **Third Party Renewal Commission Terms:** Terms which allow the agent to recover a commission from the landlord, where he has sold his interest in the property to a third party (and so has no control over and derives no rent from it), in the event that the tenant continues to rent the property (from the purchaser) beyond the

original term of the tenancy and the purchaser does not agree to pay the commission.¹¹

- 2.3 Foxtons defended their terms and argued that these practices were commonplace within the lettings market. OFT issued High Court proceedings against Foxtons in February 2008 and in February 2010 secured a final High Court order against Foxtons preventing it from using or relying upon unfair terms in its letting agreements with consumer landlords. This Order followed a judgment in the High Court in July 2009 where the High Court accepted that all the terms the OFT complained of were unfair. Foxtons had until 29 January 2010 to lodge an appeal but did not do so.
- 2.4 The ruling and order prohibit the use of sales commission and third party renewal commission in Foxtons' letting contracts and require that where renewal commission is to be charged, it must be transparent and clearly brought to the attention of the consumer. The liability to pay the commission, the circumstances in which it is payable and the amount or rate of commission must be clear and actively flagged up to the consumer. The terms must be in plain intelligible language, so that the consumer can understand the nature and extent of their liabilities.
- 2.5 Following the judgement, the OFT wrote to a number of letting agents and industry bodies drawing their attention to the Order and to confirm that it expected letting agents to amend their terms so as to comply with the law as set out in the Foxtons Judgment.

¹¹ www.oft.gov.uk/OFTwork/consumer-enforcement/consumer-enforcement-completed/foxtons/

Objectives

2.6 The OFT commissioned IFF Research in January 2011 to conduct a quantitative research study to examine current practices within the lettings market. The objective of the research is to assess the impact of the OFT intervention in order to provide relevant information and context towards estimating the impact on consumers resulting from the OFT enforcement action against Foxtons. In particular, the research is designed to understand the following:

- awareness of the case amongst letting agents and consumer landlords
- current practices in the lettings market (as reported by letting agents and consumer landlords)
- whether any changes to reported business practices including changes to commission terms in letting contracts are related to awareness of the Foxtons intervention
- the impact of the case on consumers' awareness and behaviour when negotiating contracts with letting agents (including evidence of any savings made as a result of reduced/removed commissions)
- other impacts on consumers, including any evidence of switching and non-quantifiable impacts (for example, on consumer confidence).

3 METHODOLOGY

- 3.1 In order to assess the impact of the OFT intervention on the market, we conducted two surveys, one of letting agents and one of consumer landlords.
- 3.2 Looking at the market from the two perspectives has advantages in that it allows us to present a more 'rounded' picture. On the letting agent side, each agent has equal 'weight' in the data irrespective of organisation size or number of contracts held with consumer landlords; as such it does not make allowance for each agent's share of landlord market. The survey of consumer landlords offers a complementary perspective, providing insight into the prevalence of certain behaviours in the market rather than at the level of individual letting agents.
- 3.3 By analysing the findings from the two survey strands in tandem we are able not only to compare and contrast the experiences and perceptions of the two types of market participants across a number of awareness and attitudinal measures but also to measure the prevalence of behaviours at two levels: that of the individual letting agent and that of the consumer landlord (the 'market').
- 3.4 These surveys were conducted independently using different methodologies. In the consumer landlord survey we interviewed individual consumer landlords, whilst in the letting agent survey we sought to identify the most appropriate individual to interview within each organisation, that is, the person responsible for the terms and conditions of letting contracts. In effect this individual is regarded as speaking on behalf of the organisation as a whole, as they have the knowledge and authority to discuss the organisation's policies and practices concerning lettings contracts.
- 3.5 We do not have ex ante data on the prevalence of the attitudes, behaviours and practices covered by the study, so it is not possible to assess impact by comparing findings from before and after the intervention. As such, we are relying on respondents' reports of how attitudes and behaviour have changed.

Letting agents

- 3.6 We adopted a quantitative telephone methodology for this element of the research.
- 3.7 As no comprehensive list of letting agents was available our sample source for this study was Dun & Bradstreet's business database. A total of 10,000 business records from the most relevant SIC codes were randomly drawn from the database. The records were drawn at an organisational level, that is, where letting agents have multiple branches we obtained the head office record in order to get an organisation-wide view. This meant that there was only one interview per organisation rather than multiple interviews per organisation – avoiding potential skews towards organisations with many branch offices.
- 3.8 As part of our interviewing process the sample records were screened to identify those businesses that conducted lettings for consumer landlords.
- 3.9 A total of 800 telephone interviews amongst letting agents who deal with consumer landlords were achieved between 4 February and 18 February 2011. The average interview length was 15 minutes.
- 3.10 The data are weighted to reflect the population of letting agents that let property to consumer landlords by region, thereby ensuring that the findings are not skewed towards a particular region.
- 3.11 This was achieved by applying the eligibility rates identified from the screening exercise to the population figures from Dun & Bradstreet in order to generate estimates of the eligible population, overall and within region.
- 3.12 Using these estimates, we calculated what the regional distribution within our final sample would be if interviews had fallen out as per the population as a whole, calculated the distribution of our achieved sample by region and weighted to correct for any differences. The distribution of interviews within the achieved sample and within the

population as a whole (the weighted sample) is shown in Table 3.1 below.

Table 3.1: Profile of achieved interviews

Region	Distribution within population	Distribution within achieved sample
East Midlands	4%	5%
East of England	11%	5%
North East	2%	4%
Northern Ireland	2%	3%
North West	9%	9%
Scotland	5%	3%
South East (excl. London & Surrey)	17%	21%
South West	11%	12%
West Midlands	7%	6%
Wales	4%	5%
Yorkshire/Humber	5%	5%
London/Surrey	24%	24%

3.13 As there is no publicly available information on the profile of the UK population of letting agents by factors such as number of employees, turnover or number of consumer landlord clients/contracts, it was not possible to weight the findings to reflect the share of the market accounted for by the letting agents surveyed. As such the findings

reflect the percentage of letting agents rather than any measure of market share.

- 3.14 The presence of the various fees for lettings may be dependent on whether the letting agent also provides a management service. Therefore in order to discriminate between letting agents, all were asked whether or not they provided management services with some or all lettings. The majority provide management services with some but not all lettings, as shown in Table 3.2.

Table 3.2: Profile of letting agents in respect of services provided

Services provided	Distribution within achieved sample
Management services provided with all lettings	17%
Management services provided with some but not all lettings	80%
No management services provided – lettings service only	3%

Consumer landlords

- 3.15 The principal challenge for the consumer landlord element of the research was to, in the absence of ready-made comprehensive sample of consumer landlords, find, recruit and interview eligible consumers.
- 3.16 Having considered (and rejected due to time and cost issues) purchasing and screening large numbers of Random Digit Dialling phone records, we used an online panel as the sample source for this element of the research.
- 3.17 As we found and recruited the consumer landlords online, the most cost effective approach was also to interview them using an online questionnaire.
- 3.18 The online panel used purposive sampling to help identify eligible consumers, for example, email invites were sent to panellists who were

known to be rented property owners and hence more likely to be consumer landlords. Those accepting the invitation were directed to the online screening questionnaire and if they passed the screener, that is, they were a consumer landlord and eligible to participate in the research, they were automatically routed to the online questionnaire.

- 3.19 A total of 994 online interviews were conducted with consumer landlords between 11 February and 18 February 2011. Each interview was on a self-completion basis and took up to 15 minutes to complete. The online survey was programmed and hosted by IFF Research.
- 3.20 As there is no readily available data on the population of consumer landlords, it is not possible to reliably assess the extent to which the survey findings can be extrapolated beyond the sample of interviews achieved and as such, the findings apply only to those surveyed.

Reporting

- 3.21 We undertook bi-variate analysis to identify differences in awareness, attitudes and behaviour between sub-groups of the sample.
- 3.22 On the letting agent side we reviewed differences by: number of employees and sites; the percentage of turnover accounted for by lettings; the number of consumer landlord clients and the number of contracts held by consumer landlord clients; the level of awareness of enforcement action and the Foxtons case; and the location of the head office (region).
- 3.23 With regard to the consumer landlord survey we examined differences by: the number of properties let; the number of years they had acted as a consumer landlord and the number of times they had been through the process of agreeing a contract with a letting agent; their level of confidence in understanding their contract fees of commission; the level of awareness of enforcement action and the Foxtons case; and their region.

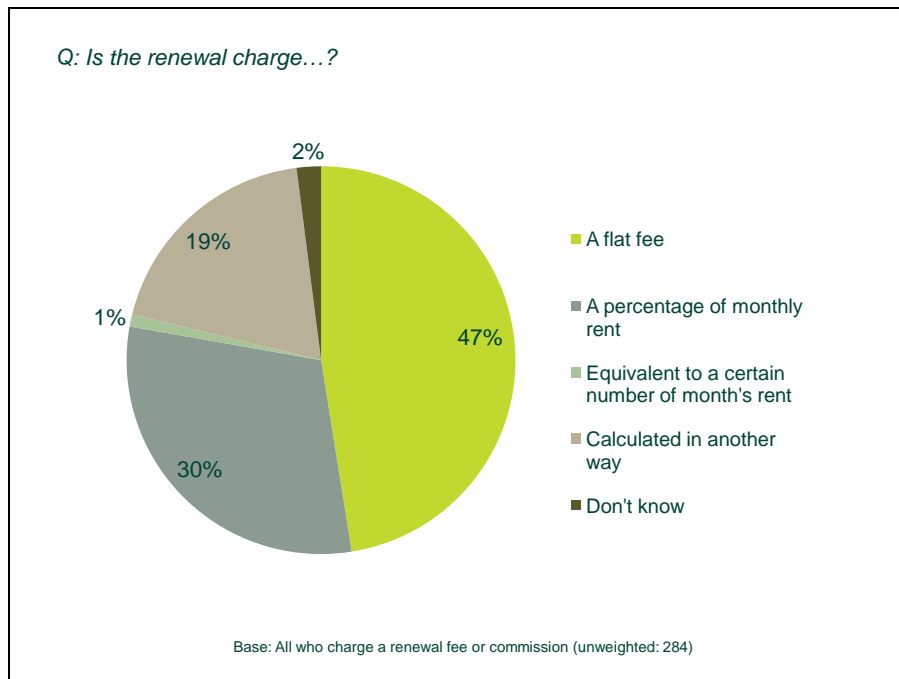
- 3.24 Where meaningful differences emerge, they are highlighted in the commentary. Throughout this report, all differences indicated are significant at the 95 per cent confidence level unless otherwise stated.
- 3.25 Data in some tables and charts may not add to 100 per cent due to rounding.

4 INCIDENCE OF PRACTICES ADDRESSED BY THE FOXTONS CASE

Letting agent renewal charges where the tenant stays beyond the original term of the tenancy

- 4.1 We asked letting agents whether they charged their consumer landlords a fee or commission for renewals where the tenant that they introduced stays beyond the original term of the tenancy. Forty-two per cent of letting agents report charging a renewal fee or commission when providing a letting service only (that is, without management services). The proportion is higher among those who are spontaneously aware of the Foxtons case (52 per cent) and those whose head office is located in London or Surrey (72 per cent).
- 4.2 Among consumer landlords using a lettings only service, a slightly lower proportion (34 per cent) say their contract definitely includes 'commission to the letting or estate agent whenever a tenant renews, continues or extends his tenancy beyond the initial term of the agreement', when prompted with a series of contract clauses.
- 4.3 Almost half (47 per cent) of letting agents who charge renewal fees or commission report charging a flat fee, while 30 per cent report charging a commission in the form of a percentage of monthly rent. Only one per cent apply a charge that is equivalent to a certain number of months' rent, while one in five (19 per cent) calculate the charge in another way. Chart 4.1 shows the proportions of letting agents who charge using each of these methods.

Chart 4.1: Type of renewal charge applied



- 4.4 The mean level of commission reported by letting agents and consumer landlords is just under 11 per cent of monthly rent. Where a flat fee is charged, letting agents report charging a mean fee of £83.
- 4.5 Those who calculate the charge in another way tended to report either that they charge a combination of fee and percentage of rent or that the amount is negotiated and depends on a variety of factors such as the relationship with the landlord and the duration of the contract.
- 4.6 Where letting agents report charging renewal fees or commission, they apply indefinitely (or for as long as the tenant remains in occupation) in 75 per cent of cases. Only three per cent of letting agents reported that the fee or commission is charged in respect of one or two renewals only. A similar proportion of consumer landlords (73 per cent) reported that the fee applies indefinitely or for as long as the tenant remains in occupation.

Letting agent renewal charges where someone introduced by the tenant stays beyond the original term of the tenancy

- 4.7 Ten per cent of consumer landlords using a lettings only service say their contract definitely includes 'commission when someone else, introduced by the tenant, continues to rent the property from the landlord beyond the original term of the agreement', when prompted with a series of contract clauses. For the majority (66 per cent), this charge applies indefinitely, with the mean commission reported being 8.4 per cent of monthly rent.

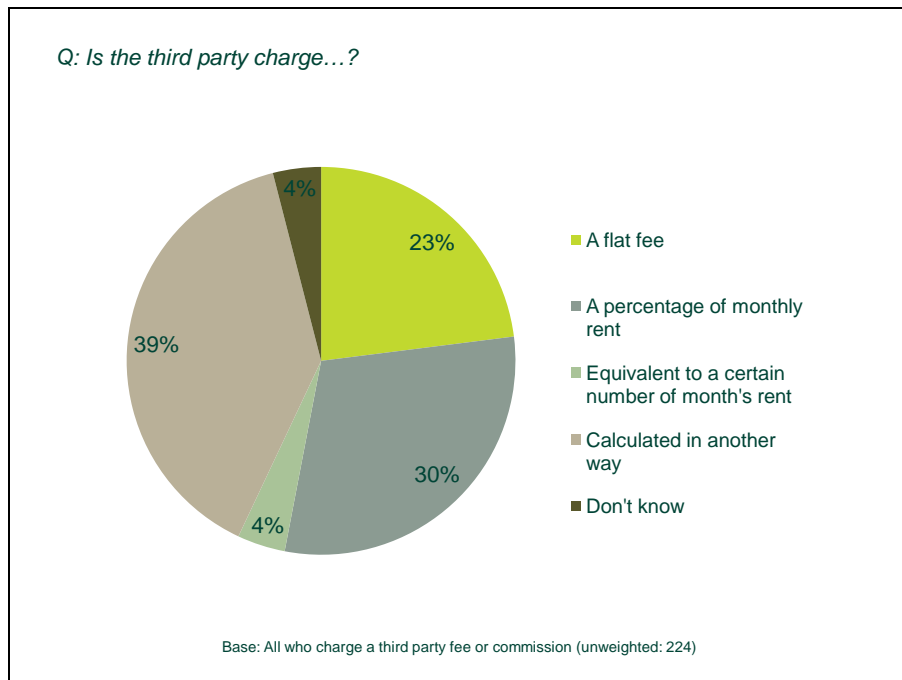
Charges where the property is sold to a third party and the tenant continues to rent it

- 4.8 Over one-quarter (28 per cent) of letting agents report charging a fee or commission in the event that the consumer landlord sells the property to a third party and the tenant continues to rent the property from the new landlord beyond the original term of the tenancy (third party commission). The proportion is higher in London and Surrey (35 per cent) than other areas of the UK, except for Yorkshire and the Humber which is highest (44 per cent).
- 4.9 The proportion of consumer landlords reporting that their contract with the letting agent includes provision for third party renewal charges is considerably lower than reported by agents. When prompted with a series of contract clauses, seven per cent of consumer landlords say their contract definitely includes 'commission to the letting/estate agent when a tenancy is extended, even when you've sold the property to another landlord with the tenant still in it'.
- 4.10 It is worth noting that consumer landlords who took part in the research were not asked to consult their contracts directly, so the lower reported incidence could be attributed to poor recall. It is also possible that such terms may not be prominent in their contracts or explained before or at the time of entering into the contract (see 4.27 for a more detailed discussion). Indeed only 55 per cent of consumer

landlords reported that they had 'read their contracts thoroughly' in the first instance.

- 4.11 Only three per cent of consumer landlords report ever having sold a property to someone else with the tenant still living in the property after completion of the sale and a substantial minority of these (10 of them, 37 per cent) report being charged a commission or fee by their letting agent.
- 4.12 Just under one-third (30 per cent) of letting agents who charge third party commission charge a percentage of monthly rent, while just under one-quarter (23 per cent) charge a flat fee. Almost two-fifths (39 per cent) calculate the charge in another way. The breakdown of letting agents by charging structure is shown in Chart 4.2 below.

Chart 4.2: Type of third party renewal charge applied



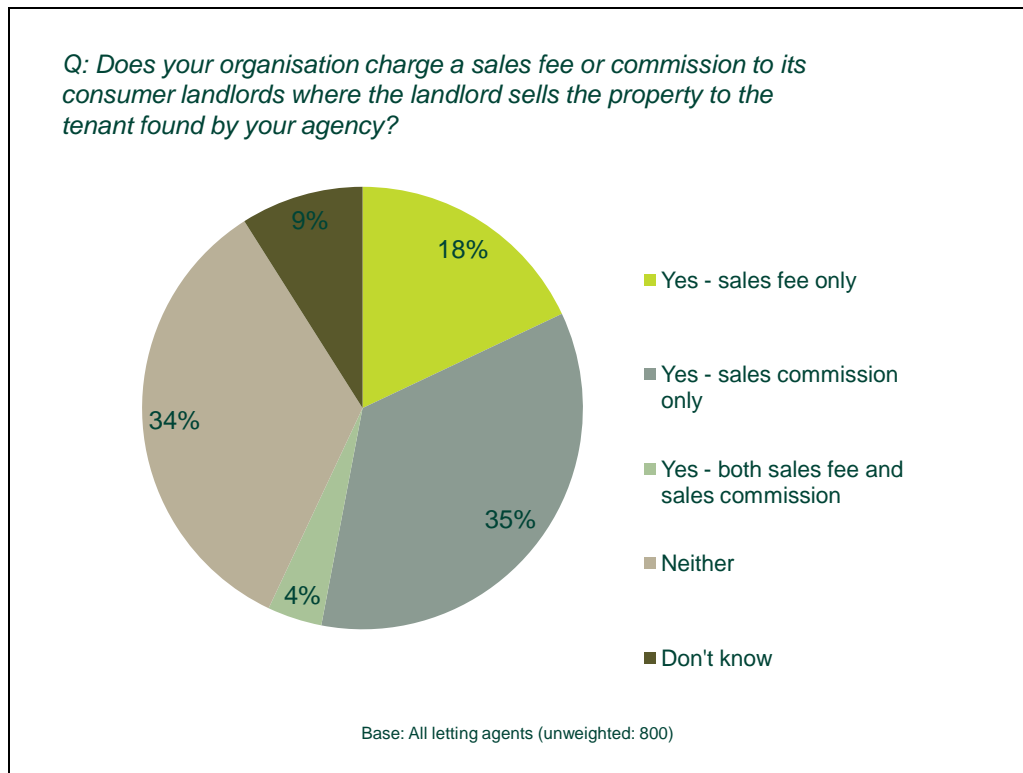
- 4.13 The mean level of commission reported by letting agents and consumer landlords is just under nine per cent of monthly rent. Where a flat fee is charged, letting agents report charging a mean fee of £344.

- 4.14 Those who calculate the charge in another way tended to report either that they charge a commission based on the sale price of the property (the median percentage is one per cent of sale price) or that the amount is negotiated.

Letting agent charges where the landlord sells the property to the tenant found by the letting agency

- 4.15 Just under three-fifths (57 per cent) of letting agents report charging a fee or commission (or both) in the event that the landlord sells the property to the tenant found by the letting agency. The proportion is higher among those letting agents who were spontaneously aware of the Foxtons case (61 per cent) than among those who were not aware of the case (53 per cent).
- 4.16 Just under one-third (31 per cent) of letting agents who charge a sales fee or commission report charging only a sales fee (usually a pre-specified fixed monetary sum to be paid), while just over three-fifths (62 per cent) charge only a sales commission (usually a percentage of the value of the property); seven per cent charge both a fee and a commission (see Chart 4.3).

Chart 4.3 Proportion of letting agents who charge sales fee or commission



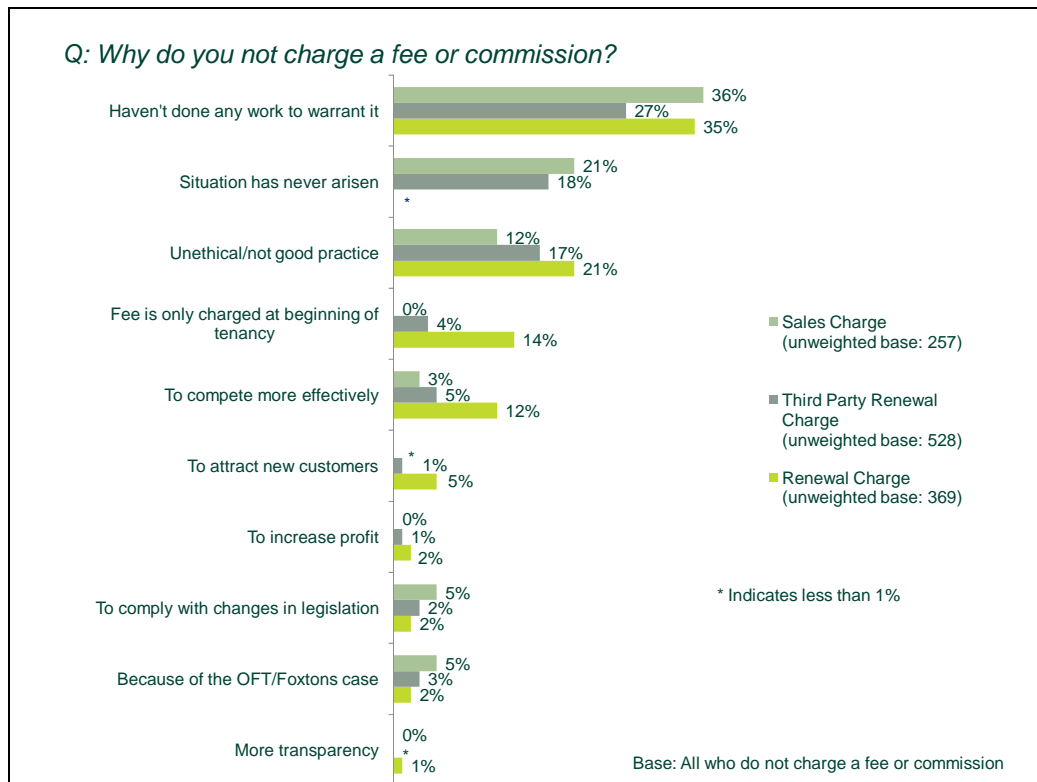
- 4.17 When prompted with a series of contract clauses, a much smaller proportion of consumer landlords (18 per cent) say their contract definitely includes 'commission to the letting/estate agent if you sell the property to the tenant'. Again, it is worth noting that the lower reported incidence among consumer landlords could be attributed to poor recall: only 55 per cent reported that they had 'read their contracts thoroughly'.
- 4.18 Only three per cent of consumer landlords report having ever sold a property to a tenant found for them by their letting agent and just over half of these respondents (16 of them) report being charged a commission or fee by their letting agent.
- 4.19 The mean level of commission reported by letting agents is 1.2 per cent, while consumer landlords report that the mean level is 2.6 per

cent. Where a flat fee is charged, letting agents report charging a mean fee of £3,227.

Reasons for not imposing charges

- 4.20 Those letting agents who reported that they did not charge each of the three types of fee or commission discussed were asked why they did not do so (Chart 4.4). Respondents' answers were spontaneous – they were not prompted with a range of different reasons.
- 4.21 In all three cases, the most commonly cited reason (mentioned by between 27 and 36 per cent of letting agents) was that they considered that they had not done any work to warrant such charges.
- 4.22 For each type of fee or commission, between one-tenth and one-fifth reported that it was unethical or not good practice to do so (rising in each case to over one-quarter among those spontaneously aware of the Foxtons case), while five per cent or fewer cited the Foxtons case as a reason for not charging each type of fee or commission.

Chart 4.4: Reasons for not charging fees or commission



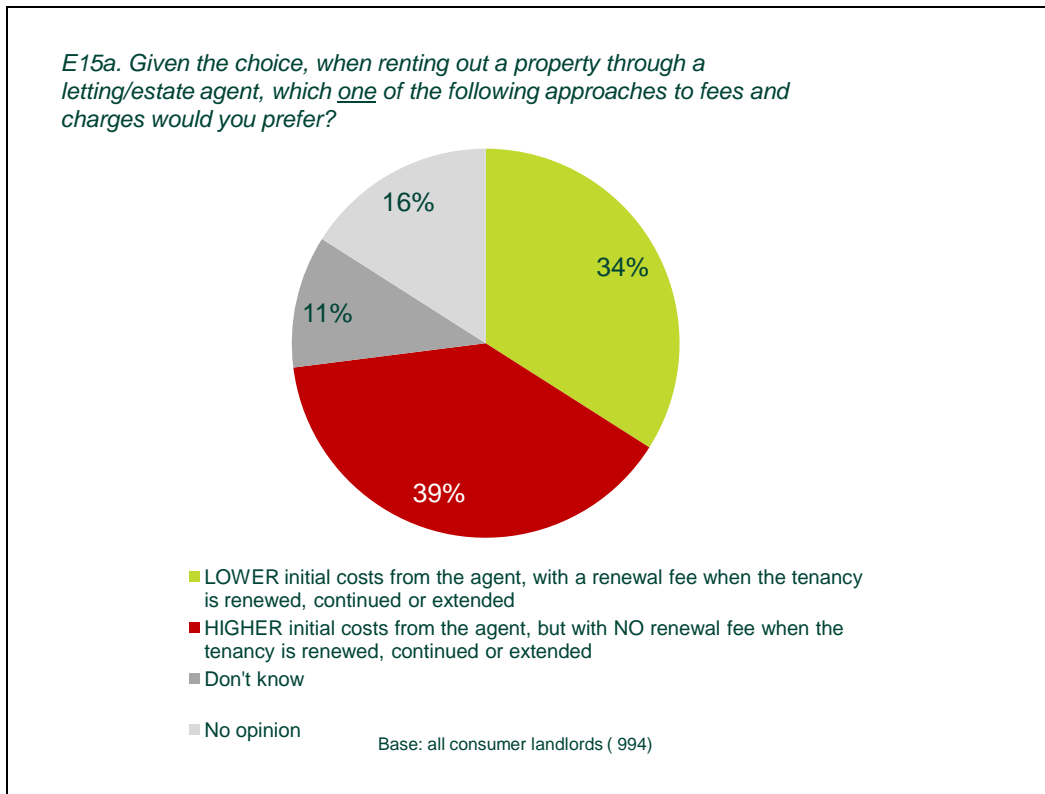
Consumer landlords' preferred charging model

4.23 Consumer landlords surveyed were asked whether, given the choice, they would prefer letting/estate agents to charge:

- lower initial costs, with a renewal fee when the tenancy is renewed, continued or extended or
- higher initial costs, but with **no** renewal fee when the tenancy is renewed, continued or extended.

4.24 Responses are polarised: 34 per cent prefer lower initial costs and renewal fees, while 39 per cent prefer higher initial costs with no renewal fees (the remainder don't know or have no opinion – Chart 4.5).

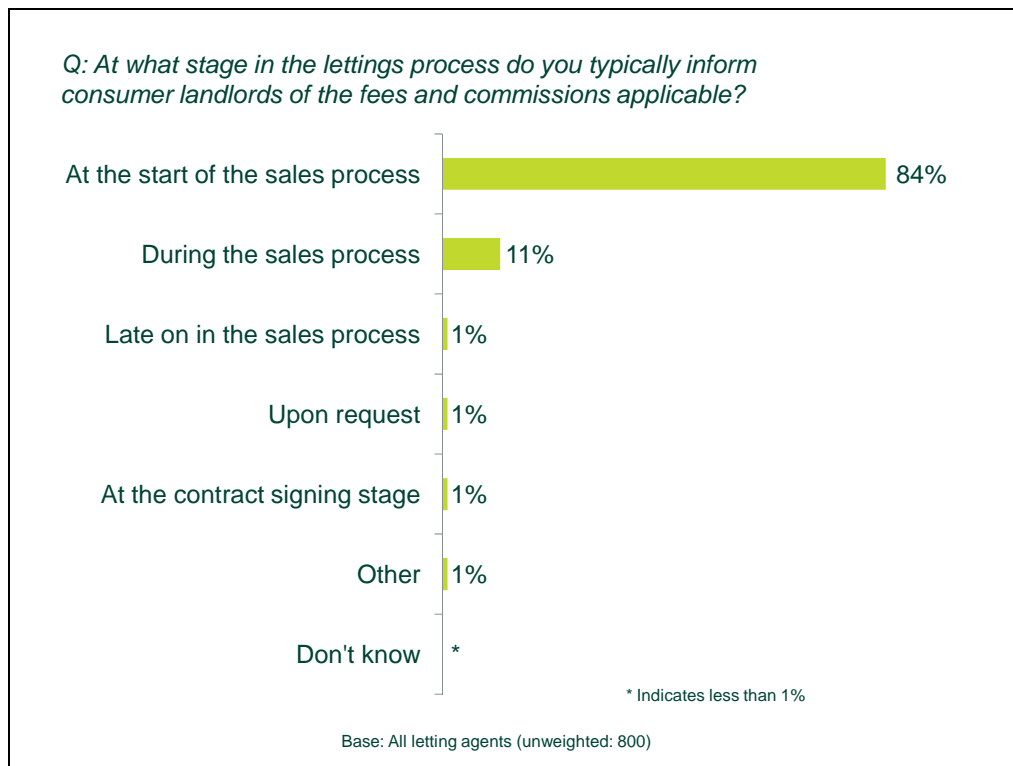
Chart 4.5: Consumer landlord preferences regarding letting agent charging model



Informing consumer landlords about fees and commissions

- 4.25 We asked both letting agents and consumer landlords at what point during the sales process the fees and commissions applicable were discussed and how this information was communicated.
- 4.26 Over four-fifths (84 per cent) of letting agents report that they typically inform consumer landlords of the fees and commissions applicable at the start of the sales process. Eleven per cent state that they inform them during the sales process, while one per cent inform consumer landlords late on in the sales process (but before the contract signing stage), at the contract signing stage or upon request (Chart 4.6).

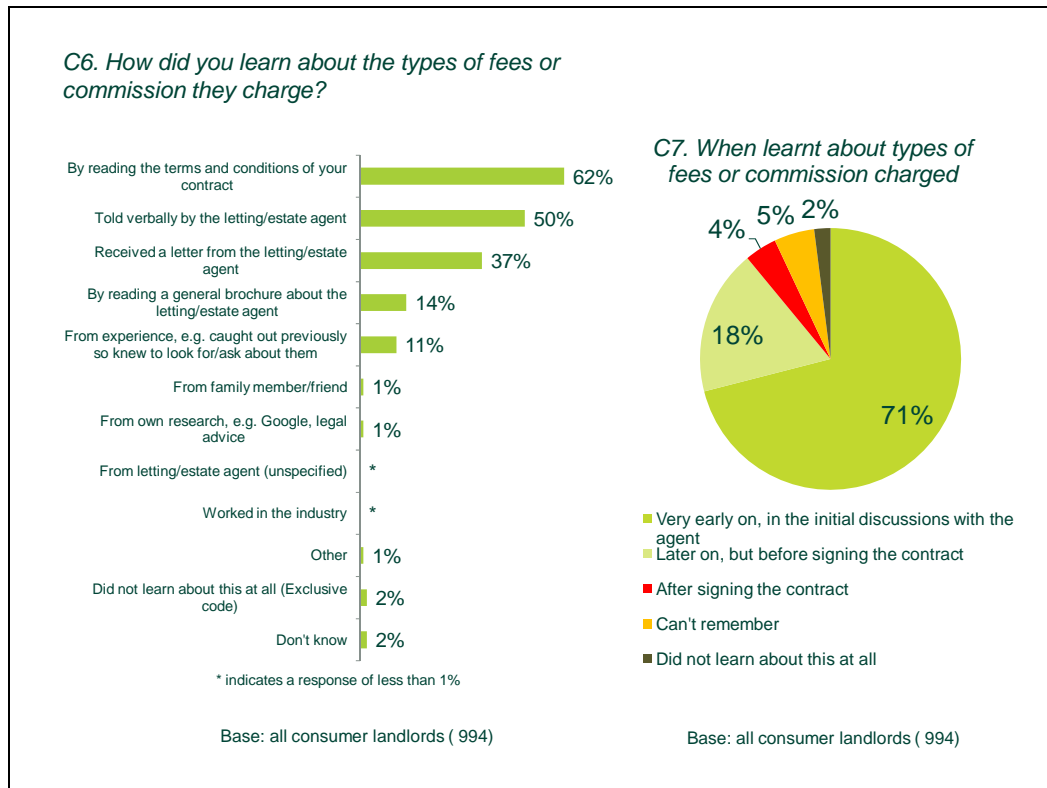
Chart 4.6: Point at which letting agents typically inform consumer landlords about fees and commissions



- 4.27 The experience of consumer landlords is broadly in line with that of letting agents (Chart 4.7): the majority of consumer landlords report being told about the types of fees or commission ‘very early on, in the initial discussions with the agent’ (72 per cent). Overall, 89 per cent learnt about this at some point prior to signing the contract. Only four per cent report learning about types of fees or commission after signing a contract. Two per cent claim they did not **at any point** learn about fees/commission (this is more likely to be those receiving a lettings-only service).
- 4.28 Consumer landlords were asked to list the various ways in which they learnt or were informed about the types of fees or commission they could be charged. By far the most-mentioned are: by reading the terms and conditions of their contract (cited by 62 per cent); being told verbally by the letting/estate agent’s salespeople (50 per cent); or by

receiving a letter from the letting/estate agent drawing attention to the fees (37 per cent).¹²

Chart 4.7: How and when consumer landlords learnt about contract fees and commission



4.29 Those who were spontaneously able to cite the Foxtons enforcement action without being prompted were more likely to have checked their terms and conditions to learn about fees and commission (88 per cent of those spontaneously aware of the case say they did this, vs. 65 per cent of those aware of the case when prompted, and 60 per cent of those not aware of the case at all).

¹² Respondents were able to select more than one option; hence the figures add up to more than 100 per cent.

- 4.30 The relationship between consumer landlords' awareness of the Foxtons case and their familiarity with contract terms and conditions is explored in greater detail in Chapter Six.

Switching letting agent

- 4.31 A third of consumer landlords surveyed (33 per cent) say they have switched agent. Those whose agent provides a lettings-only service are more likely to have switched (40 per cent vs. 30 per cent of those providing lettings and management services), as are those who are spontaneously aware of the enforcement action against Foxtons (47 per cent have switched agent, vs. 28 per cent of those not aware of the case).
- 4.32 By far the most-mentioned reason for switching is 'to get a better service' (cited by 75 per cent of those who have ever switched). The next most-mentioned reason is 'to get lower fees/charges', cited by 25 per cent.
- 4.33 Around one in 10 respondents mention getting better terms and conditions (10 per cent) or clearer/more transparent terms and conditions (nine per cent).
- 4.34 Switching to get more transparent terms and conditions is more prevalent in London/Surrey, where Foxtons operates (14 per cent), than in the rest of the UK (seven per cent).

Problems experienced with letting agents

- 4.35 Fourteen per cent of consumer landlords surveyed report ever having had problems with their letting/estate agent in relation to contract terms. In the majority of cases, the most recent instance of reported problems occurred after the start of the OFT action against Foxtons (70 per cent of those reporting problems say the most recent instance was from February 2008 onwards).

- 4.36 Those aware of the Foxtons case are more likely to report having had a problem (18 per cent) than those not aware of it (12 per cent), although we cannot infer causality from these findings.
- 4.37 Those in London/Surrey are more likely to report having had problems than those in the rest of the South (18 per cent vs.11 per cent).
- 4.38 When asked to spontaneously state what specifically the problem was, eight per cent of those who've ever experienced contract term problems specifically mention charges for renewal/extension of tenancy. The most-mentioned spontaneous specific problems relate to 'failure to carry out repairs and maintenance' (cited by 14 per cent); 'failure to get rent money on time' (nine per cent); and 'poor service generally' (nine per cent).
- 4.39 Since July 2009 the number of complaints reported by letting agents from consumer landlords regarding letting services has reportedly increased for 24 per cent of letting agents (seven per cent say it has increased 'significantly', 17 per cent 'slightly'), stayed the same for 58 per cent and decreased for eight per cent.

5 AWARENESS OF CONSUMER ENFORCEMENT ACTION

- 5.1 When looking at the awareness levels amongst letting agents and consumer landlords, some consideration needs to be given to the different methodologies used for each survey.
- 5.2 In the consumer landlord survey we interviewed individual consumer landlords, whilst in the letting agent survey we interviewed the person responsible for the terms and conditions of letting contracts within their organisation. This person's awareness (or lack of it) of any consumer enforcement action is taken to represent the organisation's level of awareness, as the impact of the intervention on terms and conditions would be manifested through them, that is, they would be responsible for taking action as a result of the intervention.
- 5.3 Three separate awareness measures are described in this section:
- Spontaneous awareness of any enforcement action against letting agents – this measure provides an indication of general 'top-of-mind' awareness of any enforcement against letting agents, that is, this does not necessarily refer to the specific OFT Foxtons case and could include other actions by other regulators.
 - Spontaneous awareness of the specific OFT enforcement action against Foxtons – this measure provides the most accurate indication of the proportion of respondents for which the Foxtons case is a 'top-of-mind' issue.
 - Prompted awareness of the specific OFT enforcement action against Foxtons – this measure provides a means to establish the proportion who are aware of the case but for whom it is not a 'top-of-mind' issue and the proportion that has never heard of the case.

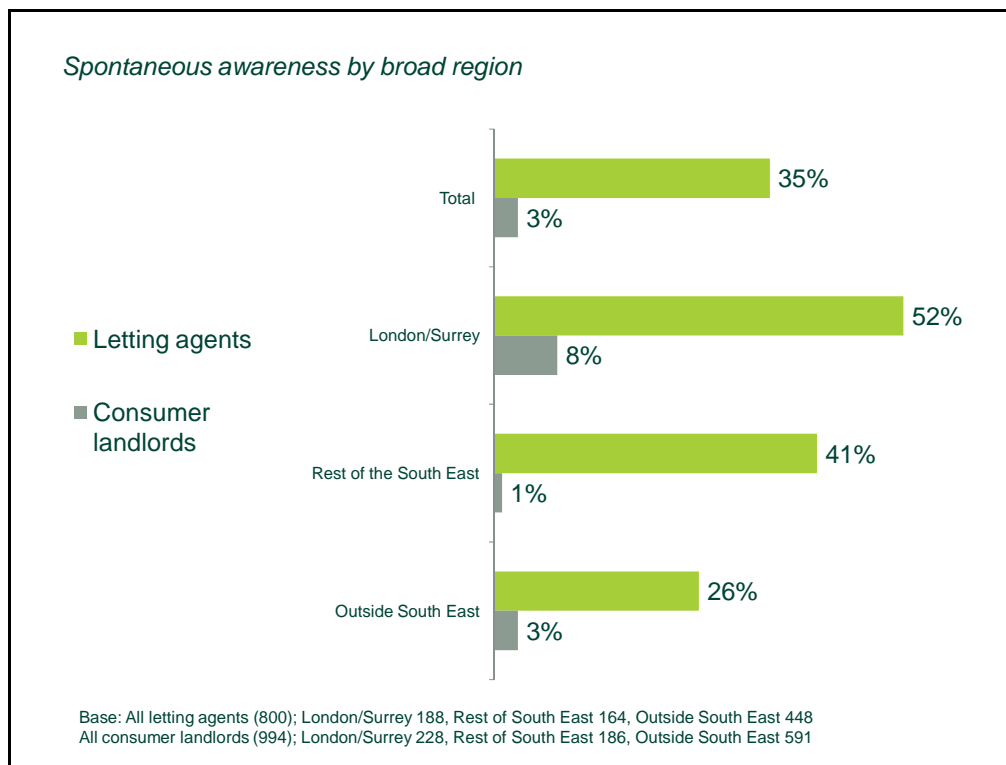
Spontaneous awareness of any enforcement action against letting agents

- 5.4 Almost half of letting agents (48 per cent) are spontaneously aware of any enforcement action taken against letting agents in the last three years. Awareness of any enforcement action was higher for agents in London/Surrey (58 per cent), and lower for agents outside of the South East (43 per cent) and those with fewer than 50 consumer landlord clients (31 per cent).
- 5.5 Amongst consumer landlords spontaneous awareness of any regulatory or enforcement action taken against letting/estate agents regarding unfair contract terms was lower, with only nine per cent report being aware of such action (76 per cent say they are not, and 15 per cent report being unsure). However, consumer landlords in London/Surrey are more likely to report being aware of regulatory/enforcement action (16 per cent, compared with four per cent of those in the rest of the South and eight per cent of those elsewhere in the UK).

Spontaneous awareness of the specific Foxtons case

- 5.6 Around a third of letting agents (35 per cent) were spontaneously aware of the specific Foxtons case, that is, they could name either the Office of Fair Trading/Trading Standards Services or Foxtons as one of the parties involved without prompting. In contrast only three per cent of consumer landlords surveyed were spontaneously aware of the Foxtons case.
- 5.7 Chart 5.1 shows the profile of spontaneous awareness of the Foxtons case amongst letting agents and consumer landlords by broad region.

Chart 5.1: Spontaneous awareness of Foxtons case by region



5.8 Spontaneous awareness of the Foxtons case is highest amongst both letting agents and consumer landlords in London/Surrey (52 per cent and eight per cent respectively), that is, the areas in which Foxtons operates. Letting agents in the rest of the South East, that is, the region next closest to the areas in which Foxtons operates, also have higher levels of spontaneous awareness (41 per cent) than the rest of the UK.

Prompted awareness of the specific Foxtons case

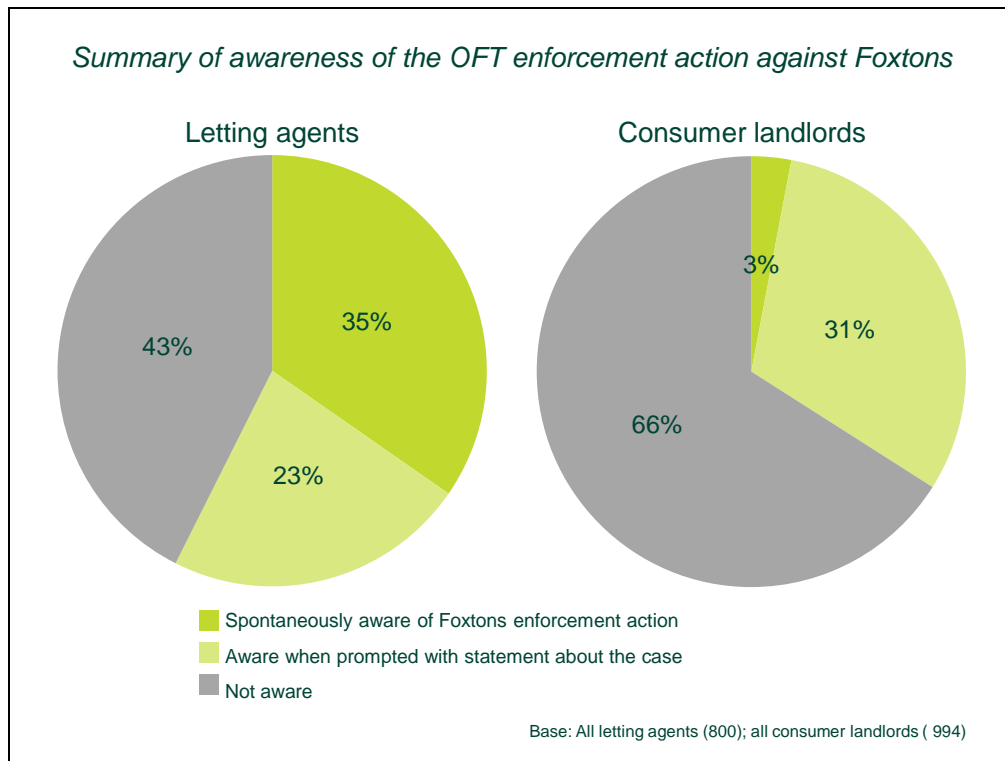
5.9 When prompted, that is, asked directly whether they were aware of enforcement action taken by OFT against Foxtons, a further quarter (23 per cent) of all letting agents said they were aware. This equates to almost half (45 per cent) of those letting agents not spontaneously aware of the case. The proportion of those aware after prompting is higher (61 per cent) for agents located in London/Surrey and for agents

with more consumer landlord clients on their books (58 per cent for those with between 250 and 499 clients and 50 per cent for those with more than 500 clients).

5.10 Overall prompted awareness of the specific Foxtons case amongst consumer landlords is 31 per cent; however, this figure is higher amongst those landlords in London/Surrey (43 per cent) and those dealing with letting agents providing a lettings-only service (35 per cent).

5.11 Chart 5.2 summarises spontaneous and prompted awareness of this specific enforcement action, among letting agents and consumer landlords.

Chart 5.2: Summary of letting agent and consumer landlord awareness of OFT enforcement action against Foxtons



5.12 Overall 58 per cent of letting agents were aware of the Foxtons case (35 per cent spontaneous, 23 per cent prompted) compared to 34 per

cent of consumer landlords (three per cent spontaneous, 31 per cent prompted). This overall awareness is higher for those in London/Surrey (76 per cent letting agents, 50 per cent consumer landlords).

Sources of knowledge of any enforcement action

- 5.13 Amongst those letting agents who were spontaneously aware of any enforcement action, 84 per cent have some degree of knowledge of the details of the action, of which 16 per cent consider themselves to be 'fully conversant' with the details of the action. The findings suggest that the larger agents with the most amount of business are more likely to be fully informed about the action (29 per cent of those with more than 50 employees, 25 per cent of those with 500+ consumer landlord clients). In contrast, letting agents located outside of the South East, that is, away from Foxtons' operating areas, are less likely to be fully conversant with the details of the action (10 per cent).
- 5.14 Those letting agents who are spontaneously aware became aware of the enforcement action via a variety of sources (Table 5.3). National/local newspapers and the Association of Residential Letting Agents (ARLA) are amongst the most frequently mentioned sources. Only a small proportion of letting agents specifically mention the OFT (two per cent) or Trading Standards (one per cent) as direct sources of information.
- 5.15 Amongst letting agents aware of the Foxtons case after prompting, two-thirds (64 per cent) have some degree of knowledge of the details of the action but only two per cent describe themselves as fully conversant with the details. These agents became aware through a variety of sources. TV (14 per cent) and national/local newspapers (13 per cent) are the most frequently mentioned, followed by word of mouth (11 per cent), contact from the National Association of Estate Agents (eight per cent) and the industry website 'Estate Agent Today' (eight per cent). The Association of Residential Letting Agents is mentioned by four per cent (a much lower figure than that given by the spontaneously aware agents). None of the agents specifically

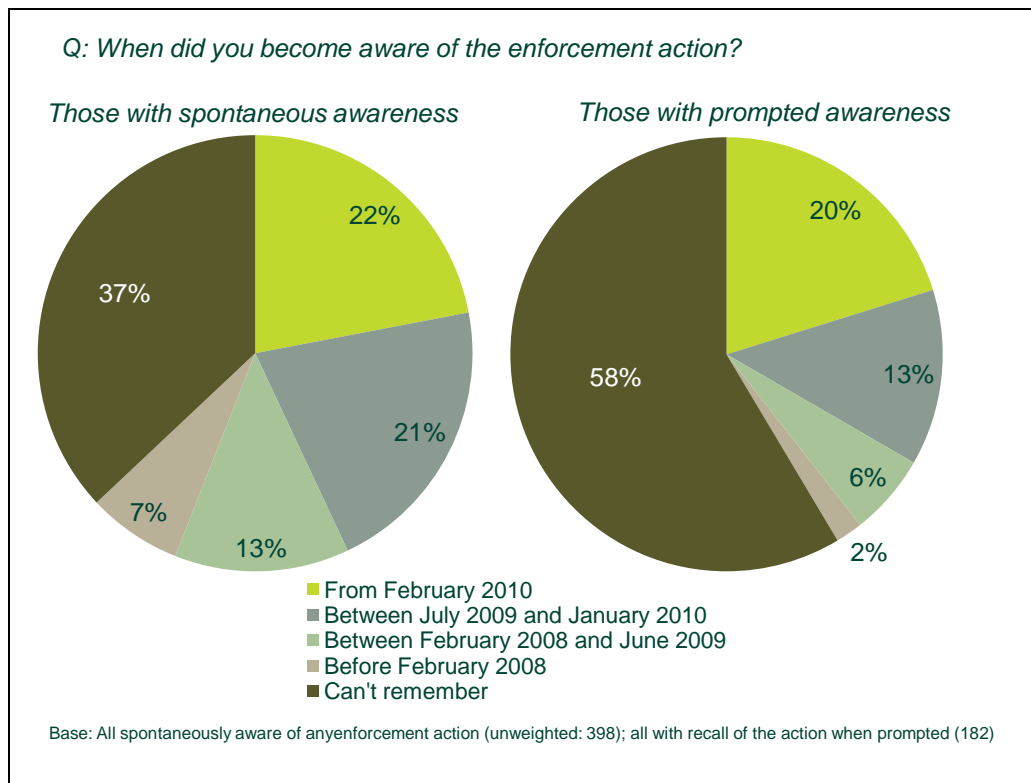
mentioned the OFT or Trading Standards as direct sources of information.

Table 5.3: Letting agents' most mentioned sources of spontaneous and prompted awareness of any enforcement action

	% mentions from those with spontaneous awareness	% mentions from those with prompted awareness
National/local newspapers or magazines	14	13
Contact from ARLA	14	4
Other	11	4
Trade press (unspecified)	9	5
Word of mouth	8	11
Email (including newsletters)	7	5
The Agreement (ARLA magazine)	6	1
Estate Agent Today	5	8
Internet	5	5
Contact from NAEA	4	8
TV	3	14
Media (unspecified)	5	6
Don't know	15	18

5.16 Chart 5.4 shows when letting agents became aware of the enforcement action.

Chart 5.4: When letting agents became aware of any enforcement action



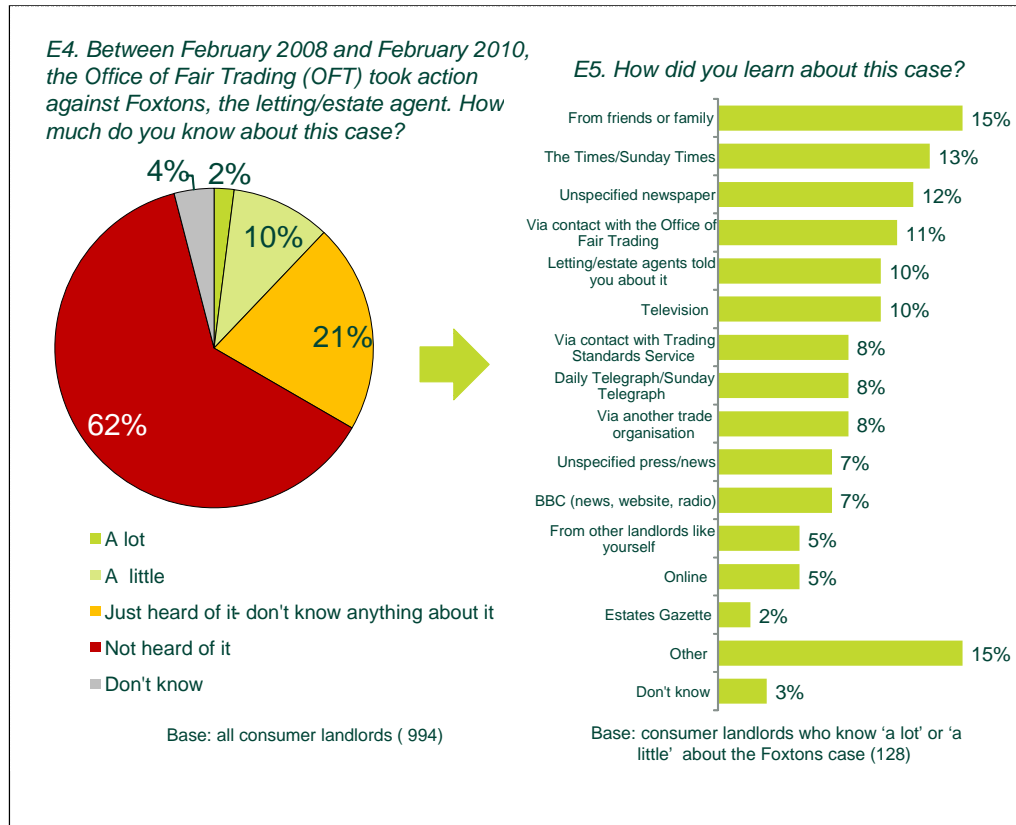
- 5.17 Almost two-fifths (37 per cent) of letting agents who were spontaneously aware of the enforcement action could not remember when they first became aware of it. Agents located in London/Surrey (19 per cent) and those spontaneously aware of the specific Foxtons case (16 per cent) were more likely to have become aware of the enforcement action at an early date, that is, between February 2008 and June 2009 following the OFT issuing High Court proceedings. This implies that these agents have been following the Foxtons case – and perhaps also evaluating its potential impact on their business – over many years.
- 5.18 The majority (58 per cent) of letting agents with prompted awareness could not remember when they first became aware of the enforcement action. A higher proportion of these letting agents located in London/Surrey (24 per cent) became aware of the enforcement action

between July 2009 and January 2010, that is, following the High Court judgment and relatively early in the process, whilst a higher proportion of the letting agents with fewer than 50 employees (36 per cent) became aware from February 2010, that is, following the final High Court order against Foxtons and late in the process.

- 5.19 The consumer landlord sample was prompted with the statement ‘between February 2008 and February 2010, the Office of Fair Trading (OFT) took action against Foxtons, the letting/estate agent’, and were asked to what extent they knew about this case. Chart 5.5 summarises levels of knowledge of this specific enforcement action, among consumer landlords; and the sources from which they learnt about it.¹³

¹³ Respondents were able to cite more than one means of learning about the case; hence the figures in this bar chart add up to more than 100 per cent.

Chart 5.5: Consumer landlord levels and sources of knowledge of OFT enforcement action against Foxtons



5.20 The majority (62 per cent) of consumer landlords have not heard of the case whilst a further fifth (21 per cent) of consumer landlords say they've just heard of the case without knowing any detail of the substance ('just heard of it – don't know anything about it'). Only two per cent of landlords say they know a lot about the case. As with the letting agents, consumer landlords in London/Surrey are more likely to know 'a lot' (five per cent) or 'a little' about the case (19 per cent). This supports the view that consumer landlords in areas where Foxtons are active are more likely to have some knowledge of the enforcement case.

5.21 The most-mentioned sources of knowledge by consumer landlords about the case were: friends and family (15 per cent); The

Times/Sunday Times (13 per cent); an unspecified newspaper (12 per cent); contact with the Office of Fair Trading (11 per cent); letting or estate agents (10 per cent); TV (10 per cent); the Daily/Sunday Telegraph (eight per cent); and Trading Standards (eight per cent).

6 CHANGES TO THE MARKET SINCE THE FOXTONS CONSUMER ENFORCEMENT CASE

Consumer landlord confidence in the lettings market

- 6.1 Consumer landlords surveyed were asked how confident they are about a number of factors relating to the lettings market, as follows:
- knowing how letting/estate agents operate
 - knowing the market rates for properties
 - knowing what to look out for in letting/estate agents' contracts, and
 - knowing how the lettings market works overall.¹⁴
- 6.2 By comparing the responses for each factor to the degree of awareness of the enforcement action against Foxtons, we can infer whether the enforcement action appears to have influenced consumer landlords' confidence about these issues.
- 6.3 Whilst a minority of consumer landlords are aware of the case, those who *are* aware (either spontaneously or after prompting) appear to display different characteristics. Awareness of the Foxtons enforcement action does tend to be associated with greater levels of confidence amongst consumer landlords. Knowledge of the **substance** of the case¹⁵ tends to be associated with greater levels of confidence still (Table 6.1).
- 6.4 For example, amongst consumer landlords surveyed, those aware of the Foxtons case are more likely to be 'very confident' of 'knowing

¹⁴ Responses were to a four-point scale, from 'very confident' to 'not confident at all'.

¹⁵ That is, saying they know 'a lot' or 'a little' about the case, as opposed to having 'just heard of it – don't know anything about it'.

how letting/estate agents operate’ (36 per cent, vs. 23 per cent of those not aware).

- 6.5 The proportion feeling ‘very confident’ is higher still among those with some knowledge of the substance of the case (51 per cent ‘very confident’).
- 6.6 As table 6.1 shows, a similar pattern is followed in relation to being confident of ‘knowing the market rate for properties’; ‘knowing how the lettings market works overall’; and ‘knowing what to look for in letting/estate agents’ contracts’.

Table 6.1: Relationship between consumer landlord confidence in knowledge of lettings market and awareness of Foxtons case

		All	Awareness of OFT enforcement action against Foxtons		
			Not aware	All aware	Have knowledge of case ¹⁶
Base		(994)	(656)	(338)	(128)
		%	%	%	%
% ‘very confident’ regarding their knowledge of:	Knowing how letting/estate agents operate	28	23	36	51
	Knowing the market rates for properties	18	15	23	32
	Knowing what to look out for in letting/estate agents’ contracts	18	14	27	38
	Knowing how the lettings market works overall	17	13	25	39
Within each row, differences between figures in bold and figures in italics are statistically significant					

¹⁶ That is, saying they know ‘a lot’ or ‘a little’ about the case, as opposed to having ‘just heard of it – don’t know anything about it’.

- 6.7 The sample of consumer landlords were also asked to what extent they have read the renewal terms and conditions in their contract with their letting/estate agent, and to what extent they are confident that they understand the types of fees and commission associated with their contract¹⁷.
- 6.8 Whilst a substantial minority (16 per cent) report either having ‘just glanced’ at their terms and conditions or not read them at all, awareness of the Foxtons enforcement action – and especially spontaneous recall of it – does tend to be associated both with a greater likelihood of having thoroughly read terms and conditions and with higher levels of confidence that fees and commission have been understood (Tables 6.2 and 6.3).
- 6.9 Table 6.2 shows that consumer landlords aware (either spontaneously or after prompting) of the Foxtons enforcement action are more likely to have read their contract terms and conditions thoroughly (62 per cent, compared with 52 per cent of those not aware of the case).

¹⁷ Responses regarding the extent to which terms and conditions had been read were to a four point scale from ‘not looked at them at all’ to ‘read them thoroughly’; and responses regarding confidence about understanding fees and commission were to a four-point scale, from ‘very confident’ to ‘not confident at all’.

Table 6.2: Relationship between extent of consumer landlords reading contract terms and conditions, and awareness of Foxtons case

		All	Awareness of OFT enforcement action against Foxtons		
			Not aware	All aware	Have knowledge of case ¹⁸
Base		(994)	(656)	(338)	(128)
		%	%	%	%
Extent to which read terms and conditions of contract	Read them thoroughly	55	52	62	59
	Skim read them	26	28	23	25
	Just glanced at them	12	13	10	11
	Not looked at them at all	4	4	2	2
	Don't know	3	3	3	4
Within each row, differences between figures in bold and figures in italics are statistically significant					

6.10 Table 6.3 shows that consumer landlords aware (either spontaneously or after prompting) of the Foxtons case are more likely to be 'very confident' in their understanding of their contract fees and commission (45 per cent, vs. 29 per cent of those not aware); and that the proportion feeling 'very confident' is higher still among those with some knowledge of the substance of the case (52 per cent 'very confident').

¹⁸ That is, saying they know 'a lot' or 'a little' about the case, as opposed to having 'just heard of it – don't know anything about it'.

Table 6.3: Relationship between consumer landlord confidence in understanding contract fees and commission, and awareness of Foxtons case

		All	Awareness of OFT enforcement action against Foxtons		
			Not aware	All aware	Have knowledge of case ¹⁹
	Base	(994)	(656)	(338)	(128)
		%	%	%	%
Level of confidence in understanding of contract fees and commission	Very confident	35	29	45	52
	Fairly confident	58	61	51	45
	Not very confident	6	7	3	1
	Not confident at all	1	1	1	1
	Don't know	1	1	*	1
	CONFIDENT	93	91	96	98
	NOT CONFIDENT	7	8	4	2
Within each row, differences between figures in bold and figures in italics are statistically significant					

6.11 Thus, to sum up the findings so far, awareness of the Foxtons enforcement action tends to be associated with greater levels of confidence amongst consumer landlords that they know how letting/estate agents operate; know the market rate for properties; know what to look for in letting/estate agents' contracts; and know how the lettings market works overall.

6.12 It is also associated with greater likelihood of consumer landlords having thoroughly read contract terms and conditions and being very confident that they have understood the contract fees and commission. Knowledge of the **substance** of the Foxtons case tends to be associated with greater levels of confidence still.

6.13 Although it is not possible to establish a causal relationship, we can suggest two possible interpretations of this overall pattern of responses: (a) that awareness of the Foxtons enforcement action has

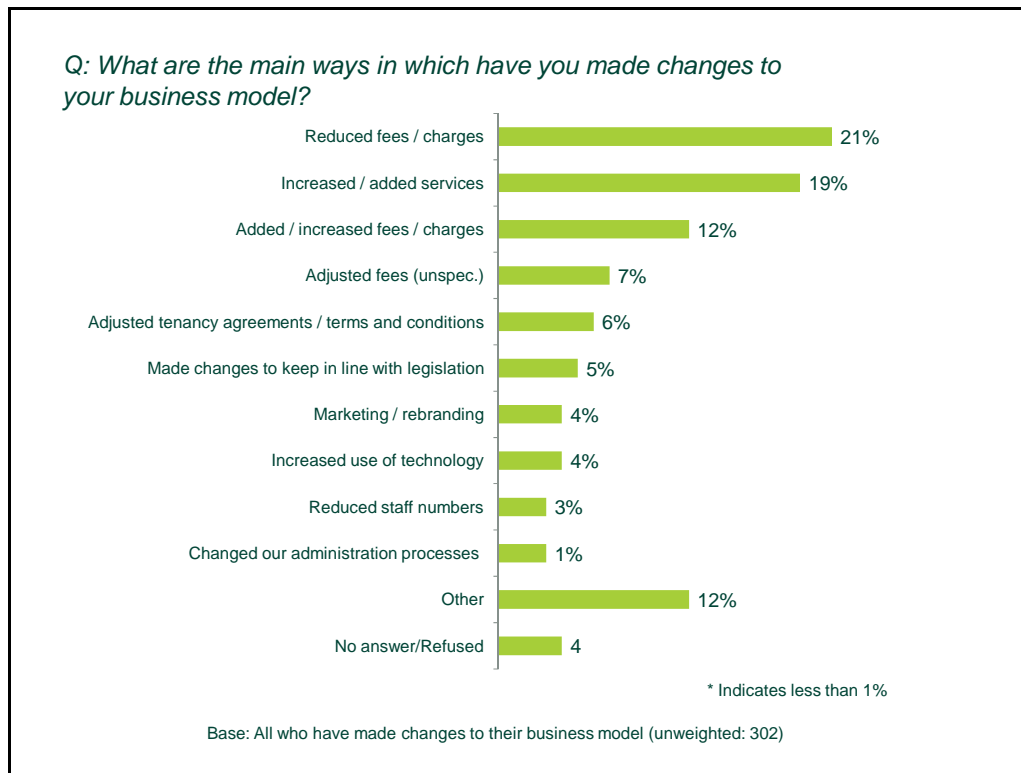
¹⁹ That is, saying they know 'a lot' or 'a little' about the case, as opposed to having 'just heard of it – don't know anything about it'.

prompted consumer landlords to increase their scrutiny of these matters and, by doing so, build their confidence in their own knowledge and understanding; and/or (b) that those who, due to inclination, aptitude or prior experience, were **already** more attentive to these matters, were also more likely to hear about and/or remember the Foxtons case.

Letting agent-instigated changes to business models since July 2009

- 6.14 Just over a third (38 per cent) of letting agents report having made a material change to their business model in the last three years. Chart 6.4 shows the changes made to the letting agent business models.
- 6.15 Letting agents are more likely to report reducing fees/charges (21 per cent do so) than increasing fees/charges (only 12 per cent do so – although arguably, letting agents may be more likely to admit to reductions than increases). Those letting agents most reliant on letting business (that is, with over 80 per cent of their turnover from lettings) are more likely to have added or increased fees/charges (24 per cent) whilst at the same time are less likely to have increased or added services (10 per cent).

Chart 6.4: Changes made to letting agent business models



6.16 Agents located in London/Surrey – the area in which Foxtons operates – are more likely to have adjusted tenancy agreements or terms and conditions (12 per cent). However, when asked why they had made changes to their business model, only two per cent of letting agents that had made a change specifically mentioned the High Court case against Foxtons by the OFT as a reason for the change.²⁰

6.17 The principal reasons given by agents for changing their business model are shown in Table 6.5 below:

²⁰ Twelve per cent do spontaneously report making business model changes in order to comply with changes in legislation: arguably, some may view the Foxtons case as such a change in legislation. However, these respondents do not mention the Foxtons case specifically.

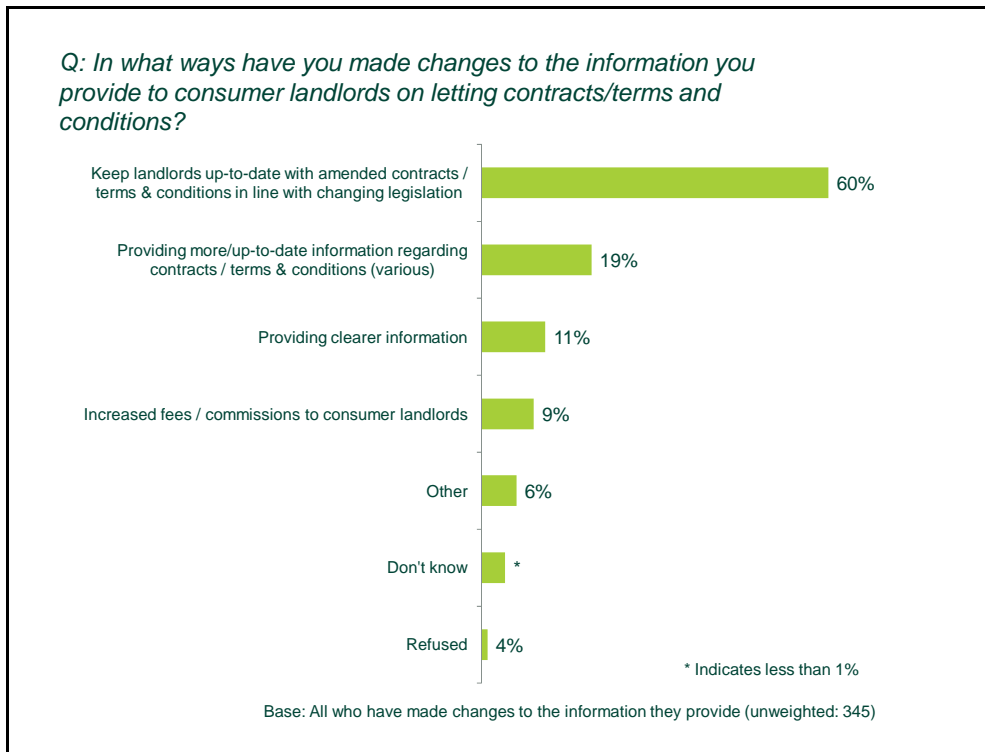
Table 6.5: Principal reasons for changing business model

Reason for changing business model	% mention
To compete more effectively with other letting agents	51
To increase profit, cut costs or reduce losses	47
To attract new customers	23
Other	23
To comply with a change/changes in Legislation (unspecified)	12
Need to improve/update business (including become more efficient)	10

Letting agent instigated changes to specific business practices since July 2009

- 6.18 Letting agents were asked whether they had made material changes to any of the following:
- the information provided to consumer landlords on letting contracts/terms and conditions
 - the training provided to sales staff in lettings to consumer landlords
 - the commissions charged to consumer landlords for lettings, and
 - the fees charged to consumer landlords for lettings.
- 6.19 Around four in 10 letting agents (42 per cent) have made material changes to the information they provide to consumer landlords on letting contracts or terms and conditions. The most frequently mentioned types of changes reported are shown in Chart 6.6.

Chart 6.6: Changes made to information provided to consumer landlords



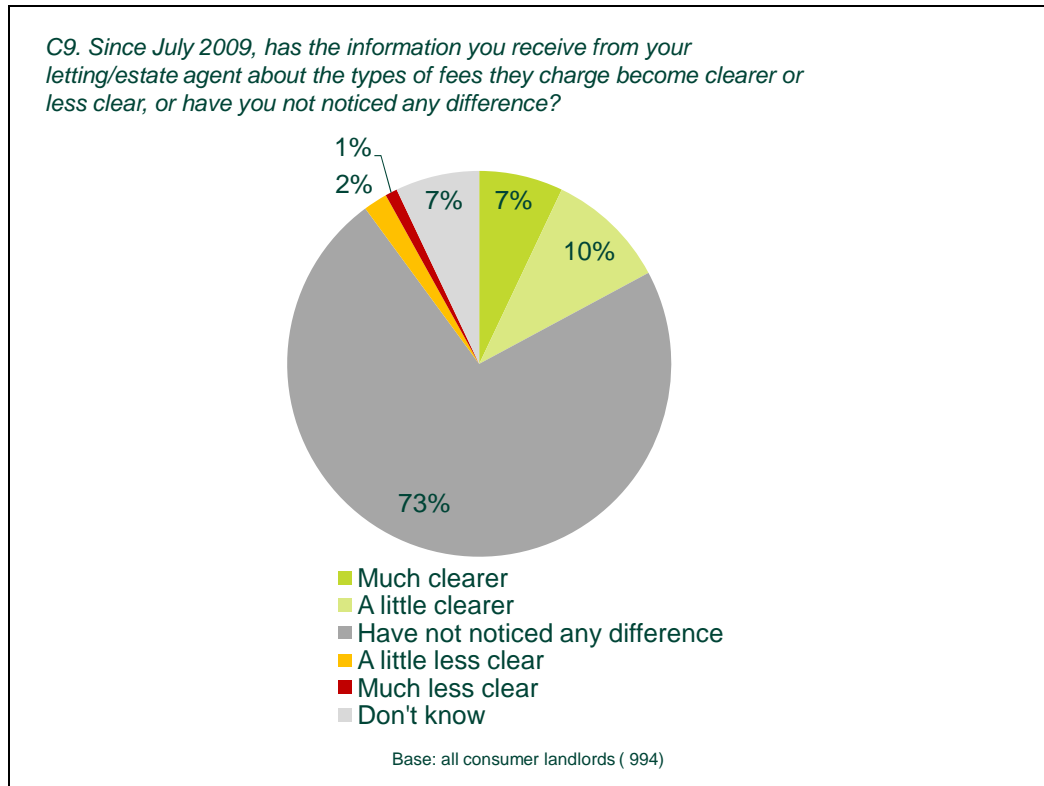
6.20 Sixty per cent of letting agents spontaneously report having made changes to the information they provide to consumer landlords, to keep them up-to-date or in line with changing legislation. Arguably, some may view the Foxtons case as such a change in legislation and so this may, in part, reflect the impact of the case²¹.

6.21 Eleven per cent of letting agents claim to have started providing clearer information. This reported increase in clarity of information also appears to be substantiated by the consumer landlords surveyed. When asked whether the information they receive from their letting/estate agent

²¹ However, these respondents do not mention the Foxtons case specifically. Responses were spontaneous, that is, not prompted by a list, so we cannot tell to what extent this is prompted by the case.

about the types of fees they charge has become more or less clear since July 2009 when the initial judgement against Foxtons was made, consumer landlords are more likely to report that this has become clearer (17 per cent say it is clearer, seven per cent 'much clearer), than less clear (only three per cent – Chart 6.7).

Chart 6.7: Whether consumer landlords perceive letting agent fee information to have become clearer since July 2009



6.22 There are some indications here that the Foxtons case may have prompted letting agents to provide clearer information to consumer landlords:

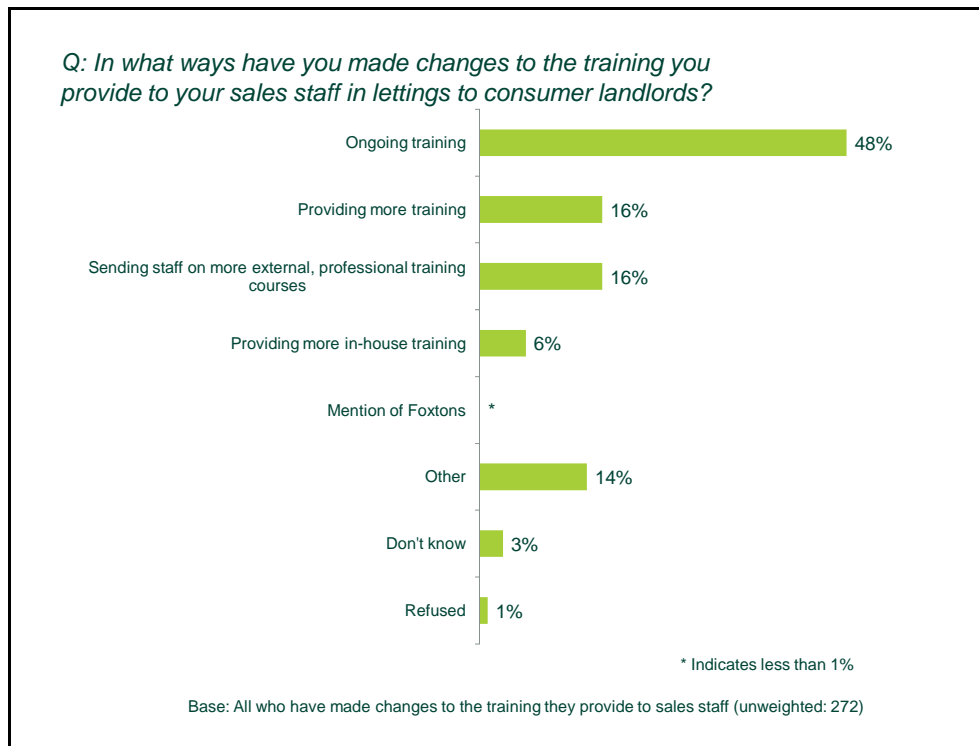
- Consumer landlords in London (that is, one of the areas in which Foxtons operates) are more likely to say that fee information has become 'much clearer' since the initial judgement (16 per cent do so, compared with three per cent of those in the rest of the South and six per cent of those elsewhere in the UK).

- Agents who are spontaneously aware of the Foxtons case (that is, who can cite it without being prompted with a description of the case) are more likely to mention providing clearer information to clients (15 per cent) – one possible interpretation being that awareness of the case has prompted this increased clarity.

6.23 A third of letting agents (33 per cent) have made material changes to the training they provide to sales staff in lettings to consumer landlords. Agents who are spontaneously aware of the Foxtons case (that is, who can cite it without being prompted with a description of the case) are more likely to have made changes to training (44 per cent).

6.24 The most frequently mentioned types of changes are shown in Chart 6.8. There is little in the specific changes made to training which relates to the Foxtons case specifically (fewer than one per cent mention the case in this context, and none of the most-mentioned training changes is specifically to do with explaining fees, charges or contract terms and conditions).

Chart 6.8: Changes made to training provided to lettings staff



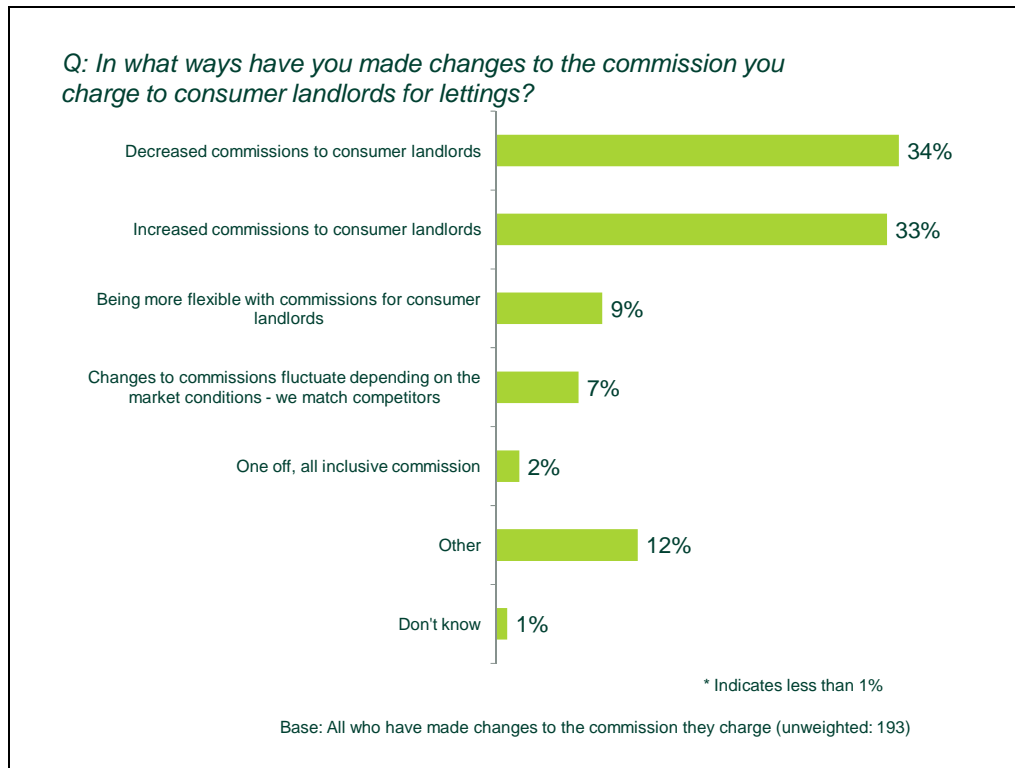
Letting agent instigated changes to letting agent fees and commission since July 2009

6.25 A quarter of letting agents (24 per cent) report having made material changes to the commission they charge to consumer landlords for lettings. This figure is higher for agents who are spontaneously aware of the Foxtons case²² (29 per cent).

6.26 The most frequently mentioned types of changes made to commission charges are shown in Chart 6.9. This shows that letting agents are as likely to have increased commission charges as to have decreased them since July 2009 (that is, the time of the initial judgement against Foxtons).

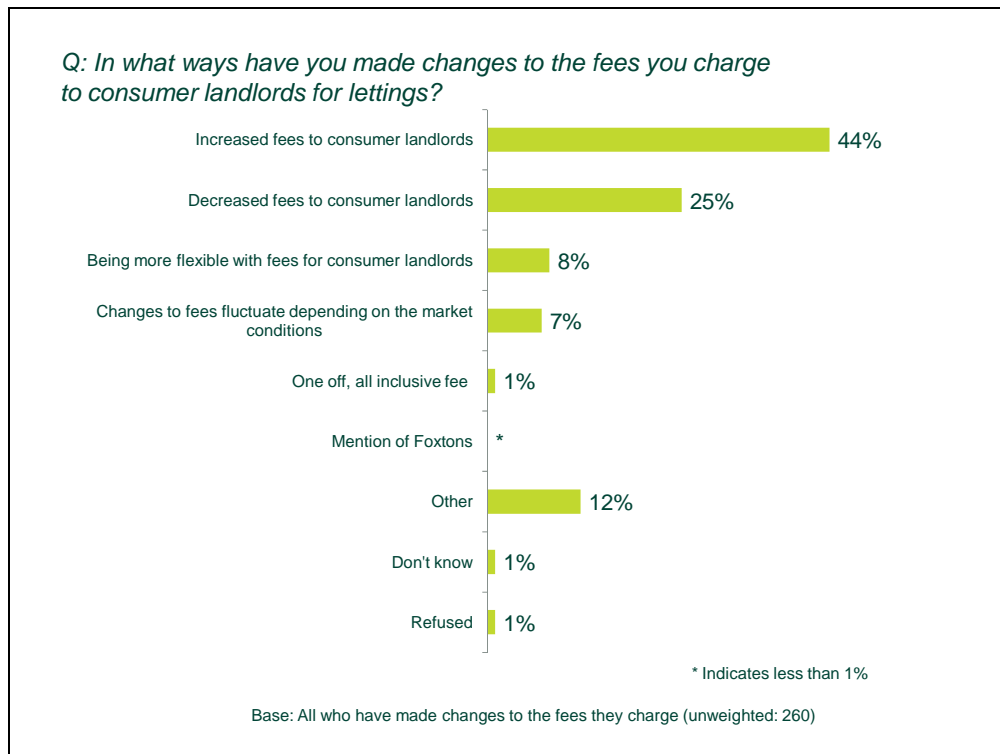
²² That is, those who can cite the case without being prompted with a description of it.

Chart 6.9: Changes made to commission charged for lettings



6.27 Around a third of letting agents (32 per cent) report having made material changes to the fees they charge to consumer landlords for lettings. The most frequently mentioned types of changes made to fees are shown in Chart 6.10.

Chart 6.10: Changes made to fees charged for lettings

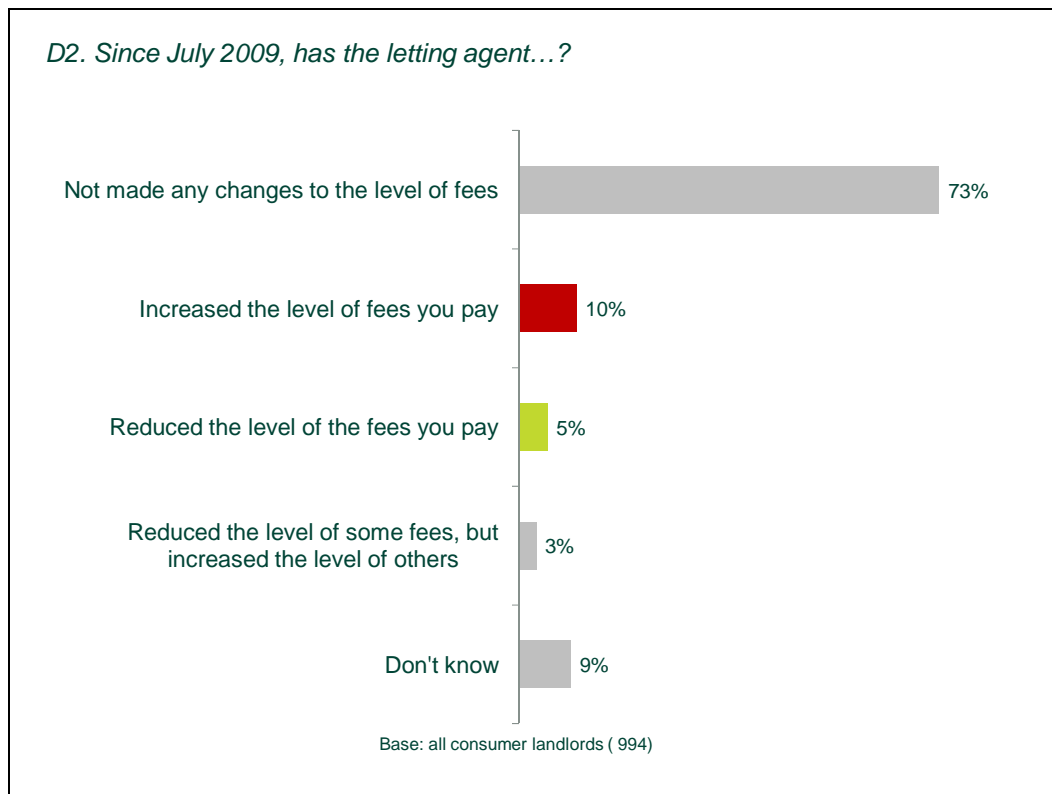


6.28 As Chart 6.10 highlights, agents are more likely to have increased the fees they charge to consumer landlords (44 per cent) than to have decreased them (only 25 per cent).

6.29 This appears to be substantiated by the sample of consumer landlords: when asked whether their letting/estate agent has reduced or increased their levels of fees since July 2009, reported increases in fees are more common than decreases (10 per cent vs. five per cent – Chart 6.11).²³

²³ These increases could, of course, be due to a range of factors and do not necessarily result from the initial High Court judgement against Foxtons in July 2009.

Chart 6.11: Consumer landlord incidence of letting agent-instigated fee changes since July 2009



6.30 There are, however, some indications here that the Foxtons case may have prompted some letting agents to reduce the fees charged to consumer landlords, although the changes can be attributed to a range of factors and do not necessarily stem from the High Court judgement:

- Consumer landlords in London and Surrey, the areas in which Foxtons operate, are more likely to report fee reductions (seven per cent report fee decreases in London/Surrey, compared with four per cent elsewhere in the UK (that is, outside of London, Surrey and the South)).
- Consistent with this, letting agents located in London/Surrey were less likely to have increased fees (24 per cent; whereas this was 44 per cent for all agents) and more likely to have decreased fees (38 per cent; whereas this was 25 per cent for all agents).

6.31 Letting agents were also asked about three **specific** types of fee or commission that were addressed by the Foxtons case. Findings are shown in Table 6.12.

Table 6.12: Incidence of, and changes to, specific types of fee or commission since July 2009

		% charging this	% of those charging who have increased this since July 2009	% of those charging who have decreased this since July 2009	% of those charging who left this unchanged since July 2009
Fee or commission type	Charge renewal fee/commission to their consumer landlords where the tenant continues to rent the property from the landlord beyond the original term of tenancy ²⁴	42	8	12	77
	Charge fee/commission in the event that the consumer landlord sells the property to a third party and the tenant continues to rent the property from the new landlord beyond the original term of the tenancy	28	8	5	82
	Charge sales fee/commission to its consumer landlords where the landlord sells the property to the tenant found by the agency	57	3	7	83

6.32 Agents in London/Surrey were more likely to have decreased their renewal commission/fee for letting-only services (23 per cent, compared with 12 per cent across all agents).

²⁴ This applies to letting services only.

6.33 Thus, to sum up findings so far, by comparison with other areas of the UK, in London and Surrey – the areas in which Foxtons operates – both letting agents and consumer landlords are more likely to report fee reductions; and lettings agents are more likely to report reductions in renewal fees/commission for lettings-only services. These findings do need to be treated with a degree of caution, however, as there are numerous other market conditions that may influence increases and decreases in fees/commission geographically (and as we shall see, the majority of letting agents do not attribute changes to fees or commission to the Foxtons case).

Consumer-instigated changes to letting agent contracts, fees and charges since July 2009

6.34 The 13 per cent of consumer landlords who reported having some knowledge of the substance of the Foxtons enforcement action (that is, saying they know ‘a lot’ or ‘a little’ about it) were asked whether, since hearing about it, they have:

- re-negotiated their fees with their letting/estate agent
- shopped around for better fees from another letting/estate agent.

6.35 Seventeen per cent of consumer landlords with some knowledge of the substance of the Foxtons case report having tried to re-negotiate their fees; and 25 per cent have shopped around for better fees.

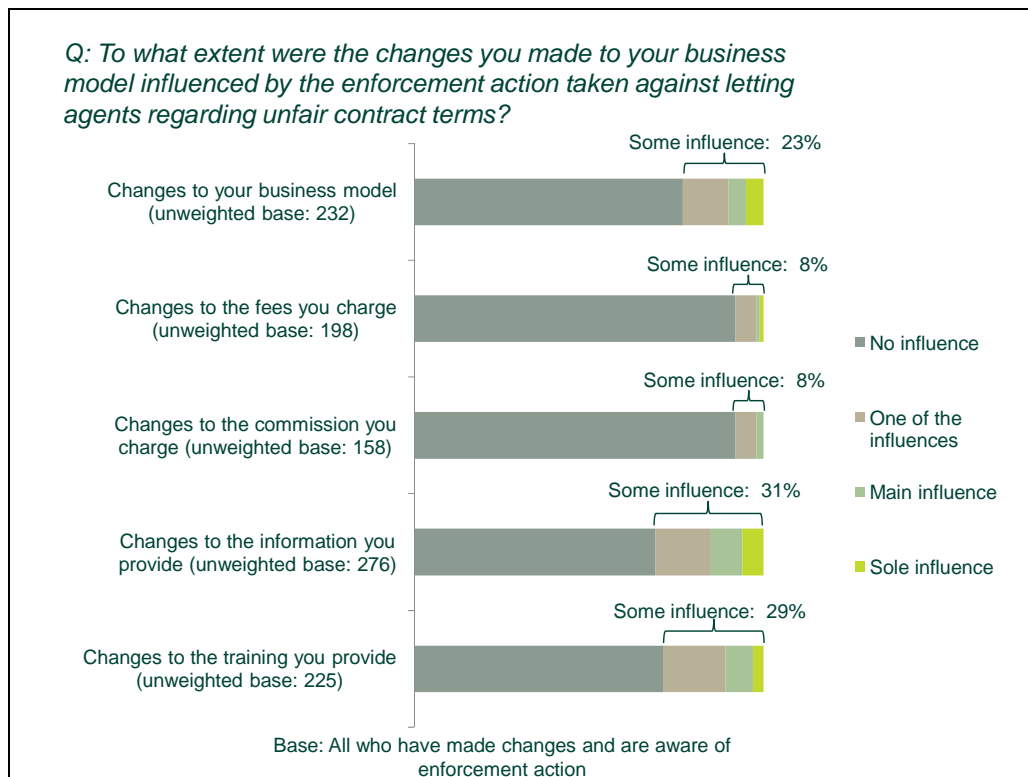
6.36 Those with more than one property being rented out are more likely to have re-negotiated (27 per cent, vs. eight per cent of those with one property only) or to have shopped around (35 per cent, vs. 15 per cent with one property). There were no notable geographic differences.

7 ATTRIBUTION OF BUSINESS CHANGES TO THE FOXTONS CASE

- 7.1 Letting agents that had made changes to their business model or to their business practices in four specific areas (fees charged to consumer landlords for lettings; commissions charged to consumer landlords for lettings; information provided to consumer landlords on letting contracts/terms and conditions; and training provided to sales staff in lettings to consumer landlords) and who were aware of the Foxtons case (either spontaneously or after prompting) were asked to consider the extent to which the Foxtons case had influenced these changes.

- 7.1 Fewer than one-tenth of letting agents that are aware of the Foxtons case and that have made changes to the fees and commission they charge to consumer landlords for lettings attribute these changes to the Foxtons case, whereas between a quarter and a third attribute other types of change (to the firm's business model; to the training they provide; and to the information they provide) to the case (Chart 7.1).

Chart 7.1: Attribution of changes to business model and practices to the Foxtons case



- 7.2 Given that a higher proportion of letting agents who were aware of the Foxtons case have changed their business model, the extent to which actual links between changes and Foxtons might be under-reported is unclear.
- 7.3 With this in mind, it is interesting to look only at those who made changes to their business model and/or practices and, within this group, compare the proportion of letting agents that were spontaneously aware of the Foxtons case with those who reported that the Foxtons case had some influence on these changes.
- 7.4 In all cases, but most notably for those who had made changes to the commission charged, a much smaller proportion ascribe the changes to the Foxtons case than were spontaneously aware. This is shown in Table 7.2 below: while 43 per cent of those who made changes to the commission they charged to consumer landlords for lettings were

spontaneously aware of the Foxtons case, only eight per cent cited the case as an influence.

Table 7.2: Reported impact of Foxtons case

Changes made to...	Spontaneously aware of Foxtons case	Foxtons case cited as influence
	Row percentages	
Overall business model	41%	23%
Fees charged to consumer landlords for lettings	38%	8%
Commissions charged to consumer landlords for lettings	43%	8%
Information provided to consumer landlords on letting contracts/terms and conditions	44%	31%
Training provided to sales staff in lettings to consumer landlords	46%	28%
Need to improve/update business (including become more efficient)	41%	23%

7.5 Thus, while it would be unwise to say that all those who were spontaneously aware of the Foxtons case made changes in response to the case, it is nevertheless likely that the ‘true’ impact of the Foxtons case is greater than that described by letting agents, as some may not be consciously aware of the influence of the Foxtons case, while others may be disinclined to attribute business changes to regulatory enforcement.

7.6 One per cent of consumer landlords claim they took action – either shopping around or seeking to re-negotiate their fees – as a result of hearing about the Foxtons case.²⁵

²⁵ Of course, some consumer landlords who did not take action as a result of hearing about the case may have simply assumed that positive changes would be made by their letting agent, as a result of the case (in our survey of consumer landlords 10 per cent reported that they had

- 7.7 Of the 22 consumer landlords who sought to re-negotiate their fees, nine of them attributed this to hearing about the enforcement action (that is, saying that they ‘definitely’ or ‘probably’ would not have done this without hearing about the case). Of those who sought to re-negotiate, the majority (19 of them) did succeed in changing their fees: 12 people changed their renewal fee, four changed other types of fees and three changed both renewal and other fees.
- 7.8 Of the 32 consumer landlords who shopped around for better fees, seven of them attributed this to hearing about the enforcement action. Of those who shopped around, just under half (14 of the 32) did switch from one letting/estate agent to another.
- 7.9 Consumer landlords who reported experiencing a change in their fees (whether instigated by them or by their agent), or who had switched agent after shopping around, were asked whether they were better off, worse off, or no different as a result of these changes. Those who were better off were asked how much they had saved.²⁶
- 7.10 Those consumer landlords experiencing a change in fees or a change of agent tend to be better off as a result: 66 per cent report being better off (28 per cent report no difference and only five per cent say they are worse off).
- 7.11 Among the 61 consumer landlords who report being better off due to the changes, the mean percentage saving is eight per cent per year. The mean sum saved is £1,020 per year.

experienced letting agent-instigated contract changes and eight per cent reported experiencing letting agent-instigated reductions in fees).

²⁶ This was asked irrespective of awareness of the Foxton’s case, and was only asked if the consumer landlord had instigated changes themselves, or if reported letting-agent instigated changes included fee **reductions**. This does not, therefore, contradict the finding that letting-agent instigated changes to fees are more likely to involve increases than decreases (Chapter Six).

8 CONCLUSIONS

- 8.1 The conclusions that might be drawn on the basis of this research are as follows.
- 8.2 The three types of commission terms that were challenged by the OFT in the case against Foxtons still appear to be used by a relatively large number of letting agents.
- 8.3 Awareness of enforcement action against Foxtons is low among the consumer landlords surveyed, but substantially higher among letting agents. Among both audiences, awareness of the Foxtons case is higher in London and Surrey (the areas in which Foxtons operates) than elsewhere in the UK.
- 8.4 There are some indications that the case has had a positive impact on the lettings market particularly for consumers, although there may be other influences at work and we cannot establish causality:
- There is evidence of improved information provision to consumers and, to a lesser extent, changes to fee levels and structures.
 - While the reported incidence of two of the three types of charge (renewal and third party commission) is higher in London and Surrey than it is elsewhere, so are reported reductions in the level of fees in general, and in renewal fees specifically. Such reductions are likely to be driven by a range of market conditions.
 - Although consumer landlords seem fairly confident in their understanding of their contracts, it should be noted that just over half of them report that they read the terms and conditions 'thoroughly'. Those who reported having read the contract thoroughly were considerably more likely to describe themselves as very confident in their understanding of the types of fees and commission associated with their contract, though.
 - Consumer landlords who report being aware of the case are more likely to be confident in their knowledge of the lettings market and

their contract's fees and commission – another indication that the case may have had a positive impact.

A ANNEXE A: LETTING AGENT QUESTIONNAIRE

- A.1 The questionnaire used for the survey of letting agents is included below.

S Screener

ASK TELEPHONIST:

- S1. **Good morning/afternoon, my name is XXX, calling from IFF Research, an independent market research company, on behalf of a public body working on policy issues. Please can I speak with the person who is responsible for lettings activities within your business, particularly relating to the terms and conditions of letting contracts?**

ADD IF NECESSARY:

I'm afraid I cannot reveal the name of the public body at this stage, as one of the objectives of the research is to understand businesses' awareness of its activities, but I can reveal it at the end.

ADD IF NECESSARY:

By this we mean issues relating to the contractual terms and conditions you offer to landlords for whom you are acting as letting agents.

ADD IF NECESSARY:

This would probably be someone in the legal department, the finance director or the person with overall responsibility for lettings.

Yes – speaking	1	CONTINUE
Yes – transfer	2	
Hard appointment	3	MAKE APPOINTMENT
Soft appointment	4	
Person responsible based at another site	5	SEEK REFERRAL
Refusal (Taken part in recent survey)	6	THANK AND CLOSE
Refusal (Company Policy)	7	
Refusal (Other – specify)	8	
Not available in deadline	9	
Engaged	10	CALL BACK
No reply / answering phone	11	
Residential number	12	THANK AND CLOSE
Dead line	13	
Company closed	14	
Company does not let property	15	

WHEN SPEAKING TO TARGET RESPONDENT:
 S2. [IF S1 = 2, SHOW REINTRODUCTION TEXT: Good morning/afternoon, my name is calling from IFF Research, an independent market research company.] We are conducting a project on behalf of a public body working on policy issues to help them understand current policies and practices with regard to lettings. The interview will take around 15 minutes to complete.

ADD IF NECESSARY:

I'm afraid I cannot reveal the name of the public body at this stage, as one of the objectives of the research is to understand businesses' awareness of its activities, but I can reveal it at the end.

Yes – continue	1	CONTINUE
Not the most appropriate person	2	SEEK REFERRAL
Hard appointment	3	MAKE APPOINTMENT
Soft appointment	4	
Refusal (Taken part in recent survey)	5	THANK AND CLOSE
Refusal (Company Policy)	6	
Refusal (Other – specify)	7	
Not available in deadline	8	
Company does not let property	9	

READ OUT TO ALL:

Any information you provide, or views you express (including anything which may constitute personal data under the Data Protection Act 1998) will not be capable of being attributed to you (by name or firm) or of identifying you or any other individual, when aggregated and anonymised results from this survey are later published.

REASSURE IF NECESSARY:

If you would like to find out more about the survey, you can contact Angus Tindle at IFF Research on 020 7250 3035.

IFF is a Market Research Society Partner and works strictly within the Market Research Society Code of Conduct. If you would like to check IFF's credentials, you can call the Market Research Society, free of charge, on 0500 39 69 99.

Establishments have been randomly selected from a list provided by Dunn and Bradstreet.

ASK ALL

S3. Does your organisation act as a letting agent?

SINGLE CODE

Yes	1	CONTINUE
No	2	CLOSE
Don't know	3	CLOSE

ASK ALL

S3a Does your organisation provide a management service with some or all lettings?

READ OUT; SINGLE CODE

Management services provided with all lettings	1	
Management services provided with some but not all lettings	2	
No management services provided – lettings service only	3	
No lettings service provided – management services only	4	CLOSE
Don't know	5	

ASK ALL

S4. **What proportion of your company's turnover is accounted for by lettings?**

SINGLE CODE; PROMPT IF NECESSARY

None	1	CLOSE
1-10%	2	
11-20%	3	
21-30%	4	
31-40%	5	
41-50%	6	
51-60%	7	
61-70%	8	
71-80%	9	
81-90%	10	
91-100%	11	
Don't know	12	

ASK ALL

S5. **Does your organisation act as a letting agent on behalf of consumer landlords? By 'consumer landlords', we mean individual landlords who are acting for purposes outside their trade, business or profession - letting property is likely not to be their main source of income.**

SINGLE CODE

Yes	1	CONTINUE
No	2	CLOSE
Don't know	3	CLOSE

ASK ALL

S6. **How many sites does your organisation have in the UK?**

SINGLE CODE; PROMPT IF NECESSARY

1	1	
2-5	2	
6-9	3	
10-24	4	
25-49	5	
50+	6	
Don't know	7	

ASK ALL

S7. **Including yourself, how many people work in your organisation [IF CODES 2-6 AT S6: at all of its sites] within the UK? Please include all full and part time staff, but exclude agency workers or self-employed contractors.**

RECORD EXACT NUMBER _____ IF DK, PROMPT RESPONDENT AND SINGLE CODE BELOW

PROGRAMMER INSTRUCTION: ENSURE NUMBER OF EMPLOYEES IS EQUAL TO OR GREATER THAN NUMBER OF SITES AT S6

1-9	1	
10-49	2	
50-249	3	
250 +	4	
DO NOT READ OUT: Don't know	5	
DO NOT READ OUT: Refused	6	

A Changes to business practices

For the remainder of the interview I would like to focus our discussion on lettings to consumer landlords.

ASK ALL

- A1 **In the last three years (since February 2008), has your organisation made any material changes to its overall business model, that is, pricing structures, contract terms, products/ services offered?**

SINGLE CODE

Yes	1	CONTINUE
No	2	SKIP TO A5
Don't know	3	SKIP TO A5

ASK IF CODE 1 AT A1

- A2 **What are the main ways in which have you made changes to your business model? Please mention up to three changes.**

WRITE IN:	1	
WRITE IN:	2	
WRITE IN:	3	
Don't know/Refused	4	SKIP TO A5

FOR EACH CHANGE MENTIONED AT A2, ASK

A3 **Why did you change your business model in this way?**

DO NOT READ OUT; MULTI-CODE ALLOWED

To compete more effectively with other letting agents	1	
To attract new customers	2	
To increase profit, cut costs or reduce losses	3	
Because of the High Court case against Foxtons brought by the OFT	4	
Because of advice from a trade association SPECIFY: _____	5	
For legal or regulatory reasons SPECIFY: _____	6	
Other (write in)	7	
Don't know	8	

MOVE A3A TO AFTER A4 AND ASK ONLY ONCE: NOT IN LOOP

IF 4 CODED AT ANY A3, DO NOT SHOW A3A AND AUTOMATICALLY CODE 1

A3a **DO NOT ASK A3A. IF OFT FOXTONS CASE MENTIONED AT ANY A2, CODE 1 BELOW:**

OFT Foxtons case has caused changes to business model	1	
---	---	--

FOR EACH CHANGE MENTIONED AT A2, ASK

A4 **When were these changes made? Was it...?**

READ OUT; SINGLE CODE

From February 2010	1	
Between July 2009 and January 2010	2	
Between February 2008 and June 2009	3	
Can't remember	4	

ASK ALL

A5 **In the last three years (since February 2008), has your organisation made any material changes to...?**

READ OUT; MULTI-CODE ALLOWED

The fees you charge to consumer landlords for lettings	2	
The commissions you charge to consumer landlords for lettings	2	
The information you provide to consumer landlords on letting contracts / terms and conditions	3	
The training you provide to your sales staff in lettings to consumer landlords	4	
Don't know (DO NOT READ OUT)	5	
None of these (DO NOT READ OUT)	6	

FOR EACH CHANGE MENTIONED AT A5, ASK

A6 **In what ways have you made changes to [INSERT CODE FROM A5]?**

WRITE IN PROBE FOR SPECIFIC ASPECTS, ALLOW DK/REF

FOR EACH CHANGE MENTIONED AT A5, ASK
A7 Why did you change [INSERT CODE FROM A5] in this way?

DO NOT READ OUT; MULTI-CODE ALLOWED

To compete more effectively with other letting agents	1	
To attract new customers	2	
To increase profit, cut costs or reduce losses	3	
Because of the High Court case against Foxtons brought by the OFT	4	
Because of advice from a trade association SPECIFY: _____	5	
For legal or regulatory reasons SPECIFY: _____	6	
Other (write in)	7	
Don't know	8	

MOVE A7B TO AFTER A8 AND ASK ONLY ONCE: NOT IN LOOP
 IF 4 CODED AT ANY A7, DO NOT SHOW A7B AND AUTOMATICALLY CODE 1

A7b DO NOT ASK. IF OFT FOXTONS CASE MENTIONED AT A6, CODE 1 BELOW:

OFT Foxtons case has caused changes to business practices	1	
---	---	--

ASK A4 AFTER EACH ITERATION OF A7

A8 When were these changes made? Was it...?

READ OUT; SINGLE CODE

From February 2010	1	
Between July 2009 and January 2010	2	
Between February 2008 and June 2009	3	
Can't remember	4	

ASK IF MULTI-SITE ORGANISATION: CODES 2-6 AT S6

A9 Which of the following statements apply to the terms and conditions (including fees) of your letting contracts?

READ OUT; SINGLE CODE

Your organisation has standard terms and conditions which apply across all sites and these must not be deviated from	1	
Your organisation has standard terms and conditions but representatives at individual sites can deviate from these under certain circumstances	2	
Some of your organisation's terms and conditions are standard, while others are negotiable	3	
Your organisation does not have standard terms and conditions	4	
None of the above	5	
Don't know	6	

ASK ALL

A10 At what stage in the lettings process do you typically inform consumer landlords of the fees and commissions applicable?

Please bear in mind that, by 'consumer landlords', we mean individual landlords who are acting for purposes outside their trade, business or profession - letting property is likely not to be their main source of income.

READ OUT; SINGLE CODE

At the start of the sales process: it is the first thing that is discussed	1	
During the sales process: it forms part of this discussion	2	
Late on in the sales process (for example, details sent by email/ post/ fax)	3	
At the contract signing stage (details contained in contract)	4	
Upon request	5	
Other (SPECIFY: _____)	6	
Don't know	7	

A11 DELETED

ASK ALL PROVIDING LETTINGS SERVICES WITHOUT MANAGEMENT SERVICES (CODING 2 OR 3 AT S3A)

A12 **When providing a letting service only without management services, does your organisation charge a renewal fee or commission to its consumer landlords where the tenant continues to rent the property from the landlord beyond the original term of the tenancy?**

READ OUT; SINGLE CODE

Yes	1	SKIP TO A13
No	2	SKIP TO A12A
Don't know	3	SKIP TO A18

ASK IF CODE 2 AT A12:

A12a **Why do you not charge a fee or commission for this?**

DO NOT READ OUT; MULTI-CODE ALLOWED

To compete more effectively with other letting agents	1	
To attract new customers	2	
To increase profit, cut costs or reduce losses	3	
Because of the High Court case against Foxtons brought by the OFT	4	
Because of advice from a trade association SPECIFY: _____	5	
For legal or regulatory reasons SPECIFY: _____	6	
Other (write in)	7	
Don't know	8	

NOW GO TO A18

ASK IF CODE 1 AT A12
 A13 **Is the charge...?**

A flat fee	1	
A percentage of monthly rent	2	
Equivalent to a certain number of months' rent	3	
Calculated in another way	4	
Don't know	5	

ASK IF CODES 1-4 AT A13
 A14 **How much is the charge?**

IF CODE 1 AT A13:	WRITE IN: _____ GBP LOWER LIMIT OF RANGE: GBP 1 ALLOW DK
IF CODE 2 AT A13:	WRITE IN: _____ % OF MONTHLY RENT ALLOW DECIMALS FROM 0.1 TO 100 ALLOW DK
IF CODE 3 AT A13:	WRITE IN: _____ MONTHS' RENT LOWER LIMIT OF RANGE: 1 MONTH ALLOW DK
IF CODE 4 AT A13:	RECORD VERBATIM:

ASK IF CODE 1 AT A12
 A15 **Has this renewal charge increased or decreased since July 2009?**

SINGLE CODE

Increased	1	
Decreased	2	
Stayed the same	3	
Don't know	4	

ASK IF CODE 1 OR 2 AT A15

A16 **Why has the charge increased/ decreased?**

DO NOT READ OUT; MULTI-CODE ALLOWED

To compete more effectively with other letting agents	1	
To attract new customers	2	
To increase profit, cut costs or reduce losses	3	
Because of the High Court case against Foxtons brought by the OFT	4	
Because of advice from a trade association SPECIFY: _____	5	
For legal or regulatory reasons SPECIFY: _____	6	
Other (write in)	7	
Don't know	8	

ASK IF CODE 1 AT A12

A17 **Does this renewal charge stop after a certain number of renewals or does it apply indefinitely?**

SINGLE CODE

Always stops after a certain number of renewals PROBE: How many?	1	
Always applies indefinitely	2	
Stops after a certain number of renewals in some cases; applies indefinitely in other cases	3	
Don't know	4	

ASK ALL

A18 **In your organisation's terms and conditions, is there a fee or commission charge in the event that the consumer landlord sells the property to a third party and the tenant continues to rent the property from the new landlord beyond the original term of the tenancy?**

READ OUT; SINGLE CODE

Yes	1	SKIP TO A19
No	2	SKIP TO A18A
Don't know	3	SKIP TO A23

ASK IF CODE 2 AT A18:

A18a **Why do you not charge a fee or commission for this?**

DO NOT READ OUT; MULTI-CODE ALLOWED

To compete more effectively with other letting agents	1	
To attract new customers	2	
To increase profit, cut costs or reduce losses	3	
Because of the High Court case against Foxtons brought by the OFT	4	
Because of advice from a trade association SPECIFY: _____	5	
For legal or regulatory reasons SPECIFY: _____	6	
Other (write in)	7	
Don't know	8	

NOW GO TO A23

ASK IF CODE 1 AT A18
 A19 **Is the charge...?**

A flat fee	1	
A percentage of monthly rent	2	
Equivalent to a certain number of months' rent	3	
Calculated in another way	4	
Don't know	5	

ASK IF CODES 1-4 AT A19
 A20 **How much is the charge?**

IF CODE 1 AT A19:	WRITE IN: _____ GBP LOWER LIMIT OF RANGE: GBP 1 ALLOW DK
IF CODE 2 AT A19:	WRITE IN: _____ % OF MONTHLY RENT ALLOW DECIMALS FROM 0.1 TO 100 ALLOW DK
IF CODE 3 AT A19:	WRITE IN: _____ MONTHS' RENT LOWER LIMIT OF RANGE: 1 MONTH ALLOW DK
IF CODE 4 AT A19:	RECORD VERBATIM:

ASK IF CODE 1 AT A18
 A21 **Has this charge increased or decreased since July 2009?**

SINGLE CODE

Increased	1	
Decreased	2	
Stayed the same	3	
Don't know	4	

ASK IF CODE 1 OR 2 AT A21

A22 **Why has the charge increased/ decreased?**

DO NOT READ OUT; MULTI-CODE ALLOWED

To compete more effectively with other letting agents	1	
To attract new customers	2	
To increase profit, cut costs or reduce losses	3	
Because of the High Court case against Foxtons brought by the OFT	4	
Because of advice from a trade association SPECIFY: _____	5	
For legal or regulatory reasons SPECIFY: _____	6	
Other (write in)	7	
Don't know	8	

ASK ALL

A23 **Does your organisation charge a sales fee or commission to its consumer landlords where the landlord sells the property to the tenant found by your agency?**

READ OUT; SINGLE CODE

Yes – sales fee only	1	SKIP TO A24
Yes – sales commission only	2	SKIP TO A24
Yes – both sales fee and sales commission	3	SKIP TO A24
Neither	4	SKIP TO A23A
Don't know	5	SKIP TO SECTION B

ASK IF CODE 4 AT A23:
A23a **Why do you not charge a fee or commission for this?**

DO NOT READ OUT; MULTI-CODE ALLOWED

To compete more effectively with other letting agents	1	
To attract new customers	2	
To increase profit, cut costs or reduce losses	3	
Because of the High Court case against Foxtons brought by the OFT	4	
Because of advice from a trade association SPECIFY: _____	5	
For legal or regulatory reasons SPECIFY: _____	6	
Other (write in)	7	
Don't know	8	

NOW GO TO SECTION B

ASK IF CODES 1-3 AT A23
A24 **How much is the...?**

IF CODE 1 OR 3 AT A23: Fee	WRITE IN: _____ GBP LOWER LIMIT OF RANGE: GBP 1 ALLOW DK
IF CODE 2 OR 3 AT A23: Commission	WRITE IN: _____ % OF PROPERTY VALUE ALLOW DECIMALS FROM 0.1 TO 100 ALLOW DK

ASK IF CODES 1-3 AT A23

A25 **Has this fee or commission increased or decreased since July 2009?**

SINGLE CODE

Increased	1	
Decreased	2	
Stayed the same	3	

ASK IF CODE 1 OR 2 AT A25

A26 **Why has the charge increased/ decreased?**

DO NOT READ OUT; MULTI-CODE ALLOWED

To compete more effectively with other letting agents	1	
To attract new customers	2	
To increase profit, cut costs or reduce losses	3	
Because of the High Court case against Foxtons brought by the OFT	4	
Because of advice from a trade association SPECIFY: _____	5	
For legal or regulatory reasons SPECIFY: _____	6	
Other (write in)	7	
Don't know	8	

B Awareness of enforcement activity

ASK ALL WHO DID NOT ATTRIBUTE BUSINESS CHANGES TO OFT FOXTONS CASE: ALL EXCEPT THOSE CODING 1 AT A3A OR A7B

B1 **Are you aware of any enforcement action taken against letting agents regarding unfair contract terms in the last three years?**

SINGLE CODE

Yes	1	CONTINUE
No	2	SKIP TO B7
Don't know	3	SKIP TO B7

ASK IF CODE 1 AT B1

B2 **Which organisation undertook this enforcement action?**

DO NOT READ OUT; MULTI-CODE POSSIBLE

The Office of Fair Trading	1	
Trading Standards	2	
Other (specify: _____)	3	
Don't know	4	

ASK IF CODE 1 AT B1

B3 **Which letting agent or letting agents was the action taken against?**

DO NOT READ OUT; MULTI-CODE POSSIBLE

Foxtons	1	
Other (specify: _____)	2	
Don't know	3	

ASK IF SPONTANEOUSLY AWARE OF ENFORCEMENT CASE: (CODE 1 AT B1) OR (CODE 1 AT A3A OR CODE 1 AT A7B)

B4 [IF CODE 1 AT A3A OR CODE 1 AT A7B: **You mentioned the enforcement action taken by the Office of Fair Trading against Foxtons.**]

How well informed do you consider yourself to be about this enforcement action? Would you say you are...?

READ OUT; SINGLE CODE

Fully conversant with the details of the enforcement action	1	
Aware of the enforcement action and have some knowledge of the details	2	
Aware of the enforcement action but only a few of the details	3	
Aware of the enforcement action but do not know any of the details	4	

ASK ALL ANSWERING B4

B5 **How did you become aware of the enforcement action?**

DO NOT READ OUT; MULTI-CODE POSSIBLE

Via contact with Trading Standards Service	1	
Via contact with the Office of Fair Trading	2	
From a trade association (PLEASE SPECIFY)	3	
From specific trade press (PLEASE SPECIFY)	4	
From mainstream press or media (PLEASE SPECIFY)	5	
Website other than pages above (PLEASE SPECIFY)	6	
Other (PLEASE SPECIFY)	7	
Don't know	8	

ASK ALL ANSWERING B4

B6 **When did you become aware of the enforcement action? Was it...?**

READ OUT; SINGLE CODE

From February 2010	1	
Between July 2009 and January 2010	2	
Between February 2008 and June 2009	3	
Before February 2008	4	
Can't remember	5	

ASK IF NOT SPONTANEOUSLY AWARE OF ENFORCEMENT CASE: THOSE CODING 2 OR 3 AT B1

B7 **Are you aware that enforcement action was taken by the Office of Fair Trading against Foxtons?**

SINGLE CODE

Yes	1	CONTINUE
No	2	SKIP TO B14
Don't know	3	SKIP TO B14

ASK ALL CODING 1 AT B7

B8 **How well informed do you consider yourself to be about this particular case? Would you say you are...?**

READ OUT; SINGLE CODE

Fully conversant with the details of the enforcement action	1	
Aware of the enforcement action and have some knowledge of the details	2	
Aware of the enforcement action but only a few of the details	3	
Aware of the enforcement action but do not know any of the details	4	

ASK ALL CODING 1 AT B7
 B9 **How did you become aware of the enforcement action?**
 DO NOT READ OUT; MULTI-CODE POSSIBLE

Via contact with Trading Standards Service	1	
Via contact with the Office of Fair Trading	2	
From a trade association (PLEASE SPECIFY)	3	
From specific trade press (PLEASE SPECIFY)	4	
From mainstream press or media (PLEASE SPECIFY)	5	
Website other than pages above (PLEASE SPECIFY)	6	
Other (PLEASE SPECIFY)	7	
Don't know	8	

ASK ALL CODING 1 AT B7
 B10 **When did you become aware of the enforcement action? Was it...?**

READ OUT; SINGLE CODE

From February 2010	1	
Between July 2009 and January 2010	2	
Between February 2008 and June 2009	3	
Before February 2008	4	
Can't remember	5	

ASK ALL WHO HAVE MADE CHANGES TO THEIR BUSINESS MODEL AND ARE AWARE OF ENFORCEMENT ACTION: THOSE CODING 1 AT A1 AND (ANSWERING B4 OR CODING 1 AT B7)

- B11 You mentioned earlier that you made changes to your business model. To what extent were these changes influenced by the enforcement action taken against letting agents regarding unfair contract terms? Would you say that...?**

READ OUT; SINGLE CODE

It was the sole influence	1	
It was the main influence, but there were others	2	
It was one of the influences but not the main one	3	
It had no influence at all	4	

ASK ALL WHO HAVE MADE CHANGES TO THEIR BUSINESS PRACTICES AND ARE AWARE OF ENFORCEMENT ACTION: THOSE CODING 1, 2, 3 OR 4 AT A5 AND (ANSWERING B4 OR CODING 1 AT B7); REPEAT FOR EACH CODE GIVEN AT A5

- B12 You mentioned earlier that you made changes to [INSERT CHANGE FROM A5]. To what extent were these changes influenced by enforcement action taken against letting agents regarding unfair contract terms? Would you say that...?**

READ OUT; SINGLE CODE

It was the sole influence	1	
It was the main influence, but there were others	2	
It was one of the influences but not the main one	3	
It had no influence at all	4	

ASK ALL WHO ARE AWARE OF THE ENFORCEMENT CASE: THOSE CODING 1 AT A3A OR 1 AT A7B OR 1 AT B1 OR 1 AT B7

B13 **Do you have any further comments on how the enforcement action taken against letting agents regarding unfair contract terms affected your business practices?**

WRITE IN

ASK ALL

B14 **Since July 2009 would you say that the number of complaints from consumer landlords regarding letting services...?**

READ OUT; SINGLE CODE

has increased significantly	1	
has increased slightly	2	
is unchanged	3	
has decreased slightly	4	
has decreased significantly	5	
Don't know	6	

C Profiling

ASK ALL

C1 **Is your organisation a member of a trade association?**

SINGLE CODE

Yes	1	CONTINUE
No	2	SKIP TO C3
Don't know	3	SKIP TO C3

IF CODE 1 AT C1, ASK

C2 **What is the name of the trade association or trade associations?**

DO NOT READ OUT; MULTI-CODE ALLOWED

The National Association of Estate Agents (NAEA)	1	
The Association of Residential Letting Agents (ARLA)	2	
UK Association of Letting Agents (UKALA)	3	
Royal Institution of Chartered Surveyors (RICS)	4	
The National Approved Letting Scheme	5	
The Tenancy Deposit Protection Scheme	6	
The Ombudsman for Estate Agents Scheme	7	
The Property Ombudsman	8	
Other (write in)	9	
Don't know	10	

ASK ALL
C3 How many consumer landlords does your organisation currently act as letting agent for?

RECORD EXACT NUMBER _____ IF DK, PROMPT RESPONDENT AND SINGLE CODE BELOW

1-10	1	
10-49	2	
50-99	3	
100-249	4	
250-499	5	
500+	6	
Don't know	7	

ASK ALL
C4 And approximately how many contracts are held between tenants and consumer landlords through your agency?

SINGLE CODE; PROMPT IF NECESSARY

1-10	1	
10-49	2	
50-99	3	
100-249	4	
250-499	5	
500-999	6	
1,000+	7	
Don't know	8	

C5 DELETED

DELETED

ASK ALL
C6 What percentage of the consumer landlords that you act as letting agent for were customers 12 months ago?

SINGLE CODE; PROMPT IF NECESSARY

None	1	
1-10%	2	
11-20%	3	
21-30%	4	
31-40%	5	
41-50%	6	
51-60%	7	
61-70%	8	
71-80%	9	
81-90%	10	
91-100%	11	
Don't know	12	

ASK ALL

C7 **In which of the following areas of the UK is your [IF MULTI-SITE ORGANISATION (CODES 2-6 AT S6): head] office located?**
READ OUT, SINGLE CODE

IF MULTI-SITE ORGANISATION (CODES 2-6 AT S6), ASK C8A. REMOVE CODE GIVEN AT C8

C7A **In which of the following areas of the UK are your organisation's branch sites located?**
READ OUT, MULTI CODE ALLOWED

	C8	C8a
London	1	1
Surrey	2	2
The rest of the South East (not London or Surrey)	3	3
East of England	4	4
West Midlands	5	5
East Midlands	6	6
Wales	7	7
South West	8	8
North East	9	9
North West	10	10
Yorkshire/Humber	11	11
Scotland	12	12
Northern Ireland	13	13
Other (SPECIFY: _____)	14	14
Don't know	15	15

THANK AND CLOSE UNLESS RESPONDENT ASKS FOR NAME OF SURVEY SPONSOR

ADD IF NECESSARY:

C8 **I can reveal that the Office of Fair Trading is the sponsor of this research study.**

IF RESPONDENT QUERIES USE OF DATA, REASSURE:

Any information you provide, or views you express (including anything which may constitute personal data under the Data Protection Act 1998) will not be capable of being attributed to you (by name or firm) or of identifying you or any other individual, when aggregated and anonymised results from this survey are later published.

If you would like to find out more about the survey, you can contact Angus Tindle at IFF Research on 020 7250 3035.

IF RESPONDENT IS STILL UNWILLING FOR RESPONSES TO BE USED IN STUDY FOR OFT AFTER REASSURANCES:

In that case, the information you have provided will be deleted from the data file and will not be analysed as part of this study.

B ANNEXE B: CONSUMER LANDLORD QUESTIONNAIRE

B.1 The questionnaire used for the survey of letting agents is included below.

Private & Confidential

J4959

Date

28/6/11

Research into the impact of the Foxtons
consumer enforcement case

Online

S Screener

ASK ALL

We want your views, for a survey about renting and owning property.

IFF Research, an independent research company, is conducting a survey on behalf of a public body working on policy issues. You will be told the name of the public body at the end of the survey

<p>Any information you provide, or views you express (including anything which may constitute personal data under the Data Protection Act 1998) will not be capable of being attributed to you (by name) or of identifying you or any other individual, when aggregated and anonymised results from this survey are later published.</p>
--

If you would like to speak to someone at IFF you can call Angus Tindle or Kat Boehmker on 020 7250 3035.

S1. **Do you currently have one or more properties that you...?**

PLEASE CLICK ON ALL THAT APPLY TO YOU

Own outright or are buying with a mortgage	1	
Are renting from a landlord	2	
Neither of these	3	
Don't know	4	

IF OWN OR BUYING ON A MORTGAGE (S1 = 1), CONTINUE. IF NOT, THANK AND CLOSE

ASK ALL

S2. **Thinking about the property / the properties that you own, or are buying on a mortgage, which of the following statements apply to you?**

PLEASE CLICK ON ALL THAT APPLY TO YOU

You are using the property / properties for you and your household to live in	1	
You are letting one or more individual rooms to lodgers, whilst you still live in the property	2	
You are renting out a whole property / properties to tenants	3	
None of these	4	

IF RENTING OUT A WHOLE PROPERTY / PROPERTIES TO TENANTS (S2 = 3), CONTINUE.
IF NOT, THANK AND CLOSE

SHOW IF LETTING ONE OR MORE INDIVIDUAL ROOMS TO LODGERS AS WELL AS RENTING OUT A WHOLE PROPERTY (S2 = 2 AND S2 = 3): **In the rest of these questions, please tell us only about the whole property / properties that you rent out to tenants (that is, not individual rooms that you let to lodgers whilst still living in the property yourself).**

ASK ALL

S3. **Are you renting this property / these properties out...?**

PLEASE CLICK ON ALL THAT APPLY TO YOU

Privately, that is, by finding tenants yourself and dealing with them directly	1	
Through a letting agent / estate agent	2	
In another way (PLEASE TYPE IN THE BOX)	3	
Don't know	4	

IF USING A LETTING AGENT/ESTATE AGENT (S3 = 2), CONTINUE. IF NOT, THANK AND CLOSE

ASK ALL

S3A **Does this letting / estate agent...?**

PLEASE CLICK ON ONE ANSWER

Find you tenants and manage the property / some of these properties for you	1	CONTINUE
Find you tenants but does not manage the property / any of these properties for you	2	CONTINUE
Manage the property / these properties for you, but does not find you tenants	3	THANK AND CLOSE
Don't know	4	THANK AND CLOSE

ASK ALL

S4. **How many properties are you currently renting out to other people?**

PLEASE CLICK ON ONE ANSWER

One	1	CONTINUE
Two	2	CONTINUE
Three	3	CONTINUE
Four	4	CONTINUE
Five	5	CONTINUE
Six or more	6	THANK AND CLOSE

ASK ALL

S5. **Are you renting this property / these properties out as your main trade, business or profession, with the rent that you receive usually being your main source of income?**

[ADD IF CLASSED AS 'RETIRED' ON RESEARCH NOW PANEL] **If you are retired, was this your main trade, business or profession and your main source of income before you retired?**

PLEASE CLICK ON ONE ANSWER

Yes	1	THANK AND CLOSE
No	2	CONTINUE
Don't know	3	THANK AND CLOSE

ASK ALL

S6. **Are your tenants mostly students?**

PLEASE CLICK ON ONE ANSWER

Yes	1	
No	2	
Difficult to say	3	

ASK ALL

S7. **How many letting / estate agents are you using currently?**

PLEASE CLICK ON ONE ANSWER

DP – NUMBER OF AGENTS CODED AT S7 CANNOT EXCEED NUMBER OF PROPERTIES CODED AT S4

One	1	
Two	2	
Three	3	
Four	4	
Five	5	

A. Experience of letting property

ASK ALL:

A1 **Firstly we would like to find out about your experience in letting properties.**

Since when have you been involved in letting out your properties to tenants through letting / estate agents?

(Please estimate this from the time when you first let out a property to a tenant in this way, even if there have been gaps in between when you weren't involved in this.)

PLEASE CLICK ON ONE ANSWER

From February 2010	1	
Between July 2009 and January 2010	2	
Between February 2008 and June 2009	3	
Between February 2006 and January 2008	4	
Between February 2001 and January 2006	5	
Before February 2001	6	
Can't remember	7	

ASK ALL:

A2 **Thinking about all the tenants you've ever had, roughly what proportion of them have renewed their contract – that is, have renewed their tenancy agreement and stayed in occupation of the property beyond the initial term of the tenancy?**

PLEASE CLICK ON ONE ANSWER

Too early to say – have not reached the end of a contract yet	1	
None of them	2	
Up to a quarter	3	
Up to half	4	
Up to three-quarters	5	
All or almost all of them	6	

Don't know	7	
------------	---	--

ASK ALL:

A3 **Have you ever sold one of your properties to a tenant, who had been found for you by your letting / estate agent?**

PLEASE CLICK ON ONE ANSWER

Yes	1	
No	2	
Don't know	3	

IF YES (A3 = 1):

A4 **How many times have you sold a property to a tenant in this way?**

PLEASE TYPE IN THE NUMBER OF TIMES YOU'VE DONE THIS: ___. DP - ALLOW 1-100

OR CLICK ON DON'T KNOW ()

ASK IF DON'T KNOW AT A4. OTHERS GO TO A6:

A5 **Was it...?**

PLEASE CLICK ON ONE ANSWER

Once	1	
Twice	2	
Three times	3	
Four times	4	
Five or more times	5	
Don't know	6	

A5a [TEXT SUB IF DONE THIS MORE THAN ONCE (A4 > 1 OR A5 = 2-6) **On the most recent occasion that you sold a property to a tenant in this way,] Were you charged a sales commission or fee by the letting / estate agent?**

PLEASE CLICK ON ONE ANSWER

Yes	1	
No	2	

Can't remember	3	
----------------	---	--

ASK IF YES (A5A = 1)

A5b **Approximately how much was this fee?**

PLEASE TYPE IN THE PERCENTAGE CHARGED INTO THE BOX: DP -ALLOW 0.1-100, INCLUDING DECIMALS OR CLICK ON DON'T KNOW ()
PLEASE TYPE IN THE NUMBER OF GREAT BRITISH POUNDS (£) INTO THE BOX: DP -ALLOW 0-100,000 OR CLICK ON DON'T KNOW ()

ASK IF YES (A5A = 1)

A5c **When did this sale take place? Was it...?**

PLEASE CLICK ON ONE ANSWER

From February 2010	1	
Between July 2009 and January 2010	2	
Between February 2008 and June 2009	3	
Between February 2006 and January 2008	4	
Between February 2001 and January 2006	5	
Before February 2001	6	
Can't remember	7	

ASK ALL

A5d **Have you ever sold one of your properties to someone else, with your tenant still living in the property after the sale was completed?**

PLEASE CLICK ON ONE ANSWER

Yes	1	
No	2	
Don't know	3	

IF YES (A5D = 1):

A5e **How many times have you sold a property to someone else, with the tenant still living in it?**

PLEASE TYPE IN THE NUMBER OF TIMES YOU'VE DONE THIS: ____ . DP - ALLOW 1-100

OR CLICK ON DON'T KNOW ()

ASK IF DON'T KNOW AT A5E. OTHERS GO TO A5G:

A5f **Was it...?**

PLEASE CLICK ON ONE ANSWER

Once	1	
Twice	2	
Three times	3	
Four times	4	
Five or more times	5	
Don't know	6	

A5g [TEXT SUB IF DONE THIS MORE THAN ONCE (A5E > 1 OR A5F = 2-6) **On the most recent occasion that you sold a property to someone else, with the tenant still living in it,] Were you charged a commission charge or fee by the letting / estate agent who found you the tenant?**

PLEASE CLICK ON ONE ANSWER

Yes	1	
No	2	
Can't remember	3	

ASK IF YES (A5G = 1)

A5h **Approximately how much was this fee?**

PLEASE TYPE IN THE PERCENTAGE CHARGED INTO THE BOX: DP -ALLOW 0.1-100, INCLUDING DECIMALS OR CLICK ON DON'T KNOW ()
PLEASE TYPE IN THE NUMBER OF GREAT BRITISH POUNDS (£) INTO THE BOX: DP -ALLOW 0-100,000 OR CLICK ON DON'T KNOW ()

ASK IF YES (A5G = 1)

A5i **When did this sale take place? Was it...?**

PLEASE CLICK ON ONE ANSWER

From February 2010	1	
Between July 2009 and January 2010	2	
Between February 2008 and June 2009	3	
Between February 2006 and January 2008	4	
Between February 2001 and January 2006	5	
Before February 2001	6	
Can't remember	7	

ASK ALL:

A6 **Overall, how confident do you feel in your own knowledge of the following?**

PLEASE CLICK ON ONE ANSWER IN EACH ROW

	Very confident	Fairly confident	Not very confident	Not confident at all	Don't know
a) Knowing how letting / estate agents operate	1	2	3	4	5
b) Knowing the market rates for properties	1	2	3	4	5
c) Knowing what to look out for in letting / estate agents' contracts	1	2	3	4	5
d) Knowing how the lettings	1	2	3	4	5

market works overall					
----------------------	--	--	--	--	--

B. Extent of relationship with letting / estate agents

ASK ALL:

B1. **When did you start using your current letting / estate agent?**

SHOW IF USING MORE THAN ONE AGENT (S7 = 2-5): **If you're using more than one agent, please tell us about the one letting / estate agent that handles the most properties for you, or the property with the highest rental income.**

SHOW IF LETTING ONE OR MORE INDIVIDUAL ROOMS TO LODGERS AS WELL AS RENTING OUT A WHOLE PROPERTY (S2 = 2 AND S2 = 3): **Again, please tell us only about the whole property / properties that you rent out to tenants (that is, not individual rooms that you let to lodgers whilst still living in the property yourself).**

PLEASE CLICK ON ONE ANSWER

From February 2010	1	
Between July 2009 and January 2010	2	
Between February 2008 and June 2009	3	
Between February 2006 and January 2008	4	
Between February 2001 and January 2006	5	
Before February 2001	6	
Can't remember	7	

ASK ALL:

B2. **Have you ever changed from one letting / estate agent to another?**

PLEASE CLICK ON ONE ANSWER

Yes	1	
No	2	
Don't know	3	

ASK IF CHANGED LETTING / ESTATE AGENTS (B2 = 1). OTHERS GO TO B6:

B3. **On the most recent occasion that you changed from one letting / estate agent to another, why did you do this?**

PLEASE CLICK ON ALL THAT APPLY TO YOU

To get lower fees and charges	1	
To get a better service	2	
To get clearer / more transparent terms and conditions	3	
To get better terms and conditions	4	
Had a break from letting and happened to resume with a different agent	5	
Other reasons (PLEASE TYPE IN THE BOX)	6	
Don't know	7	

ASK IF MENTION CLEARER TERMS AND CONDITIONS (B3 = 3). OTHERS GO TO FILTER BEFORE B5:

B4. **What specific aspects of your terms and conditions were you wanting to clarify / make more transparent?**

PLEASE TYPE IN THE BOX BELOW

ASK IF MENTION BETTER TERMS AND CONDITIONS (B3 = 4). OTHERS GO TO B6:

B5. **What specific aspects of your terms and conditions were you wanting to improve?**

PLEASE TYPE IN THE BOX BELOW

ASK ALL:

B6. **Have you ever had any problems with your current [IF CHANGED LETTING / ESTATE AGENT (B2 = 1): or previous] letting / estate agents over contract terms?**

PLEASE CLICK ON ONE ANSWER

Yes	1	
No	2	
Don't know	3	

ASK IF HAD PROBLEMS OVER CONTRACT TERMS (B6 = 1). OTHERS GO TO B9:
B7. When was your most recent experience of having problems over contract terms?

PLEASE CLICK ON ONE ANSWER

From February 2010	1	
Between July 2009 and January 2010	2	
Between February 2008 and June 2009	3	
Between February 2006 and January 2008	4	
Between February 2001 and January 2006	5	
Before February 2001	6	
Can't remember	7	

ASK IF HAD PROBLEMS OVER CONTRACT TERMS (B6 = 1). OTHERS GO TO B9:
B8. What specifically was the problem?

PLEASE TYPE YOUR ANSWER IN THE BOX BELOW
--

ASK ALL:

B9. In total, how many times have you been through the process of agreeing a contract with a lettings / estate agency?

PLEASE CLICK ON ONE ANSWER

Once	1	
Twice	2	
Three times	3	
Four times	4	
Five or more times	5	
Can't remember	6	

C. Awareness of renewal terms and associated fees

SHOW IF USING MORE THAN ONE AGENT (S7 = 2-5):

You've told us that you're using more than one letting / estate agent currently. In all of the questions that follow, please answer in relation to the one letting / estate agent that handles the most properties for you, or the property with the highest rental income.

SHOW IF LETTING ONE OR MORE INDIVIDUAL ROOMS TO LODGERS AS WELL AS RENTING OUT A WHOLE PROPERTY (S2 = 2 AND S2 = 3): **Again, please tell us only about the whole property / properties that you rent out to tenants (that is, not individual rooms that you let to lodgers whilst still living in the property yourself).**

ASK ALL:

- D1. **To what extent have you read the renewal terms and conditions in your contract with your current letting / estate agent? Have you...?**

PLEASE CLICK ON ONE ANSWER

Not looked at them at all	1	
Just glanced at them	2	
Skim read them	3	
Read them thoroughly	4	
Don't know	5	

ASK ALL:

- D2. **How confident are you that you understand the types of fees or commission associated with your contract with your letting / estate agent?**

PLEASE CLICK ON ONE ANSWER

Very confident	1	
Fairly confident	2	
Not very confident	3	
Not confident at all	4	
Don't know	5	

ASK IF LETTINGS SERVICE ONLY AND UNLESS NOT CONFIDENT AT ALL (S3 = 2 AND C2 ≠ 4). OTHERS GO TO FILTER BEFORE C5:

D3. **As far as you know, does your contract include a 'renewal commission' fee?**

PLEASE CLICK ON ONE ANSWER

Yes	1	
No	2	
Don't know whether this is included	3	
Don't know what 'renewal commission' is	4	

ASK IF RENEWAL COMMISSION INCLUDED (C3 = 1). OTHERS GO TO FILTER BEFORE C5:

D4. **To the best of your knowledge, in what specific situations can your letting / estate agent charge you renewal commission?**

PLEASE TYPE IN THE BOX BELOW

ASK UNLESS NOT CONFIDENT AT ALL (C2 ≠ 4). OTHERS GO TO C6:

D5. **And, as far as you know, in what other specific situations can your letting / estate agent charge you fees or commission?**

PLEASE TYPE IN THE BOX BELOW

ASK ALL:

- D6. **How (if at all) did you learn about the types of fees or commission they charge?**
Please tell us how you learnt about these, even if you can no longer remember the detail of these.

PLEASE CLICK ON ALL THAT APPLY TO YOU

By reading the terms and conditions of your contract	1	
Received a letter from the letting / estate agent that drew attention to the fees	2	
Told verbally by the letting / estate agent salespeople	3	
By reading a general brochure about the letting / estate agent	4	
From experience, for example, caught out previously so knew to look for / ask about them	5	
In some other way (PLEASE TYPE IN THE BOX)	6	
Did not learn about this at all (EXCLUSIVE CODE)	7	
Don't know	8	

ASK UNLESS DID NOT LEARN ABOUT THIS AT ALL (C6 ≠ 7). OTHERS GO TO C8:

- D7. **And was this...?**

PLEASE CLICK ON ONE ANSWER

Very early on, in the initial discussions with the agent	1	
Later on, but before signing the contract	2	
After signing the contract	3	
Can't remember	4	

ASK ALL:

D8. Below are some clauses that are sometimes included in contracts with letting / estate agents. Without checking your contract, please indicate whether you think each of these clauses definitely is included in your contract, probably is included, probably isn't included or definitely isn't included, or if you don't know whether it's included or not.

It is what you can recall from memory that is of interest to us – so please answer without checking your contract.

SHOW IF USING MORE THAN ONE AGENT (S7 = 2-5):

Again, please answer in relation to the one letting / estate agent that handles the most properties for you, or the property with the highest rental income.

SHOW IF LETTING ONE OR MORE INDIVIDUAL ROOMS TO LODGERS AS WELL AS RENTING OUT A WHOLE PROPERTY (S2 = 2 AND S2 = 3): Again, please tell us only about the whole property / properties that you rent out to tenants.

PLEASE CLICK ON ONE ANSWER IN EACH ROW

	Definitely is included	Probably is included	Probably isn't included	Definitely isn't included	Don't know whether it's included or not
ASK IF LETTINGS ONLY SERVICE (S3a = 2): a) Having to pay commission to the letting/estate agent whenever a tenant renews, continues or extends his tenancy beyond the initial term of the agreement,	1	2	3	4	5
ASK IF LETTINGS ONLY SERVICE (S3a = 2): b) Having to pay commission when someone else, introduced by the tenant, continues to rent the property from the landlord beyond the original term of the agreement	1	2	3	4	5
c) Having to pay commission to the letting / estate agent when a tenancy is extended, even when you've sold the property to another landlord with the tenant still in it	1	2	3	4	5
d) Having to pay commission to the letting / estate agent if you sell the property to the tenant	1	2	3	4	5

ASK IF C8A = 1

C8d **You say you definitely pay the letting/estate agent whenever a tenant renews, continues or extends his tenancy beyond the initial term of the agreement. How much is this fee?**

PLEASE TYPE IN THE PERCENTAGE CHARGED INTO THE BOX: DP -ALLOW 0.1-100, INCLUDING DECIMALS OR CLICK ON DON'T KNOW ()
PLEASE TYPE IN THE NUMBER OF GREAT BRITISH POUNDS (£) INTO THE BOX: DP -ALLOW 0-100,000 OR CLICK ON DON'T KNOW ()

ASK IF C8A = 1

C8e **Does this renewal charge stop after a certain number of renewals or does it apply indefinitely?**

SINGLE CODE

Stops after a certain number of renewals	5	
Applies indefinitely	6	
Don't know	7	

ASK IF C8B = 1

C8e1 **You say you definitely pay the letting/estate agent whenever someone else, introduced by the tenant, continues to rent the property from the landlord beyond the original term of the agreement. How much is this fee?**

PLEASE TYPE IN THE PERCENTAGE CHARGED INTO THE BOX: DP -ALLOW 0.1-100, INCLUDING DECIMALS OR CLICK ON DON'T KNOW ()
PLEASE TYPE IN THE NUMBER OF GREAT BRITISH POUNDS (£) INTO THE BOX: DP -ALLOW 0-100,000 OR CLICK ON DON'T KNOW ()

ASK IF C8B = 1

C8e2 **Does this renewal charge stop after a certain number of renewals or does it apply indefinitely?**

SINGLE CODE

Stops after a certain number of renewals	8	
Applies indefinitely	9	
Don't know	10	

ASK IF C8C = 1

C8f **You say you definitely pay the letting/estate agent when a tenancy is extended, even when you've sold the property to another landlord with the tenant still in it. How much is this fee?**

PLEASE TYPE IN THE PERCENTAGE CHARGED INTO THE BOX: DP -ALLOW 0.1-100, INCLUDING DECIMALS OR CLICK ON DON'T KNOW ()
PLEASE TYPE IN THE NUMBER OF GREAT BRITISH POUNDS (£) INTO THE BOX: DP -ALLOW 0-100,000 OR CLICK ON DON'T KNOW ()

ASK IF C8D = 1

C8g **You say you definitely pay commission to the letting / estate agent if you sell the property to the tenant How much is this fee?**

PLEASE TYPE IN THE PERCENTAGE CHARGED INTO THE BOX: DP -ALLOW 0.1-100, INCLUDING DECIMALS OR CLICK ON DON'T KNOW ()
PLEASE TYPE IN THE NUMBER OF GREAT BRITISH POUNDS (£) INTO THE BOX: DP -ALLOW 0-100,000 OR CLICK ON DON'T KNOW ()

ASK IF HAVE BEEN WITH THEIR CURRENT LETTING / ESTATE AGENT SINCE BEFORE JULY 2009 (B1 = 3-6):

- D9. **Since July 2009, has the information you receive from your letting / estate agent about the types of fees they charge, become clearer or less clear, or have you not noticed any difference?**

SHOW IF USING MORE THAN ONE AGENT (S7 = 2-5):

Again, please answer in relation to the one letting / estate agent that handles the most properties for you, or the property with the highest rental income.

SHOW IF LETTING ONE OR MORE INDIVIDUAL ROOMS TO LODGERS AS WELL AS RENTING OUT A WHOLE PROPERTY (S2 = 2 AND S2 = 3): **Again, please tell us only about the whole property / properties that you rent out to tenants (that is, not individual rooms that you let to lodgers whilst still living in the property yourself).**

PLEASE CLICK ON ONE ANSWER

Much clearer	1	
A little clearer	2	
A little less clear	3	
Much less clear	4	
Have not noticed any difference	5	
Don't know	6	

D. Whether terms and conditions have been changed

ASK ALL:

- D1. **Since July 2009, has your letting / estate agent changed the terms and conditions of your contract with them?**

SHOW IF USING MORE THAN ONE AGENT (S7 = 2-5):

Again, please answer in relation to the one letting / estate agent that handles the most properties for you, or the property with the highest rental income.

SHOW IF LETTING ONE OR MORE INDIVIDUAL ROOMS TO LODGERS AS WELL AS RENTING OUT A WHOLE PROPERTY (S2 = 2 AND S2 = 3): **Again, please tell us only about the whole property / properties that you rent out to tenants (that is, not individual rooms that you let to lodgers whilst still living in the property yourself).**

PLEASE CLICK ON ONE ANSWER

Yes	1	
No	2	
Unsure	3	

ASK ALL:

- D2. **Since July 2009, has the letting / estate agent...?**

PLEASE CLICK ON ONE ANSWER

Reduced the level of the fees you pay OR	1	
Increased the level of fees you pay OR	2	
Reduced the level of some fees but increased the level of others	3	
Not made any changes to the level of fees	4	
Don't know	5	

- D3. **DELETED**

E. Awareness of regulatory action

ASK ALL:

- F1. **Are you aware of any regulatory or enforcement action taken against letting / estate agents, regarding unfair contract terms?**

PLEASE CLICK ON ONE ANSWER

Yes	1	
No	2	
Unsure	3	

ASK IF AWARE OF REGULATORY ACTION (E1 = 1). OTHERS GO TO E4:

- F2. **To the best of your knowledge, which organisation took this action?**

PLEASE TYPE IN THE BOX BELOW

ASK IF AWARE OF REGULATORY ACTION (E1 = 1). OTHERS GO TO E4:

- F3. **And which letting / estate agent was the action taken against?**

PLEASE TYPE IN THE BOX BELOW

ASK ALL:

- F4. **Between February 2008 and February 2010, the Office of Fair Trading (OFT) took action against Foxtons, the letting / estate agent. How much do you know about this case?**

PLEASE CLICK ON ONE ANSWER

A lot	1	
A little	2	
Just heard of it – don't know anything about it	3	
Not heard of it	4	
Don't know	5	

ASK IF KNOW A LOT OR A LITTLE ABOUT IT (E4 = 1-2). OTHERS GO TO FILTER BEFORE E11:

F5. **How did you learn about this case?**

PLEASE CLICK ON ALL THAT APPLY TO YOU

Via contact with Trading Standards Service	1	
Via contact with the Office of Fair Trading	2	
From a landlords association (PLEASE TYPE IN THE BOX)	3	
From specific property / landlords press (PLEASE TYPE IN THE BOX)	4	
From mainstream press or media (PLEASE TYPE IN THE BOX)	5	
Website other than the pages of the organisations above (PLEASE TYPE IN THE BOX)	6	
Letting / estate agents told you about it	7	
From other landlords like yourself	8	
From friends or family	9	
From somewhere else (PLEASE TYPE IN THE BOX)	10	
Don't know	11	

ASK IF KNOW A LOT OR A LITTLE ABOUT IT (E4 = 1-2). OTHERS GO TO FILTER BEFORE E11:

F6. **Since hearing about this case, have you...?**

SHOW IF USING MORE THAN ONE AGENT (S7 = 2-5):

Again, please answer in relation to the one letting / estate agent that handles the most properties for you, or the property with the highest rental income.

SHOW IF LETTING ONE OR MORE INDIVIDUAL ROOMS TO LODGERS AS WELL AS RENTING OUT A WHOLE PROPERTY (S2 = 2 AND S2 = 3): **Again, please tell us only about the whole property / properties that you rent out to tenants (that is, not individual rooms that you let to lodgers whilst still living in the property yourself).**

PLEASE CLICK ON ONE ANSWER IN EACH ROW

	Yes	No	Can't remember
a) Re-negotiated your fees with your letting / estate agent	1	2	3
b) Shopped around for better fees from another	1	2	3

letting / estate agent			
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ASK IF RE-NEGOTIATED FEES (E6A = 1). OTHERS GO TO FILTER BEFORE E9:

- F7. **You said you renegotiated your fees with your letting / estate agent since hearing about this case. Did you succeed in changing your fees with them?**

PLEASE CLICK ON ONE ANSWER

Yes – changed my renewal fee	1	
Yes – changed other fee(s)	2	
Yes – changed renewal fee and other fee(s)	3	
Yes – changed fee(s) but don't know what kind	4	
No	5	
Don't know	6	

ASK IF RE-NEGOTIATED FEES (E6A = 1). OTHERS GO TO FILTER BEFORE E9:

- F8. **To what extent did the case contribute to you renegotiating your fees? Would you say you...?**

PLEASE CLICK ON ONE ANSWER

Definitely would NOT have done this without hearing about this case;	1	
Probably would NOT;	2	
Probably WOULD; or	3	
Definitely WOULD have done this without hearing about this case	4	
Don't know	5	

ASK IF SHOPPED AROUND FOR BETTER FEES (E6B = 1). OTHERS GO TO FILTER BEFORE E11:

- F9. **You said you shopped around for better fees from another letting / estate agent since hearing about this case. After shopping around, did you actually change from one letting / estate agent to another?**

PLEASE CLICK ON ONE ANSWER

Yes	1	
No	2	
Can't remember	3	

ASK IF SHOPPED AROUND FOR BETTER FEES (E6B = 1). OTHERS GO TO FILTER BEFORE E11:

F10. To what extent did the case contribute to you shopping around? Would you say you...?

PLEASE CLICK ON ONE ANSWER

Definitely would NOT have done this without hearing about this case;	1	
Probably would NOT;	2	
Probably WOULD; or	3	
Definitely WOULD have done this without hearing about this case	4	
Don't know	5	

ASK IF:

- LETTING / ESTATE AGENT HAS REDUCED LEVEL OF FEES OR REDUCED THE LEVEL OF SOME FEES BUT INCREASED THE LEVEL OF OTHERS (D2 = 1 OR 3)
- LETTING / ESTATE AGENT HAS REDUCED THE NUMBER OF SITUATIONS IN WHICH FEES ARE PAYABLE (D3 = 1)
- RENEGOTIATED WITH LETTING / ESTATE AGENT AND SUCCEEDED IN CHANGING FEES (E7 = 1-4)
- SHOPPED AROUND AND ENDED UP CHANGING FROM ONE AGENT TO ANOTHER (E9 = 1)

OTHERS GO TO E15A:

F11. **You've told us that:** [DP - SHOW THOSE STATEMENTS THAT ARE APPLICABLE]

- [IF D2 = 1 OR 3] **Your letting / estate agent has reduced the level of some of its fees**
- [IF D3 = 1] **Your letting / estate agent has reduced the number of situations in which fees are payable**
- [IF E7 = 1-4] **You've renegotiated your fees with your letting / estate agent and succeeded in changing them**
- [IF E9 = 1] **You've shopped around and ended up changing from one letting / estate agent to another**

Overall, did you end up better or worse off as a result of these changes, or did it make no difference?

SHOW IF USING MORE THAN ONE AGENT (S7 = 2-5):

Again, please answer in relation to the one letting / estate agent that handles the most properties for you, or the property with the highest rental income.

SHOW IF LETTING ONE OR MORE INDIVIDUAL ROOMS TO LODGERS AS WELL AS RENTING OUT A WHOLE PROPERTY (S2 = 2 AND S2 = 3): **Again, please tell us only about the whole property / properties that you rent out to tenants (that is, not individual rooms that you let to lodgers whilst still living in the property yourself).**

PLEASE CLICK ON ONE ANSWER

Better off	1	
Worse off	2	
Made no difference	3	
Don't know	4	

ASK IF BETTER OFF (E11 = 1). OTHERS GO TO FILTER BEFORE E14:

F12. **Roughly how much per year have you saved in fees, as a result of these changes?**

A) PLEASE TYPE IN THE PERCENTAGE DECREASE IN YOUR FEES INTO THE BOX: DP -ALLOW 0.1-100, INCLUDING DECIMALS OR CLICK ON DON'T KNOW ()
B) PLEASE TYPE IN THE NUMBER OF GREAT BRITISH POUNDS (£) SAVED INTO THE BOX: DP -ALLOW 0-100,000 OR CLICK ON DON'T KNOW ()

ASK IF DON'T KNOW (E12B = DK). OTHERS GO TO FILTER BEFORE E14:

F13. **Was this a saving of...?**

PLEASE CLICK ON ONE ANSWER

Under £100 a year	1	
Under £500 a year	2	
Under £1,000 a year	3	
Under £5,000 a year	4	
More than £5,000 a year	5	
Don't know	6	
Would rather not say	7	

ASK IF WORSE OFF (E11 = 2). OTHERS GO TO E15A:

F14. **By roughly how much per year are you now worse off, in fees, as a result of these changes?**

A) PLEASE TYPE IN THE PERCENTAGE INCREASE IN YOUR FEES INTO THE BOX: DP -ALLOW 0.1-100, INCLUDING DECIMALS OR CLICK ON DON'T KNOW ()
B) PLEASE TYPE IN THE NUMBER OF GREAT BRITISH POUNDS (£) THAT YOU ARE WORSE OFF BY, INTO THE BOX: DP -ALLOW 0-100,000 OR CLICK ON DON'T KNOW ()

ASK IF DON'T KNOW (E14B=DK). OTHERS GO TO E15A:
 F15. **Was this worse off by...?**

PLEASE CLICK ON ONE ANSWER

Under £100 a year	1	
Under £500 a year	2	
Under £1,000 a year	3	
Under £5,000 a year	4	
More than £5,000 a year	5	
Don't know	6	
Would rather not say	7	

ASK ALL

E15a. **Given the choice, when renting out a property through a letting / estate agent, which one of the following approaches to fees and charges would you prefer?**

PLEASE CLICK ON ONE ANSWER

<u>Lower</u> initial costs from the agent, with a renewal fee when the tenancy is renewed, continued or extended	1	
<u>Higher</u> initial costs from the agent, but with <u>no</u> renewal fee when the tenancy is renewed, continued or extended	2	
Don't know	3	
No opinion	4	

F. Classification

ASK ALL:

F1. **Which letting / estate agents are you currently using?**

PLEASE CLICK ON ALL THAT APPLY TO YOU

F1a. ASK IF USING MORE THAN ONE AGENT (S7 = 2-5):

And within this questionnaire, when we asked you to answer in relation to the one letting / estate agent that handles the most properties for you, or the property with the highest rental income, which letting / estate agent was this?

PLEASE CLICK ON ONE RESPONSE

	F1 MULTI- CODE	F1a SINGLE CODE	
Acorn Group	1	1	
Andrews Estate Agents	2	2	
Arun Estates	3	3	
Badger Holdings	4	4	
Bradley's	5	5	
Chancellors Estate Agents	6	6	
Chesterton Humberts	7	7	
Connells	8	8	
Dacre Son & Hartley	9	9	
Foxtons	10	10	
Goadsby	11	11	
Halifax Estate Agency	12	12	
Hamptons International	13	13	
Hunters	14	14	

Jackson-Stops & Staff	15	15	
Keith Pattinson Limited	16	16	
Kinleigh Folkard & Hayward	17	17	
Knight Frank	18	18	
LSL Property Services plc	19	19	
Peter Alan	20	20	
Savills	21	21	
Smiths Gore	22	22	
Spicerhaart	23	23	
Strutt & Parker	24	24	
Other (write in)	25	25	
Don't know	26	26	
Refused	27	27	

ASK ALL:
F2. In which of the following areas of the UK are the properties you are letting out?

PLEASE CLICK ON ALL THAT APPLY TO YOU

London	1	
Surrey	2	
The rest of the South East (not London or Surrey)	3	
East of England	4	
West Midlands	5	
East Midlands	6	
Wales	7	
South West	8	
North East	9	
North West	10	
Yorkshire/Humber	11	
Scotland	12	
Northern Ireland	13	
Other (PLEASE TYPE IN THE BOX)	14	
Don't know	15	

ASK ALL:

F3. **May IFF contact you again with regards to this survey, if any queries should arise?**

PLEASE CLICK ON ONE ANSWER

Yes	1	
No	2	

ASK IF WILLING TO BE RECONTACTED BY IFF (F3 = 1). OTHERS GO TO F5:

F4. **Please type in your name and phone number into the boxes below. These will only be used if we need to clarify any of your responses to this survey:**

PLEASE TYPE YOUR NAME:

OR CLICK ON REFUSED ()

PLEASE TYPE YOUR TELEPHONE NUMBER, INCLUDING AREA CODE:

OR CLICK ON REFUSED ()

ASK ALL:

F5. **I can now reveal that the Office of Fair Trading, whose mission is to make markets work well for consumers, is the sponsor of this research study.**

<p>Any information you provide, or views you express (including anything which may constitute personal data under the Data Protection Act 1998) will not be capable of being attributed to you (by name or firm) or of identifying you or any other individual, when aggregated and anonymised results from this survey are later published.</p>

If you have any further comments about this research please type them into the box below. If you would like us to contact you in relation to your comments, please make sure you include contact details here.

PLEASE TYPE ANY COMMENTS INTO THE BOX:
--

OR CLICK ON NO COMMENTS ()

[IF RESPONDENT IS STILL UNWILLING FOR RESPONSES TO BE USED IN STUDY FOR OFT AFTER REASSURANCES, ANGUS OR KAT TO ORDER DELETION OF RESPONDENT DATA FROM DATAFILE AND CONFIRM TO RESPONDENT

ASK ALL:

- F6. **Would you be willing in future to be contacted by IFF or OFT for a copy of your current contract(s) with your letting/estate agents?**

PLEASE CLICK ON ONE ANSWER

Yes	1	
No	2	

ASK IF WILLING TO BE RECONTACTED BY IFF OR THE OFT FOR CONTRACTS (F6 = 1).
OTHERS GO TO FINAL STATEMENT:

- F7. **Please type in your [IF NOT ANSWERED F4: name and] email address below. This will only be used if we wish to contact you to ask for a copy of your current contract(s) with your letting/estate agents:**

SHOW IF NOT ANSWERED F4: PLEASE TYPE YOUR NAME: OR CLICK ON REFUSED ()
--

SHOW ALL WHO ARE WILLING TO BE RECONTACTED BY IFF OR THE OFT FOR CONTRACTS (F6 = 1): PLEASE TYPE YOUR EMAIL ADDRESS: OR CLICK ON REFUSED ()
--

SHOW TO ALL:

On behalf of IFF Research, and the Office of Fair Trading, thank you very much for your time.

If you would like to speak to someone at IFF about this research you can call Angus Tindle or Kat Boehmker on 020 7250 3035.