

# **Annexe A of Estate agency market in England and Wales**

## **Consumer survey**

Prepared for the Office of Fair Trading by WirthlinEurope

March 2004

## **Full list of documents available on the estate agency study**

Main report	Estate agency in market England and Wales	In hard copy from orderline (free of charge) and on web
Annexe A	Consumer survey	Web only
Annexe B	Business survey	Web only
Annexe C	International research	Web only
Annexe D	Competition case studies	Web only
Academic paper	The economic process of buying and selling	Web only
Orderline number	0870 60 60 321	
Website	<a href="http://www.offt.gov.uk">www.offt.gov.uk</a>	

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# 1 EXECUTIVE SUMMARY

- 1.1 The majority of sellers and buyers who took part in the research used estate agents either directly or indirectly in the buying or selling process.
- 1.2 The majority of respondents that did not use estate agents found the whole process positive with many saying they would repeat the experience for any future sales or purchases.

## Sellers

- 1.3 Nearly all sellers (95%) initially signed up with just one agent. Those who signed up with more than one agent, tended to do so to push the sale through quickly (although this was not generally the end result).
- 1.4 Sellers were very likely to 'shop around' (61%) before choosing an estate agent (although this behaviour was less common amongst respondents in the DE socio economic group).
  - Shopping around was most likely to take the form of comparing fees, and to a lesser extent, valuation figures.
  - The top five factors influencing choice of estate agent for sellers were:
    - Reputation/recommendation
    - Size of fees
    - Professionalism of the staff
    - Proximity to own property (with the majority of sellers choosing an agent within five miles of their property)
    - Past experience
- 1.5 Membership of a trade body had little impact on seller's choice of estate agency. Just under half of all sellers knew their estate agent was a member of a professional body, but few could actually recall the name of this body.

- 1.6 Most sellers were made aware of their estate agent's obligations to them in writing, with the majority being satisfied with the way these obligations were explained.
- 1.7 The most common contracts signed by sellers were sole agency contracts. Approximately half believed their contracts to be binding for three months or less – one quarter were unaware of the length of their tie in period.
- 1.8 Fifteen per cent of sellers tried to terminate their contract with their first choice of estate agent, in most cases, citing poor service as the reason.
- 1.9 The South East and South West appeared to be the most bullish housing markets, with considerably more sellers being approached by other agents wanting to market their house, than in other regions. Nine out of ten approaches made by estate agents to sellers who already had another agent marketing their property were unsuccessful.
- 1.10 The average length of time taken to complete the sale of a property was 4.7 months. Three out of five sellers believed the sale took longer to complete than expected.
- 1.11 Estate agents were blamed for just under a quarter of all delays in sales, generally due to a perceived inability to do their job properly and poor communications with all parties concerned.
- 1.12 The average fee quoted nationwide was 1.6%, with a variance across the regions of between 1.3% in the North West and 1.7% in the South East. The average fee actually paid was less than 1.5%, lower than the average fee quoted.
- 1.13 Four out of five sellers who tried to negotiate fees with their chosen estate agent were successful to some degree. Those respondents in socio economic groups C2/DE were more likely to be successful in achieving a reduction than those in groups AB/C1.

- 1.14 One third of all sellers were less than satisfied with the service they received from their estate agents. Top five areas of dissatisfaction were
- Keeping seller informed (19% very dissatisfied)
  - Escorting viewers (15%)
  - Ability to contact agent (11%)
  - Number of viewings arranged (10%)
  - Manner of agency staff (10%)
- 1.15 Having the lowest expectations of all respondents, sellers from socio economic group DE were the most satisfied with the service they received overall. Older respondents were also more satisfied generally than their younger counterparts.
- 1.16 Those sellers in the Midlands were the most dissatisfied with the service they received, whilst those in the South West appeared to be the most satisfied.
- 1.17 Estate agents were likely to have an influence over sellers if they chose to exert it. Almost all respondents who received advice from their estate agents in relation to offers made (good or bad) accepted it. However the longer a sale took to complete, the less likely sellers were to accept any advice given.
- 1.18 Very few estate agents (6%) advised sellers to accept more than one offer. However, approximately a fifth of all sellers received a higher offer after they had accepted an offer (with one in five of these respondents being advised by their agent to accept this offer).
- 1.19 Only one in three sellers were told to remove their property from the market once they had accepted an offer. However, just 10% were advised to continue actively marketing the property (10%).
- 1.20 Valuation skills amongst estate agents were generally good, with 84% of sellers feeling their selling estate agent gave an accurate valuation of the property. Despite rises in the housing market generally, the final selling price was, on average, 98.3% of the initial valuation.

## Buyers

- 1.21 Prospective buyers tended to register with an average of five estate agents.
- 1.22 95% of buyers in the research located the property they eventually bought through an estate agent either by registering directly with them or indirectly by noticing a property marketed by an agent.
- 1.23 Buyers generally looked to estate agents to provide them with information on suitable properties on the market. Advice on additional services, such as mortgages, were seen as desirable to some buyers, but not essential and were often perceived as things that the agent wanted them to have, rather than things the buyer actually needed.
- 1.24 One third of all respondents were offered financial advice (mainly on mortgages) by their estate agent. There was an indication that some agents were actively offering preferential treatment to those who bought financial products from them.
- 1.25 The majority of buyers (82%) negotiated the price of the property they bought through the estate agent.
- 1.26 Once an offer was accepted, most expected the property to be taken off the market, however this was the case for only 70% of properties.
- 1.27 Approximately half of all buyers made more than one offer before purchasing their final property. One in five offers were perceived to have failed due to gazumping. Gazumping was most common in the highly competitive South East (blamed for one in four failed offers).
- 1.28 Purchasing a house took an average of approximately three months. For many, this was longer than expected. However, estate agents were blamed for this delay in just over one in ten situations.

## Complaints

- 1.29 One in five sellers and nearly one in four buyers believed they experienced serious problems with an estate agent they had dealt with during their house selling or buying experience. The most common problem overall related to a general lack of communication.
- 1.30 Approximately three quarters of those who had a serious problem went on to make a complaint, generally directly to the estate agent. Few respondents appeared to know where else to turn.
- 1.31 A high proportion of those who made a complaint were dissatisfied with the way it was handled. Most felt nothing was achieved as a result.
- 1.32 Those who did not complain felt it was either not worth bothering (due to a perception that nothing could be achieved or the whole experience was best forgotten) or did not know who to complain to.

## Overall satisfaction

- 1.33 Approximately three quarters of all buyers and sellers surveyed were satisfied to some extent with the estate agent who handled their purchase or sale. Respondents in Wales and the South West were the most consistently satisfied overall.
- 1.34 Overall, buyers' and sellers' negative opinions about estate agents primarily concerned lack of honesty and trust.
- 1.35 Both buyers and sellers felt communications needed to be improved between buyers/sellers and estate agents. Speeding up and simplifying the house buying and selling process, lowering estate agents' fees, improving the quality of customer service and the integrity of the estate agents were also important areas in need of improvement.
- 1.36 Awareness of the Government's proposed Sellers packs was relatively high and generally rated as a positive step towards improving service.

## **2 BACKGROUND**

### **Introduction**

- 2.1 In England and Wales, the estate agency market is currently worth around £4 billion a year, with residential sales accounting for around three-quarters of total revenues. Last year saw a 25% increase in complaints from consumers regarding these sales to the Ombudsman for Estate Agents (with over five and a half thousand complaints received) and a figure of almost five thousand complaints received by Trading Standards Offices.
- 2.2 The Office of Fair Trading (OFT) has launched this study to establish whether the market is working well for consumers, both as buyers and as sellers, and if not, propose ways in which any shortcomings can be remedied.
- 2.3 As part of this study, the OFT commissioned WirthlinEurope (formally known as Business and Market Research) to conduct a survey examining in detail, peoples' experiences when buying and selling houses through estate agents.

### **Research objective**

- 2.4 The overall objective that this research aims to address is:

‘To understand customer experiences of estate agent services in England and Wales when buying and selling houses’

### **Research methodology**

- 2.5 A total of 2034 telephone interviews were conducted with people who had recently bought and/or, sold a house in England or Wales. Respondents who had bought or sold properties were identified by the Land Registry and invited to submit their details to take part in the study by the OFT. Details of those consenting to take part in the survey were passed to WirthlinEurope for interviewing.
- 2.6 Of those interviewed, 1000 of the respondents were asked to talk about their house buying experience, whilst 976 were asked to talk about their house selling experience (a further 58 short interviews were conducted with sellers who chose not to use an estate agent).

- 2.7 Interviews lasted approximately 20 minutes and were conducted by experienced interviewers from WirthlinEurope using a Computer Aided Telephone Interviewing system (CATI).
- 2.8 Two questionnaires were used (one for buyers and one for sellers), designed by the OFT in consultation with WirthlinEurope. All telephone interviews took place between January and February 2003.
- 2.9 Further to the initial interview, 15 respondents were followed up with a more in-depth, case study interview aimed at examining in detail the nature of some of the problems encountered when dealing with estate agents.

### 3 RESPONDENT PROFILE

3.1 Before exploring the findings of this research in more detail, it is important to provide a profile of both the buyers and sellers who agreed to take part in the survey.

#### Demographics

3.2 Interviews were conducted with the main decision maker in the buying or selling process, i.e. the person who dealt with negotiations with estate agents, solicitors etc. Men were slightly more likely than women to take this role and therefore take part in the interview.

<i>Respondent type</i>	<i>Gender %</i>	
	Male	Female
Buyers (1000)	58	42
Sellers (976)	53	47

3.3 The majority of those who took part in the survey fell into the AB/C1 Socio Economic groupings.

<i>Respondent type</i>	<i>Socio economic group %</i>			
	<i>AB</i>	<i>C1</i>	<i>C2</i>	<i>DE</i>
Buyers (1000)	41	38	12	3
Sellers (976)	41	35	13	8

3.4 In terms of age, buyers were more likely to be younger than sellers, with 41% falling into the 35 or under age group (compared to 30% of sellers) and 27% of sellers falling into the 56 or older age groups, compared to 15% of buyers.

<i>Respondent type</i>	<i>Age %</i>					
	<i>Under 25</i>	<i>26 – 35</i>	<i>36 – 45</i>	<i>46 – 55</i>	<i>56 – 60</i>	<i>61 or older</i>
Buyers (1000)	8	33	24	19	6	9
Sellers (976)	2	22	28	20	11	16

3.5 In terms of property movement by region, Wales and the Midlands had equal numbers of respondents having bought and sold in the regions. However in the South East there was a greater number of respondents that had sold than had bought – suggesting a movement away from the region. However, in the South West, North West and North East, more respondents had bought properties than sold, suggesting a net flow into those respective regions.

<i>Respondent type</i>	<i>Region bought (buyers)/sold (sellers) house in %</i>					
	<i>North East</i>	<i>North West</i>	<i>Midlands</i>	<i>South West</i>	<i>South East</i>	<i>Wales</i>
Buyers (1000)	8	18	11	25	36	3
Sellers (976)	7	14	11	22	43	3

3.6 Overall, houses being sold were more expensive than those being bought, although this is due in some part to the high number of respondents taking part from the South East where perhaps not surprisingly, house prices were more expensive than anywhere else in the country (with an average selling price of approximately £214,000 compared to only £100,000 in the North East, having the lowest prices in the country).

<i>Respondent type</i>	<i>Value of house bought (buyers)/sold %</i>			
	<i>Less than £60,000</i>	<i>£60,001 – £150,000</i>	<i>Greater than £150,000</i>	<i>Refused</i>
Buyers (1000)	11	52	37	1
Sellers (976)	7	44	48	1

## Buying and selling experience

3.7 Approximately a third of both buyers and sellers were going through their first experience of buying or selling a property. Not surprisingly, those buying and selling houses for the first time tended to be young (87% of buyers under the age of 25 taking part in the survey were buying for the first time as were 80% of sellers in the same age group) and buying or selling a property in the mid range price bracket of between £60,000 to £150,000.

<i>Respondent type</i>	<i>Number of houses previously bought/sold</i>					
	<i>First time bought/sold</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4-6</i>	<i>7 or more</i>
Buyers (1000)	34	17	15	11	14	9
Sellers (1034)	32	18	18	10	16	7

3.8 Those who said they had bought houses previously had bought an average of three houses each in the past. Those respondents in the Midlands were the most experienced at buying having been through the process an average of 3.4 times each, compared to those with the least experience in Wales and the South West (with an average of 2.6 and 2.7 times respectively).

3.9 A similar story was evident with experienced sellers, each having gone through the selling process with an average of three houses in the past. In this case, those respondents in the South West were the most experienced, having sold an average of 4 houses previously, compared to the North East with the lowest average of houses sold (2.6).

## 4 ESTATE AGENT USAGE

- 4.1 This chapter defines the methods that respondents used to buy and sell their properties and highlights alternative or additional methods to estate agents that respondents might have used.

### Sellers

- 4.2 Nearly all Sellers (94%) sold their house through an estate agent. Of those that did not sell their house through an agent, nearly half were first time sellers.
- 4.3 Almost all respondents who did not use an estate agent to complete their sale (91%) found the whole process ran smoothly and over three quarters would repeat the experience of not using estate agents again if they were to sell their property in the future.
- 4.4 Those who chose to use alternative methods to estate agents, generally did so as a result of circumstance rather than a previous bad experience or negative press (this is unsurprising given the high proportion of sellers who were new to the process):

‘I thought we were in an area where we could sell the property ourselves.’

‘I was going to use an estate agent, but an opportunity came up not to use one and save some money.’

‘Previous moves were as a result of posting with my employer so they took care of the selling.’

‘Somebody knocked on the door and asked if they could buy my house.’

- 4.5 However, there were a small number of respondents who were put off by either experience, fees or length of time taken to generate a sale.

‘They charge too much and take too long.’

‘Because, when we once used an estate agent, we realised that they were taking bribes.’

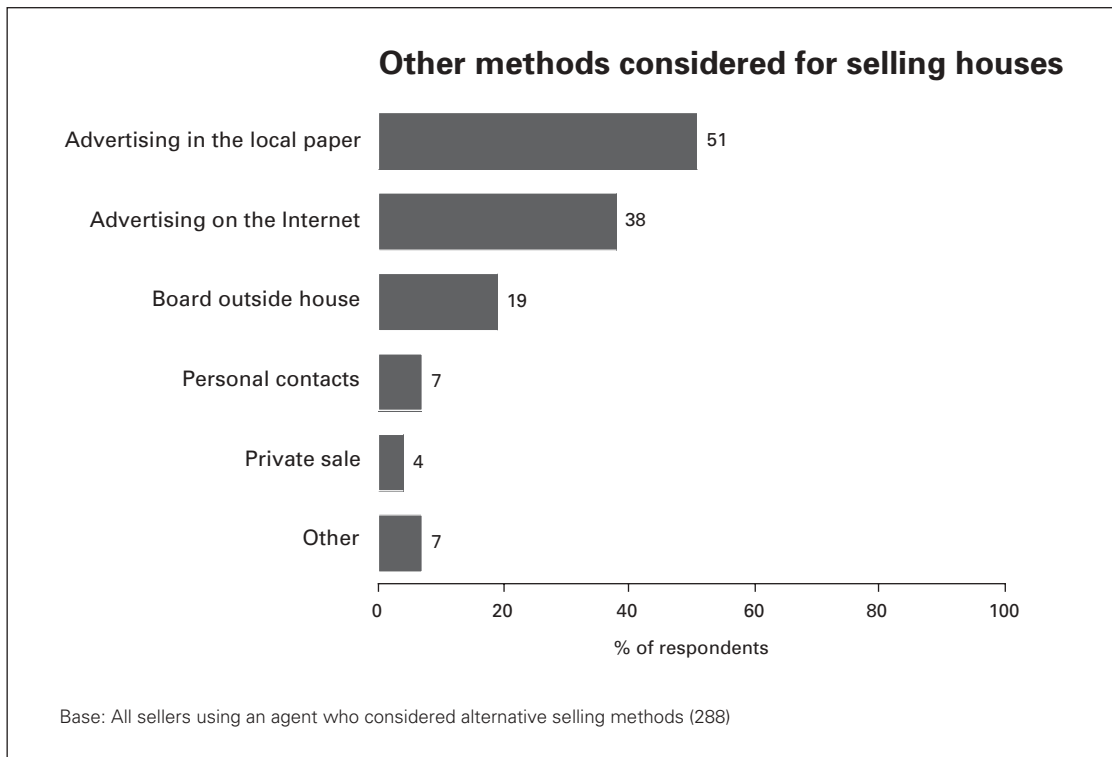
‘Because we have had so many bad experiences with estate agents in the past.’

‘I found a buyer much more quickly than they did.’

‘The buyers were very, very slow in moving forward once the offer was accepted and I tried speaking to the estate agents to see if they felt I was being unreasonable but they didn’t really help. There was a distinct lack of liaison between the estate agents and both myself and the buyers. I think the problem is that there are no set timescales, it is very much as and when, nothing seems to be agreed at the outset and so neither party knows what the other needs in terms of speed and completion dates. In this instance the estate agents could have done a lot more to really help the situation move along and to keep me and the buyer more informed and up-to-date about each other’s intentions. As it was I was concerned that the buyer was stalling and the estate agents couldn’t tell me any different’.

### **Alternative methods of house selling**

- 4.6 Of those who sold through an agent, nearly one third (30%), said they had considered selling using an alternative method instead. Other methods respondents considered included advertising in the local newspaper and on the Internet.



## Why use an estate agent?

- 4.7 The overriding reason respondents gave for using an estate agent to sell their house was that it was 'The easiest thing to do' (43%). Other reasons were 'Too much trouble not to use an agent' and 'The only way to sell my house successfully', both given by 12% of all respondents using an agent.
- 4.8 Respondents in the socio economic group DE were most likely (51%) to feel that selling their house through an estate agent was the 'easiest thing to do' as were those in Wales (54%). Those in the socio economic group DE, were also more likely than others not to be aware that there were other options than estate agents available to them to market their houses. Lack of time and reaching a wider audience were most likely reasons for house sellers under 25 years old to choose estate agents to market their properties.

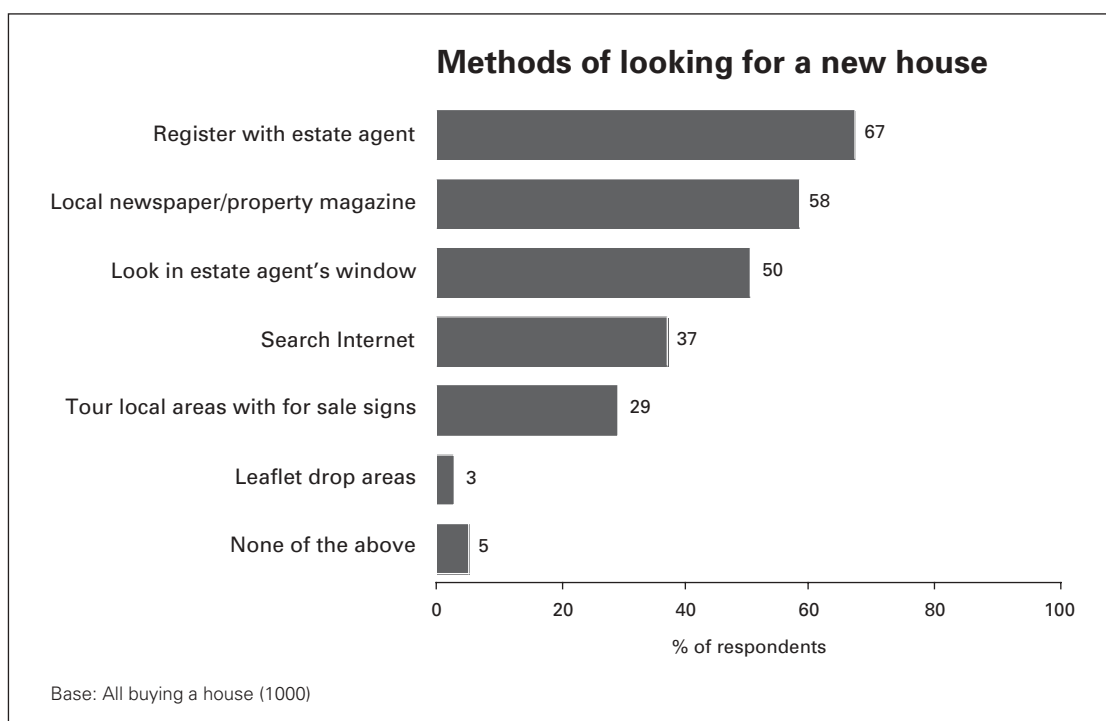
## Buyers

4.9 Two thirds (67%) of respondents looking to buy a new house registered with estate agents, each registering with an average of approximately five agents. The higher the value of the property sought, the greater the number of estate agents registered with. Those looking for a property valued at:

- Less than £60,000 – registered with an average of 4 estate agents
- Between £60,001 – £150,000 – registered with an average of 4.9
- More than £150,000 – registered with an average of 5.9

4.10 In addition, all of these respondents also used one or more other method to look for a house. The most popular of these other methods being looking in local newspapers and property magazines followed by looking in estate agents' windows, using the Internet and touring local areas looking for 'For Sale' boards.

4.11 The following chart shows the key methods buyers used to look for their new house:



4.12 Of those respondents that did not register with estate agents, nearly half used estate agents indirectly by looking in their windows for properties. This way of looking for houses was equally as popular as searching for a home in local newspapers and/or property magazines.

## 5 SELLING PROPERTIES

5.1 House sellers that use estate agents are the ones that finance estate agency services. As such it is important to understand the process of selling a house from their perspective. This chapter will examine specifically,

- The selection criteria and expectations sellers have of estate agents.
- The degree of satisfaction in the service.

5.2 The degree of satisfaction sellers had with their estate agents will also be covered in more detail in chapter ten where a comparison will be made with home buyers.

### Selecting an estate agent

5.3 Most respondents who used an estate agent to sell their property initially signed up with only one agent (95%). For those who did choose to market their property through more than one agent, the most common reasons were as follows:

- 'To increase chance of sale' – 33% of respondents using more than one agent
- 'Needed quick sale' – 13%

5.4 In addition, there were a number of other reasons sellers gave for using multiple agents to sell their houses, most commonly, to introduce an element of competition:

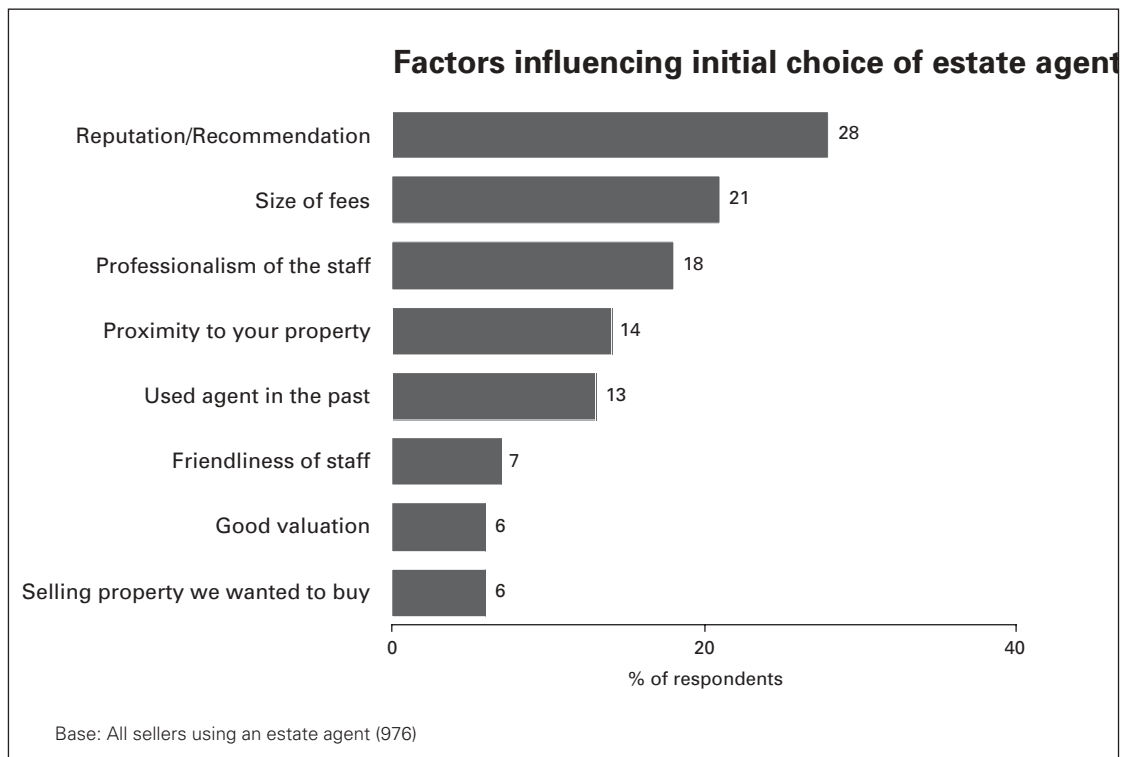
'The competition, make them work for their money.'

'We felt previously with a sole agent that they did not act on our best interest, we went multi-agency so there is the element of competition.'

'I wanted to see if there was a difference in valuation.'

## Factors influencing choice of estate agent

5.5 The main spontaneously mentioned factors influencing sellers' initial choice of estate agent were reputation/ recommendation from friends or relations followed closely by fees and professionalism of agency staff. To a lesser extent, locale, repeat business and other quality of service and 'value added' issues were also considered. The following chart shows the full range of factors influencing seller's choice of estate agent.



5.6 Although proximity of the estate agent to the property being sold was not a particularly important factor in choosing an agent, 87% of respondents actually chose an estate agent that was within 5 miles of the property being sold. The average distance between the estate agent's office and the property of the seller was around 2.6 miles.

5.7 The following are examples of the kind of considerations sellers gave to their choice of estate agent:

'Extremely good agency with recommendations from 4 or 5 people. They offered very low commission rates and he seemed to be a very nice and knowledgeable guy and very honest.'

'Because the one I chose impressed me the most and dealt with the type of property I was selling. They were also a well known national organisation with a good reputation.'

'They said they would sell the property, as opposed to advertising it, like some companies do.'

'The fact that he was independent, not part of a chain.'

'I did some research myself in the local papers and in estate agents advertising in those areas, so I picked one that was predominant. I chose the local ones rather than nationwide ones.'

'They gave the highest valuation and also were the most confident in their valuation.'

'He was a nice guy that came around. I felt comfortable with him.'

### **Awareness of estate agent's professional status**

- 5.8 Just under half (44%) of all respondents could say for certain that their estate agent was a member of a trade association of some sort. Perhaps not surprisingly, respondents in socio economic group AB were more likely than average to know their agent was a member of a trade association (51% compared to C2 – 36%, DE – 42%). Awareness also varied by location with those in Wales most likely to know for sure (57%) compared to just 40% in the North West and 32% in the North East.
- 5.9 Of those who did claim to know that their estate agent belonged to a trade body, few could actually name which body it was, with two thirds (66%) saying they did not know or could not remember.
- 5.10 The most commonly cited trade body amongst those who could remember was the National Association of Estate Agents (21%), followed by the Royal Institution of Chartered Surveyors (11%) – with a further 3% mentioning an Independent Association of estate agents. As before, those in the DE socio economic group were the least likely to know or remember the name of which trade body their estate agent was a member of (81% not knowing), compared to (59%) in the AB group.

- 5.11 In terms of importance, for 43% of respondents with properties over £150,000, membership of one of the trade bodies was a factor in selecting the estate agent. This compares with only 22% of respondents selling property valued at less than £60,000. There was also a significant regional difference between respondents, where only 9% of those in the North East said that membership of a trade body was part of the decision making process to employ the estate agent compared with 31% for Wales, 37% for the North West, 38% for the Midlands and the South East, and 40% for the South West.

'I don't know if the estate agents are registered to some professional body or not, but I don't think it's down to being registered, I think it's down to being professional and not ripping people off. I don't know whether it makes a difference if they are registered or not, I doubt it!'

## Agency fees

- 5.12 Almost two thirds of all sellers (61%) claimed to 'shop around' before choosing an estate agent; this was particularly true of younger sellers (with 69% of those aged 35 or under 'shopping around' compared to only 45% of those over 60).
- 5.13 Of the respondents that shopped around, 90% did so by comparing fees between estate agents. Interestingly, the greater the value of the property, the less likely was the seller to compare fees.
- 5.14 Although there were regional variations, on average, sellers were quoted a fee of 1.6% by their first choice of estate agent. The lowest average estate agent's fees were in the North West at around 1.3% of the house price (with the smallest standard deviation of 0.4 indicating little variation in the different quotations given by estate agents). The highest fees were on average around 1.7% in the South East and Wales. The highest standard deviation for estate agents fees was in the North East region, indicating a bigger difference in the fees quoted to sellers by agents.



5.15 There was also a link between price of the properties and fees being charged by estate agents. The average fees for a property with a value of under £60,000 was around 2%; for a property between £60,001 – £150,000 the fee was around 1.5%; and for a property over £150,000 being around 1.6%. Interestingly, the longer a sale took to complete, the higher the average fee quoted by estate agents. These average fees varied from 1.5% for those completing a sale in under three months, to 1.9% where a sale took over one year to complete, a statistically significant difference.

## Negotiating with estate agents

5.16 Nearly half (49%) of all house sellers claimed to have tried to negotiate fees with their chosen estate agents. Overall, men were more likely to try negotiating with agents (52%) than women (44%). Although those selling the most expensive properties were the least likely to shop around for quotes, they were the most likely to attempt to negotiate fees (57% of those with a property valued at over £150,000 tried to negotiate compared to only 31% of those with a property valued at under £60,000).

5.17 The majority of sellers (79%) who attempted to reduce their fees were actually successful to some extent. Interestingly, those from socio economic groups C2 and DE (88%) were more likely to be successful in achieving a reduction than those in socio economic groups C1 (75%) and AB (79%).

- 5.18 The value of reductions achieved through successful negotiation by the sellers of the agent's negotiation fees were mainly as a percentage (79%) rather than a lump sum (21%).
- 5.19 In approximately half (47%) of all cases where a seller claimed to have managed to reduce their agent's fees, fees were reduced by 0.5% or greater.
- 5.20 For respondents who negotiated their reduction as a lump sum, the average value of the reduction in agent's fees was around £934. As would be expected lump sum reductions that were negotiated were in proportion to the value of the property,
- Under £60,000 achieving an average reduction of £175;
  - Between £60,001 – £150,000 achieving an average reduction of £533;
  - More than £150,000 achieving an average of £1,637.

'What I now realise with hindsight is that when they put pressure on me and hassled me to stay with them they never offered me any inducement in terms of financial benefit, reduction in fees etc to do so. They just played to my better nature and sense of fair play. I suppose that I should have asked them to drop their fees but I never thought of it at the time'.

## **Estate agent obligations and contracts**

### *Awareness of obligations*

- 5.21 Eighty six percent of respondents claimed to have received written details (including commission rates and any other expenses) before entering into a contract with their chosen estate agent. Just 11% of respondents claimed not to have received anything (rising to 16% for younger respondents under 35 and falling as low as just 5% for those over 56).
- 5.22 Once house sellers had made their choice of estate agent, in most cases, they were made aware of both their own and their estate agent's obligations either in writing (86%), verbally (26%), or both. Only 7% of respondents claimed not to have been made aware of their own and their agent's obligations. These respondents were most commonly in the North East (9%) and South East (8%). There were also a higher proportion of AB/C1 respondents who claimed not to have been made aware (8%) compared to C2/DE respondents (4%).

5.23 Those that claimed to not have been made aware tended to be the most dissatisfied with their choice of estate agent. Conversely, those that had been informed in writing of their obligations, tended to be the most 'very satisfied' with the service they received.

5.24 The majority of sellers (86%) were satisfied to some extent with the explanation given to them about the agent's obligations. Only 4% were 'very dissatisfied' with a further 8% 'quite dissatisfied'. Levels of satisfaction were highest in Wales (96%) and the North West (89%).

*Type of contract*

5.25 Three quarters of house sellers had a sole agency contract with their estate agent, 15% had sole selling rights contracts while only 3% had a multiple agency contract. However, 7% of sellers did not know what type of contract they had with their agents. These were more likely to be in the North West and with properties valued at less than £60,000.

5.26 Sellers most commonly signed up to contracts that were binding for less than three months (45%); one quarter of sellers had contracts lasting 3-6 months, whereas only 6% had contracts lasting more than 6 months. Those in socio economic group C2 and DE were the most likely to believe they had signed up to contracts lasting more than 6 months (10% compared to 5% of those in the groups AB/C1). However, it is important to note that a high proportion of house sellers did not know how long their contract with their agent was for at all (24% overall, rising to 30% for the DE socio-economic group).

5.27 Those in the North West were most likely not to know the length of the contract (36%) compared to those in the South East who were the least likely (20%). The following table shows the variation in length of contract by region that reflects the liquidity of the property market in the respective regions.

<i>Region</i>	<i>Base size</i>	<i>Less than 3 months %</i>	<i>3 to 6 months %</i>	<i>More than 6 months %</i>	<i>Don't know %</i>
South West	(215)	52	23	4	21
South East	(421)	51	25	4	20
Midlands	(103)	44	30	5	21
North East	(69)	32	16	19	33
Wales	(28)	29	36	11	25
North West	(134)	23	31	10	36
Total	(976)	45	25	6	24

- 5.28 Almost all respondents (93%) felt that they were happy that they understood the contract with their estate agent properly. Sellers who were dissatisfied with the service they received were the most likely not to have understood their contract properly.

'When I was away from home on business the estate agent came round for his appointment to value the house and after giving my wife the valuation he asked her to sign a document saying that it was just for the office records to verify that he had been round, viewed the property and given a valuation.

What he did not say was that it was a binding contract giving them 4 months sole selling rights. He didn't leave a copy. The first thing I knew about it was when I got home later that evening and my wife said she'd signed something – I was a little suspicious – but not too concerned as there was no copy. The next thing he was on the phone thanking me for the instruction to sell the house and saying he would send details through in the post for me to verify before he put the house on the market. I went ballistic and obviously my wife felt terrible when she realised what had happened.

I explained it was a mistake and that he had literally conned her when she was alone in the house with him – a stranger and that he had taken advantage but he wouldn't budge. I refused to verify the sale particulars and immediately put in writing our refusal to allow him to market the house and our immediate termination of his fraudulently obtained contract. What also came to light at this stage was the fact that he was charging us astronomical fees – more than twice the commission fee that the other estate agents had quoted us.

We had no intention of approving the house details – so as to prevent him from marketing and possibly selling the property – as far as I'm concerned he took advantage of my wife in her own home and that should have warranted severe disciplinary action from his superiors – preferably the sack!

#### *Terminating contracts*

- 5.29 Fifteen percent of house sellers tried to terminate the contract with their estate agent before they sold the property. These sellers were slightly more likely to be in the South East (17%).
- 5.30 In terms of results, over half of these sellers managed to terminate their contracts satisfactorily (55%). A further 25% ended up renegotiating their contract, but almost a fifth of respondents (18%) were left unsatisfactorily terminated.

'By the end of June we were worried that property prices were rising so fast in the area and we were missing out on properties. The estate agents rang to see if the purchaser's surveyor could come round to value the house and we agreed – he told us the estate agents had undervalued the house and the gap between the offer we'd accepted from the buyers and what we'd need for a new house was growing all the time – he recommended adding another £5,000 onto the asking price which we told the estate agents and she passed it on and the buyers agreed – which was ok because they passed it onto the person who was buying their house. However, this was on the Friday and on Saturday morning the estate agents rang to say that the £5,000 was OK with the buyers but that SHE had included all carpets and curtains and the shed – because "that was the way she did business" – this was the first we'd heard and we were livid that she'd done it and told her to go back to the buyers and tell them she'd made a mistake. We sorted that out.

Then we decided that as we couldn't find a property to buy we had no choice but take our house off the market. Our buyers ended up buying the house next door to us. The couple next door had found their new house but needed a buyer for theirs so we pointed our buyers in their direction – so that worked out ok.

We told the Estate Agents to take the house off the market but she said that would mean her charging £300 as in the contract. What had happened was that she had popped round one evening, said she was passing and could we just sign this contract – but she'd forgotten to bring a second copy – but would sign it and send it to us in the morning. So we signed and there was a small clause saying something about a small fee if you withdrew the property from the market or the estate agents. I queried the 'small fee' at the time – and she said "it's just a nominal fee" – so I signed thinking it was £30 (ish). So when we rang her to take it off the market and she told us it would be £300 we've have to pay – she wouldn't show us the contract and after haggling she said she'd just keep it on the books without advertising it until we decided if we were going to move or not'.

## **Estate agent services to house sellers**

### *Expectations of service*

- 5.31 The services sellers expected their estate agent to provide mainly centred around advertising and marketing the property being sold. Advertising in local newspapers, in the agency window, with mail-shots and on the Internet were all expected by over two thirds of sellers. In addition, some also expected value added services such as advice on presentation, and more diversified and specialised services such as mortgage and financial services.

5.32 Sellers with properties valued at less than £60,000 had the lowest expectations of services, while those with the most expensive properties had the highest, particularly in terms of accompanied viewings and advice on property presentation. The following table shows how service expectations differed by the value of the property being sold:

<i>Service expectation</i>	<i>Less than £60,000 (71) %</i>	<i>£60,001 – £150,000 (425) %</i>	<i>Greater than £150,000 (467) %</i>	<i>Total Sellers (976) %</i>
Advertising in local newspaper	69	89	86	86
Advice on pricing	58	81	81	79
Advertising in shop window	58	78	78	76
Mailing details to prospective buyers	51	77	79	76
Negotiation with buyers	51	74	79	75
Production of sales details	49	74	77	73
Board outside house	55	75	63	68
Advertising on the internet	54	67	70	67
Accompanying viewers	37	65	69	65
Advice on presentation	21	47	51	47
Financial services to buyers	32	41	28	33
Production of floor plan	23	29	34	31
Other advertising	34	24	28	27
Mortgages/advice	18	18	11	15

5.33 More under 25's expected advertising over the Internet (80%) compared to those aged over 61 (62%). Fewer respondents in the North East expected advice on presentation of their property, accompanied viewings and advertising on the Internet than respondents in other regions. More sellers in the South West expected advertising in the local paper than any other region and more sellers in the North West expected mortgage advice than any other region.

'I had no problem at all at the beginning when the estate agents offered me financial services, which they said were offered by an independent separate company, [redacted] (which I have since found out are all owned by one organisation – I think it's [redacted] I'd used them before (estate agents & the financial service of [redacted]) and even had a mortgage with [redacted] for the investment property so everything seemed fine. They offered to arrange a mortgage for me but the lady I'd dealt with before was on maternity leave and her colleague dealt with it. He was younger and obviously not as experienced and although I outlined exactly what I wanted in terms of a mortgage, an 85% buy to let mortgage. He did try to get me to go for a 75 % buy to let as this required less paperwork and would be quicker but it was the money from the sale of my mother-in-law's house I was investing and needed to take advantage of the tax breaks. So I knew exactly what I needed and wasn't going to change to suit them.

I feel that the job of a so-called "IFA" is to find the product to suit the requirements of the client not to force the client to adapt to the requirements of the product he wants to sell. Both he and the main office of [redacted] tried to get me to go for a 75% BTL Mortgage but that is not what I wanted.

The same day – out of curiosity – I rang an IFA that I'd known for years and asked his opinion. He said the [redacted] mortgage was totally unsuitable for what I wanted and we needed to go to the [redacted] or [redacted] who are well known to offer these types of mortgage. He had all the paperwork sent round by courier and we sorted it all out that day. Then I went to Australia. I expected everything to be sorted by the time I got back and be ready for exchange of contracts and completion. Whilst I was away the vendors were getting worried as no surveyor had been round. As far as they were concerned no surveyor=no mortgage =no sale. The estate agent meanwhile had been contacted by my IFA, who rang to arrange an appointment for the [redacted] surveyor to inspect the property. The estate agents refused to allow him to make an appointment for the surveyor and told him that they, not him, were dealing with the mortgage and that it was all in hand. He then rang my husband who eventually contacted me and I confirmed he was to go ahead and do the mortgage and the surveyor, etc. When he tried to resend the surveyor the estate agents refused access to the property and then told him that I was no longer the purchaser, the vendors had rejected the offer and were going to sell to someone else'.

#### *Performance against expectations*

- 5.34 In terms of how agents compared against expectations, approximately a third of all sellers (34%) claimed to be 'very satisfied' with the overall service they received from their first choice of estate agent, with a further 34% being 'quite satisfied'. However, this means that a third of sellers (33%) were less than satisfied overall (with 14% of those 'very dissatisfied'). Those in the Midlands were the most likely to be dissatisfied overall (41%) and those in Wales were the least (22%).

5.35 The following provides a summary of the overall level of satisfaction with each of the elements of service provided by seller's first choice of estate agent:

<i>Service expectation</i>	<i>Mean score (Out of 5)</i>	<i>Very satisfied %</i>	<i>Very dissatisfied %</i>	<i>Don't know %</i>
Knowledge of property in local area	3.3	51	4	2
Opening hours	3.3	44	2	3
Manner of agency staff	3.2	48	10	*
Sale particulars produced	3.2	41	5	3
Advice on pricing	3.1	38	9	2
Suitability of viewings	3.1	38	7	5
Number of viewings arranged	3.1	38	10	6
Quality of advertising	3.1	34	5	7
Ability to contact	3.0	42	11	1
Quantity of advertising	3.0	29	7	13
Quality of internet advertising	3.0	18	4	45
Keeping seller informed	2.8	33	19	1
Escorting viewers	2.8	25	15	25

5.36 Each area of service will now be looked at in turn.

*Knowledge of property in local area*

5.37 Local knowledge was the area of service rated most highly by seller's (unsurprising given that 87% of respondents chose an estate agent within 5 miles of their property). Respondents in Wales and the North East were the most likely to be satisfied with this element of service (with 75% and 57% of respondents being 'very satisfied' respectively).

*Opening hours*

5.38 On the whole, sellers were very satisfied with the current opening hours of their chosen estate agent. Older sellers tended to be the most satisfied overall (with 58% of respondents aged over 60 'very satisfied') compared to younger sellers aged 35 or under (38% 'very satisfied'). In addition, those in the DE socio economic grouping were more satisfied than those in the AB group (55% compared to 42%), perhaps reflecting their lower expectations in this area.

*Manner of agency staff*

- 5.39 The lower the socio economic grouping of sellers, the more satisfied they were with the manner of staff that they dealt with – 62% of DE sellers were ‘very satisfied’ compared to 51% of C2, 49% of C1 and only 44% of AB sellers. Those in the Midlands were most likely to be ‘very dissatisfied’ (16%) compared to those in the North West (with only 6% dissatisfied).

*Sale particulars produced*

- 5.40 Only 15% of sellers overall were dissatisfied to any extent with the sales particulars produced for their property. These respondents were more likely to be within the AB socio economic grouping (18% dissatisfied) than the DE group (10% dissatisfied). Respondents in the South West were the most likely to be satisfied (48% ‘very satisfied’) compared to those in the Midlands (31% ‘very satisfied’).

*Advice on pricing*

- 5.41 Three quarters of all respondents were satisfied to some extent with the level of advice they received about pricing their property. Respondents from socio economic group DE were particularly satisfied (85% compared to 74% of those in the AB grouping). By region, satisfaction was highest in the South West and North West (79% satisfied overall) and lowest in the Midlands (70%). Overall, the longer a sale took to complete, the less likely respondents were to be satisfied with this area of service.

*Suitability of viewings*

- 5.42 Just below three quarters of all respondents were satisfied to some extent with service in this area. As with advice on pricing, the demographic groups most satisfied with this service attribute were older respondents and those from socio economic group DE. Respondents from the Midlands were again the most likely to be dissatisfied (26% either ‘quite’ or ‘very dissatisfied’).

‘In July – the day we were going on holiday – the estate agent rang with another viewing and we just let her get on with it. This couple made an offer £4,000 under the asking price – but then it fell through 2 days later as they couldn’t get a mortgage for that amount – which was pretty obvious from the word go. I think she only sent them round to demonstrate she was still working for us – there was never a hope in hell of them buying it, it was way beyond their budget. We asked about it and she just said there had been a problem but that she would never have sent them if she’d known they couldn’t afford the price. I didn’t believe her. We then found a property to buy and we explained the situation to the vendors and they were in no hurry – Thank God! So we informed the estate agent to remarket the house – and nothing happened. 3-4 weeks passed, still nothing – no phone calls – contact, viewings – NOTHING’.

### *Number of viewings*

- 5.43 Again, satisfaction levels for this attribute were reasonable with 71% of respondents quite or very satisfied. Satisfaction was higher the lower you moved down the socio economic scale (from 36% 'very satisfied' at AB to 53% at DE). A similar trend emerged as respondents got older (33% of under 25's very satisfied next to 46% of those over 61). Regionally, those in Wales and the South West were slightly more likely to be satisfied than respondents from elsewhere in the country.

'They completely misrepresented all the buyers and seemed to send anybody round to view just to make it seem like they were doing something. One even came round who was very odd and apparently is well-known locally for viewing houses, with no intention of buying'.

### *Quality of advertising*

- 5.44 Again, around three quarters of respondents were satisfied to some extent with this element of service. Those who were less likely to be satisfied were younger respondents, and those from socio economic group AB.

### *Ability to contact*

- 5.45 Maintaining contact with their estate agent was highlighted as a very important issue in terms of overall satisfaction for sellers. 36% of those who were dissatisfied overall were dissatisfied with their estate agents ability to keep in contact (compared to just 8% of those who were very satisfied).
- 5.46 Overall, older sellers were much more likely to be satisfied with this element of service compared to younger sellers (66% of those aged over 60 were 'very satisfied' compared to just 38% under 35).

### *Quantity of advertising*

- 5.47 Overall, 66% of sellers were satisfied to some extent, with the amount of advertising their agent devoted to their property. Socio economic groups C2 and DE were more likely to be satisfied than groups AB and C1.
- 5.48 The longer it took to complete the sale of a house, the more likely respondents were to be dissatisfied with the quantity of advertising given to their property. Only 16% of respondents whose sale took under two months to complete were dissatisfied, compared to 30% of those whose sale took over a year to complete.

#### *Quality of Internet advertising*

- 5.49 Approximately two thirds (67%) of all sellers expected their estate agent to advertise their property for them on the Internet. However, only 55% were actually able to comment on how satisfied they were with the service they were receiving in this area. Generally, the older the respondent and the lower the socio economic grade, the less able the respondent was to comment on this area of service. In terms of satisfaction, those in the South East were the least satisfied, while those in the South West were most. In addition, those in socio economic groupings AB/C1 were slightly less satisfied than those in groups C2/DE.

#### *Keeping seller informed*

- 5.50 Effective communication emerged as being a key driver of satisfaction for house sellers. Satisfaction levels on this attribute were well below average, with only 60% of respondents saying they were 'quite' or 'very satisfied'. Respondents from socio economic group AB and those from the younger age groups were more likely to be dissatisfied.

#### *Escorting viewers*

- 5.51 65% of sellers overall expected their estate agent to be able to escort viewers around their property. However, this was one of the areas with the highest levels of overall dissatisfaction with 25% dissatisfied to some extent and only 50% satisfied to any degree.

### **Competition amongst estate agents for house sellers**

- 5.52 Over a third of all sellers (39%) were contacted by at least one other estate agents after their property was put on the market. Of those who were contacted, 61% were contacted by more than one. Those with properties over £150,000 and those in the South East were most likely to be contacted by more than one agent.

<i>Region</i>	<i>Approached by 1 other agent %</i>	<i>Approached by more than 1 other agent %</i>	<i>Not approached by any other agent %</i>
North East (69)	12	10	78
Wales (28)	21	7	71
North West (134)	19	14	67
Midlands (103)	15	24	62
South West (215)	16	24	60
South East (421)	14	31	54
Total (976)	15	24	60

5.53 Of those that were contacted by one or more other estate agents, the main reason was to market the property (46%) followed by attempts to end their existing contract (24%), and to a lesser degree attempts to sell the property after the completion of their existing contract (12%).

5.54 Just under half (43%) of the respondents who were contacted by other estate agents after their property was on the market, were offered no inducements to persuade them to let the other agent market their property for them. Inducements that were offered included:

- Reduced fees (21%)
- A quick sale (17%)
- Wider advertising (6%)
- A higher selling price (3%)
- An immediate sale (2%)

5.55 Overall, approaches from other estate agents and inducements to use their services appeared to have little impact on sellers. The vast majority (89%) of those who were approached by other agents did not allow these agents to market their property. Just 3% used the other agent instead of their existing agent while 6% used the other agent in addition to their existing agent. Nine of the 13 respondents who replaced their first agent with the additional agent had completion times of over six months.

- 5.56 Of the 37 respondents that had used other estate agents after being approached, 41% felt the service was better than their original agent; 24% felt it was worse than their original agent and 35% felt it was the same as their original agent.
- 5.57 Overall, the house sellers who took part in this research largely stuck with their first choice of estate agent, with 85% saying their house was sold by their first agent. The 15% of respondents who sold through another agent did so mainly because they were dissatisfied with their original agent (73%) and a further 12% said they just fancied a change from their first agent.

## 6 THE SALE PROCESS

6.1 This chapter examines specifically how estate agents negotiate and manage the sales process on the seller's behalf.

### Handling offers

6.2 When an offer was received on the seller's house, nearly half (49%) of all sellers claimed their estate agents gave them advice on whether to accept or reject the offer. Sellers in the South East were the most likely to receive some form of advice (57% compared to just 35% in the North East).

6.3 Generally, the advice given was to accept the offer – only one quarter of sellers who were given advice claimed their estate agent had advised them to reject the offer. However, some very clear regional variations were found in this area, specifically in the North East (where 92% of sellers offered advice were told to accept the offer) and the Midlands (where just 69% of sellers offered advice were told to accept).

6.4 The advice given to sellers with more than one agent was overwhelmingly to accept the offer (89%) compared to those with one agent advising their clients to accept the offer (75%).

6.5 Of those sellers who were given advice by their agents on the offer presented, most (86%) accepted the advice.

6.6 Very few sellers (6%) claimed their agent had advised them to accept more than one offer. Those that were advised to accept more than one offer:

- Were most likely to be in the North East (9%) and Midlands (8%) and less likely to be in the North West (3%) and Wales (4%)
- Tended to have more than one agent (10%) compared to single agents (5%)

6.7 Of the 54 respondents that were advised to accept more than one offer, two thirds actually accepted that advice.

### *Handling subsequent offers*

6.8 Having accepted an offer on their property, almost a fifth (17%) of all sellers said they had subsequently received a higher offer from another potential buyer. This was most apparent for those sellers using more than one agent (23% compared to 16% with one only). Respondents who were very dissatisfied (25%) with their selling agent were also more likely than average to have received a higher offer after accepting an offer.

6.9 Almost half (47%) of those sellers who did receive a higher offer did not receive any advice on what to do with this from their estate agent. On the other hand:

- 19% were advised to accept the higher offer (rising to 33% of those who completed within 2 months or less)
- 15% were advised to ignore the offer
- 14% were advised to give the original purchaser the opportunity to match the offer
- 1% were advised to re-advertise at a higher price

### *On acceptance of offer*

6.10 Once the offer had been accepted, a quarter of all sellers were then given no advice on what to do next. Those that were given some form of advice were most commonly advised to remove the property from the market (37%). This was particularly true of respondents in the AB socio economic grade (39% compared to 27% of respondents in the DE group).

6.11 However, just over a quarter (27%) were advised to keep their property on their estate agents books and permit further viewings. This was the most common advice given to sellers in the North West and Wales (with 40% and 43% of sellers respectively being advised to take this course of action by their estate agent compared to just 23% in the Midlands and South East).

6.12 Only 10% claimed their estate agent advised them to continue actively marketing their property.

6.13 Overall, sellers appeared to have heeded the advice given by their estate agents, as the pattern of what they actually did after receiving an offer matched that of the advice given by the agents:

- 51% took the property off the market
- 31% kept the property on the books and permitted further viewings
- 11% continued to market the property actively

6.14 Of the 51% of respondents who actually removed their property from the market after receiving an offer, the majority did so because they believed it was 'the right thing to do'.

'We accepted an offer and didn't want to guzump anybody because it has happened to me, it's not nice.'

'I had a buyer and I thought it was the honourable thing to do.'

'We had sold it and I am a man of my word. If you do a deal, you do a deal.'

6.15 The following reasons were also given by sellers for removing their property from the market following the acceptance of an offer:

- Condition of purchaser's sale (15%)
- Unlikely to receive higher offer (15%)
- Needed quick sale (7%)
- Sold the property (6%)
- Happy with offer (5%)
- Trusted purchasers (5%)
- Received asking price (3%)

6.16 It is important to note that not all properties that were taken off the market were done so at the seller’s request, neither did it always turn out to be the best cause of action in the long run:

‘It seemed the right thing to do at the time and then proved not to be!’

‘We didn’t actually take the property off the market. The estate agent made that decision without our permission to take it off.’

### Completion period

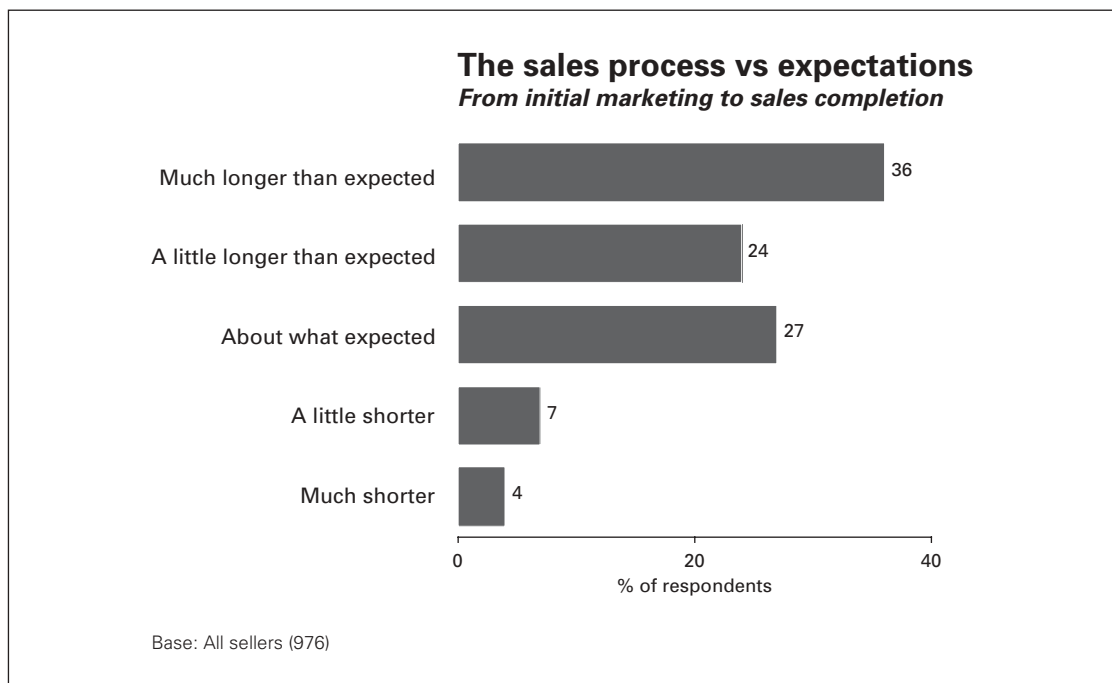
6.17 The average length of the sales process, from the time the house was put on the market to the time the sale was completed, was 4.7 months. The following chart shows the range of time taken for sellers to complete overall.



6.18 The average length of sale process was shortest in the North East (4.3 months on average) and longest in the South East (4.9 months). Having more than one agent did not lead to a quicker sale, with the whole process taking an average of 5.9 months for these respondents compared to 4.6 who used only one.

6.19 There was also a correlation between the value of the house and the time taken to sell it, the more expensive the property, the longer the time it took from marketing to completion of the sale.

6.20 Sellers were then asked how this process compared to their expectations. In many cases (60%), the whole process was longer than expected. Sellers in the South East were the most likely to have experienced a sale period that was longer than they expected (64% compared to 63% of respondents in the Midlands, 62% in the North East, 60% in the South West and finally 54% in Wales). The following chart shows how the overall sales process compared with expectations for all sellers.

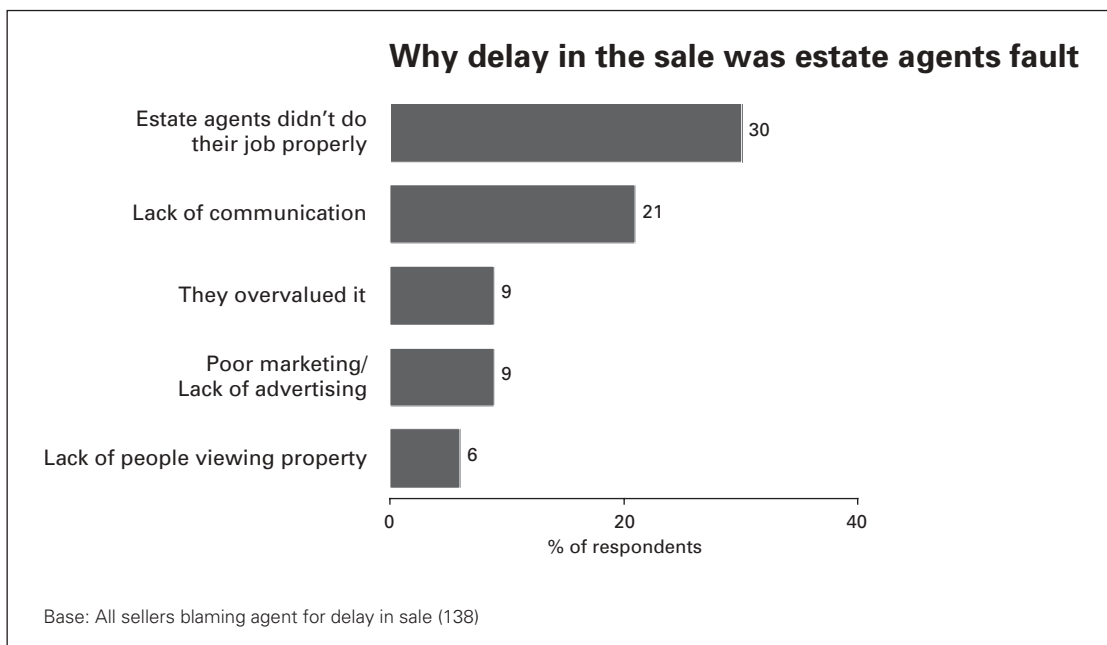


6.21 For sellers who felt that the sale took longer than expected, the primary responsibility they cited for the delay included:

- The purchasers (27%)
- Their estate agent (23%)
- Problems with respondent’s purchase of own house (14%)
- Purchaser’s solicitor (11%)
- The seller’s solicitor (10%)
- Other buyers in the chain (9%)
- The property market (4%)
- The seller’s buyer pulled out (3%)
- Someone or something else (12%)

6.22 Sellers in the Midlands were more likely to blame their estate agent for the delay than sellers in any other region (34% compared to just 16% in the South West).

6.23 The following chart shows the main reasons why estate agents were felt to have been responsible for the delay in the sales process:



6.24 Comments from respondents reflected the emphasis placed on poor communication and a perceived inability to do their job properly:

‘The agent was the only one in our area ... we believe he was deliberately keeping prices of houses down in our area as he was buying two houses in our street.’

‘They gave bad advice and were more desperate to get a sale than do what was best for the customer’

‘The agent tried to reduce the price of the property to ensure that another customer would buy it ...’

‘They didn’t tell us the buyers had problems with their mortgage’

‘They were organising the buyer’s mortgage and they were also working for me, which I wasn’t aware’

6.25 Other seller comments centred on the quality of service, lack of commitment and lack of feedback that was being offered by estate agents.

‘Not enough people came to view the house’

‘They gave us bad advice and did not match buyers to the property’

‘They weren’t committed enough’

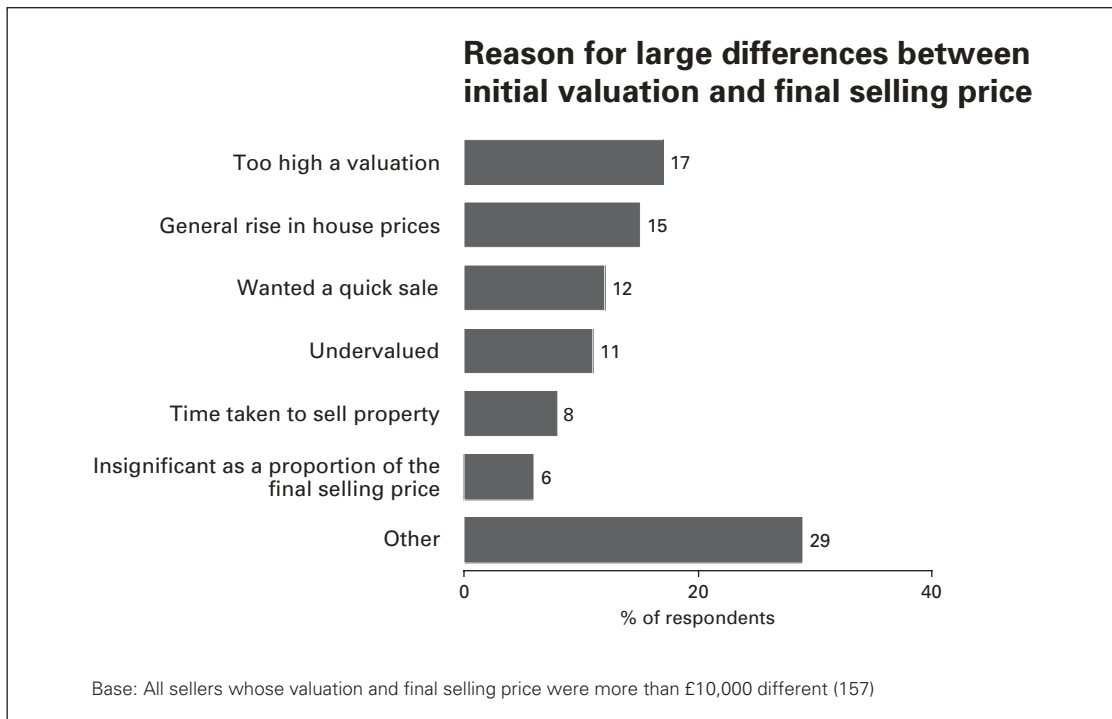
‘They didn’t keep in contact with the buyer and the buyer then dropped out’

‘They did little for the fee, they didn’t vet the credit-worthiness of the buyer’

‘I had a large number of viewings but I received no feedback’

### **Estate agents’ valuation skills**

- 6.26 A crucial part of the service offered by estate agents to sellers is the valuation of their properties. This section examines the valuation skills from the perspective of the sellers.
- 6.27 Eighty percent of all sellers thought that their estate agent had estimated the value of the house accurately. Sellers in the socio economic group DE were more likely to have felt that the agents had made accurate valuations of their properties (86%) than those in socio economic group AB (78%).
- 6.28 Conversely, the majority (84%) of sellers who were ‘very dissatisfied’ with their selling agent felt that they had not accurately estimated the value of their house.
- 6.29 Overall, the initial valuations given to sellers at the start of their negotiations with estate agents appeared to be quite accurate. As a proportion of the initial valuation, the average final selling price was around 98.3%. The least accurate valuations were in the South East (where house prices were most likely to have risen dramatically) where the final selling price was on average 97% of the initial valuation compared to 99.7% in the North West and Midlands.
- 6.30 Sellers were asked whether any ‘other’ estate agent who had valued their house had given a better estimate of its final selling price than the estate agent that had handled the sale – 78% of sellers said that no other estate agent had given a better estimate of the final selling price.
- 6.31 Reasons given by sellers for differences in valuations greater than £10,000 from the final selling price are highlighted in the following chart:



6.32 Some examples of the comments made by sellers in response to this question included:

‘The agent said that he could get more than the property was worth’

‘The agents value the property at what they think the seller wants to hear.’

‘One is a marketing price and one is a realistically attainable price’

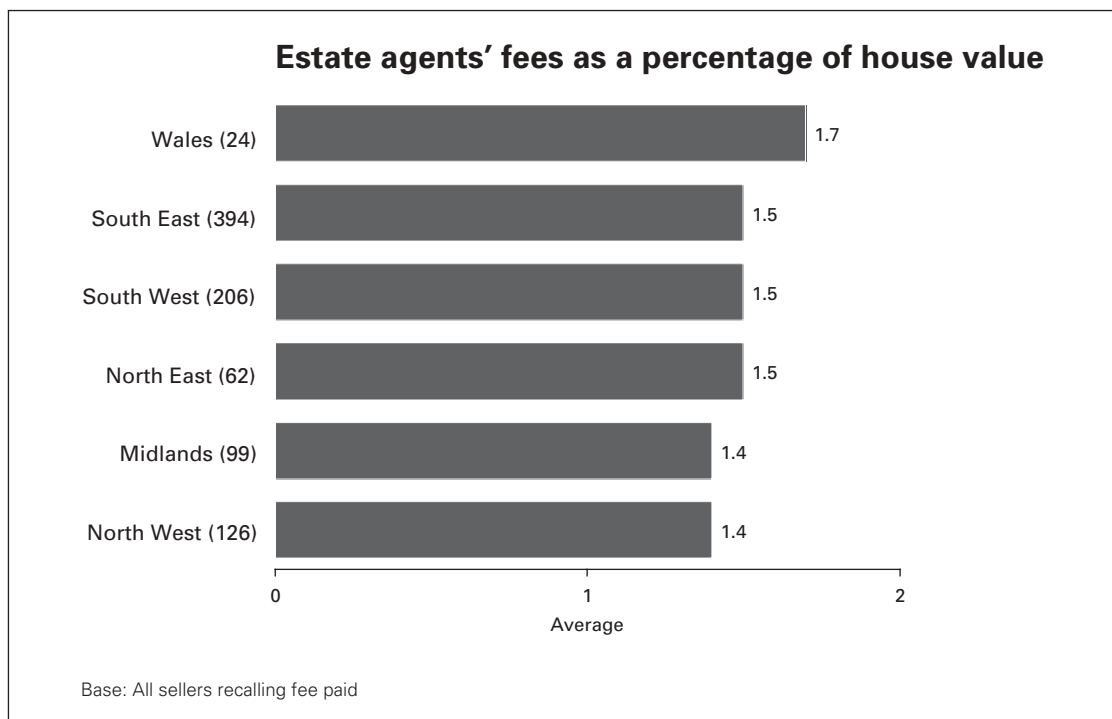
‘The estate agent didn’t know what they were doing. Ours was a unique property, but this was never recognised.’

‘They told us they could get a high offer for the house which was way more than what it was actually worth. They lied about how much they could get just to get us to go with them.’

### **Estate agents’ fees**

6.33 Paragraphs 5.12 to 5.15 looked at the fees being quoted at the primary stage of finding and selecting an estate agent. This section now explores the actual fees paid to estate agents by sellers.

6.34 Seventy three percent of respondents gave the actual estate agent fees in terms of a percentage of the price of the property, the remainder recalled their fee as a fixed amount in £'s. Any fees given as £'s were factored by the final selling price of each house to convert them into a percentage figure, the data was then combined. The following chart shows the average fee paid in percentage terms by region:



6.35 Overall, the average commission charged by estate agents was less than 1.5% of the value of the house. This was slightly lower than the average quotation received initially by sellers (see paragraph 5.14), which was around 1.6%.

6.36 Fees paid by sellers with properties valued at less than £60,000 were, on average, around 2.4%, significantly higher than the overall average of less than 1.5% and higher than the average quotation given to this group of sellers (2%). Conversely, respondents selling houses for over £60,000 paid slightly lower fees than they were quoted originally.

6.37 Despite the above exceptions, the majority of sellers (85%) paid fees that were the same as the original quotation given. For 10% of sellers, the fees paid were less than expected and for only 2% they were more than expected (this figure was 4% for those selling a house valued at less than £60,000). Those sellers with properties valued at over £150,000 were most likely to have paid lower fees than they were originally quoted. No sellers in the North East or Wales paid more than they expected for the agent's fees.

6.38 The main reason for the price being different from the original quotation (given by 55% of those whose fees were different to what they expected) was that the sellers had negotiated the fee down. Estate agents occasionally failed to tell respondents about VAT (4%) and very occasionally, had undervalued properties (2%). A host of other responses were given including:

‘We ended up not paying the estate agents as we sold privately’

‘They did not introduce the buyer’

‘It cost more because I used their solicitor’

‘The second agent said he would act as a sub agent and we thought it would be split but it ended up as 2.5%’

‘Because the estate agent didn’t want to lose us after we lost the first house because of his incompetence’

‘It was a new agent in the area so they had a good offer on’

### **Value for money**

6.39 Sellers were asked to say overall whether they felt their fees represented good, reasonable or poor value for money. Less than a quarter (22%) of all sellers felt satisfied enough with the service they had received to say their fees represented good value for money. Overall, those in socio economic group DE were the most likely to feel this way (36% compared to 21% in group AB).

6.40 The remaining respondents were split in their opinions of the estate agents service – 37% of sellers felt their fees were reasonable value for money, while a further 38% felt they were actually poor value for money. Respondents in the AB socio-economic group were the most likely to feel their estate agents fees offered them poor value for money (41% compared to 27% of DE respondents).

6.41 When asked why they felt the fees represented poor value for money, the most common response was that the estate agent did very little to earn their money (mentioned by 39% of respondents and a key issue for those whose properties virtually appeared to 'sell themselves' in the current market).

'They knew they would sell quickly so they didn't deserve the money.'

'It sold very quickly so if I'd known how quick it was going to sell I'd have put it in the paper.'

'In my view they didn't do a lot for the money we paid, there were no advertising costs and the house sold with the first viewer, so they actually didn't do that much.'

6.42 Other common responses included:

- Fees are too high/ expensive (24%)
- Poor/ insufficient service (22%)
- House sold very quickly (15%)
- Had to do the work myself/ agent did nothing (15%)
- No feedback/ poor communication (8%)

'I seemed to do most of the running around myself. They didn't deal with the buyer or the solicitors – I did all that.'

'We paid the estate agents two or three times more than the solicitors and once they had sold the property they were not interested. We had to continue to chase them to find out what was happening.'

'Once the estate agent have found a purchaser they do not seem to care how long the process takes to get the contract signed etc, as they have made their money.'

'They do very little for their money and after we've seen what they did for us we know we could do it ourselves.'

## 7 BUYING PROPERTIES

7.1 This chapter explores the home buying process, looking specifically at:

- Search methods buyers use to find estate agents.
- Buyers' selection criteria and expectations they have of estate agents.
- The extent to which buyer expectations are met.

7.2 Buyer satisfaction will be covered in more detail in chapter 10, where a comparison will be made with findings from the sellers' survey.

### Selecting an estate agent

7.3 One of the major criteria for buyers registering with an estate agent was that they were close to the favoured area, mentioned spontaneously by just over half (54%) of buyers. On average, the distance of the estate agent from the property eventually bought was just 2.6 miles.

7.4 Of the other criteria 'a good range/number of properties' was also important, particularly to buyers in socio economic group AB (mentioned by 26% registering with estate agents). Membership of trade associations and the Ombudsman for Estate Agents scheme appeared to have little influence on buyers. When choosing an agent, both were cited spontaneously by just 1% of respondents.

7.5 Rather than having any kind of selection criteria, almost one in five adopted a blanket approach and registered with every estate agent in their chosen area. Others took a random approach to registering:

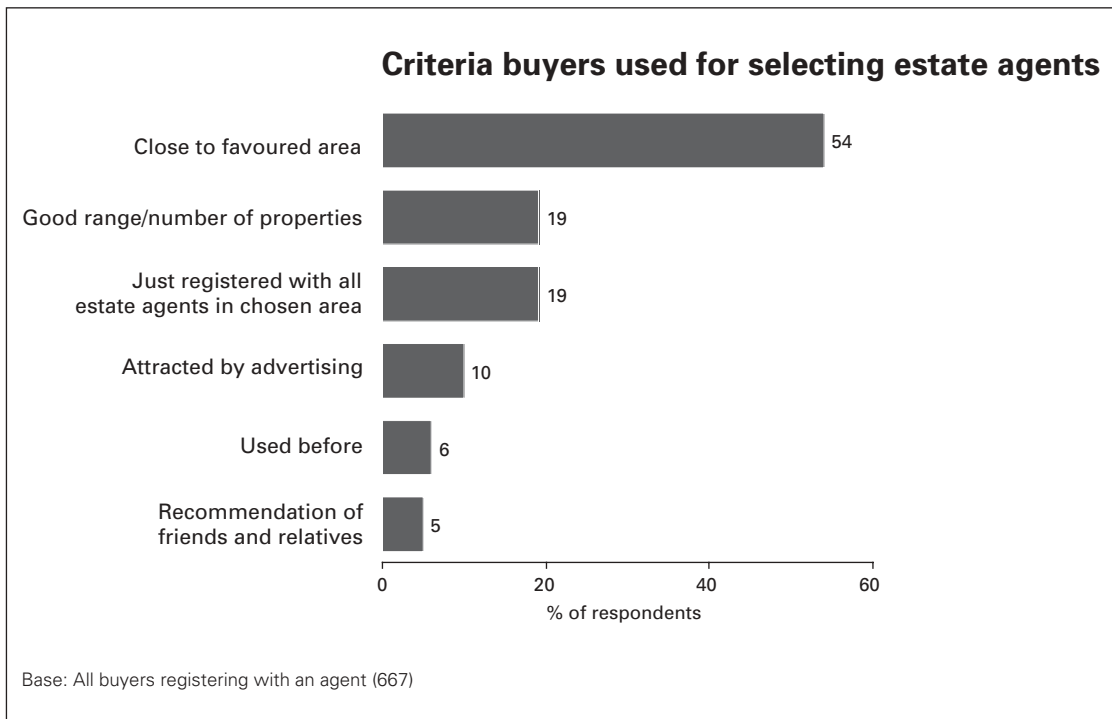
'We chose the estate agents in a random fashion.'

'I went with all the names that have been around for many years in our area.'

'Mainly out of local papers or Yellow Pages.'

'I just registered with most of the local estate agents.'

7.6 The following chart shows the key reasons respondents gave for registering with their choices of estate agents.



### Methods of purchasing properties

7.7 Overall, almost all buyers (95%) whether directly (for example, by registering) or indirectly (for example, by seeing an advert) used estate agents to locate the property that they eventually bought.

7.8 The table below shows the different methods used to locate the property eventually purchased by region. Buyers in the South of England and the Midlands were slightly more likely than those in the North and Wales to have used an estate agent related source.

<i>Method of locating property bought</i>	<i>North East (77)</i> %	<i>North West (176)</i> %	<i>Midlands (106)</i> %	<i>South West (249)</i> %	<i>South East (356)</i> %	<i>Wales (26)</i> %
Estate agent's details received	13	20	23	37	34	27
Estate agent's window advertising	25	24	16	12	11	15
Estate agent's newspaper advertising	13	10	23	14	15	12
Estate agent's for sale board	13	10	8	8	8	4
Any personal contacts	12	9	8	8	7	15
Estate agent's internet site	3	5	6	4	7	8
Personal advertisement in paper	4	5	5	5	4	4
Placard on house	6	7	2	*	2	8
Internet search	1	2	4	2	3	0
Local paper	6	1	1	2	1	0
Phone call from estate agent	0	1	2	2	1	0
Rang agent	0	1	1	0	2	4
<i>Summary</i>						
Any estate agent related source	66	71	78	78	78	69
Any non agent reason	34	29	22	22	22	31

7.9 Only 5% of buyers actually bought a property that was not being marketed by an estate agent. The majority of these buyers (93%) were not concerned that an estate agent was not selling the property they bought. Of the 3 respondents who were concerned, it was mainly an issue of security and trusting the details being supplied by the seller.

## Estate agent services to house buyers

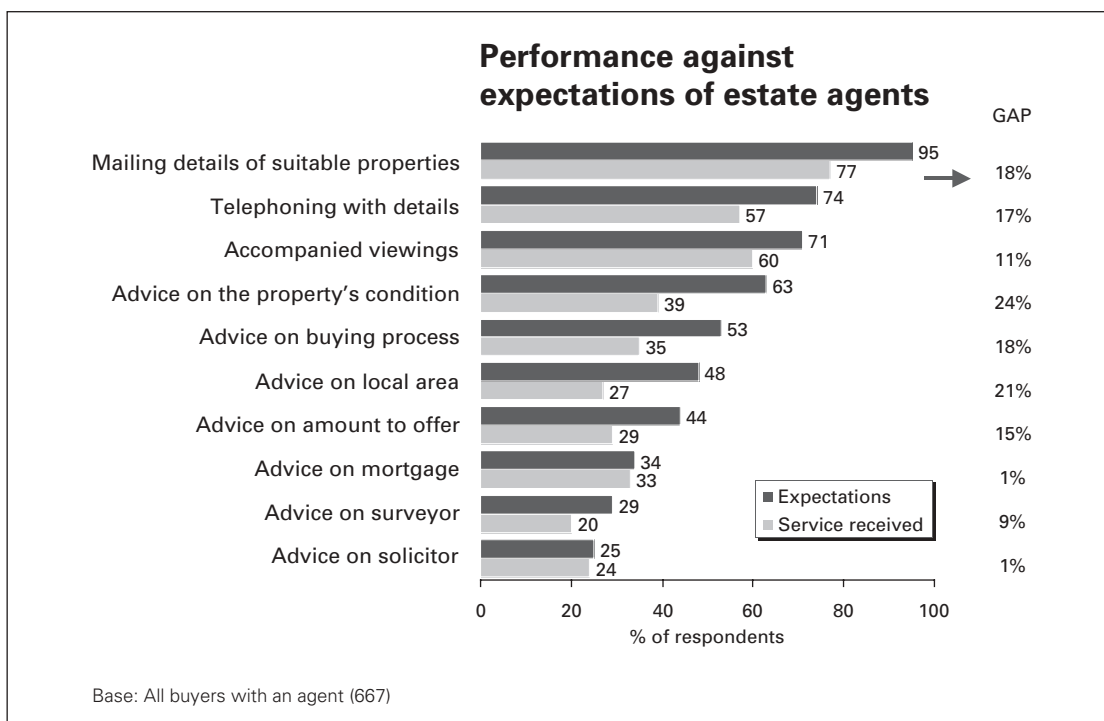
### *Expectations of service*

- 7.10 The service the majority of buyers expected their estate agents to provide them with mainly centred around providing information and informing them of suitable properties on the market, mentioned by 95% of buyers who registered with them. In addition, a high proportion also expected value added services such as advice on mortgages (34% overall), offers to be made (44%) and recommendations for solicitors (25%) and surveyors (29%) – this was particularly true of respondents in the AB socio economic group who's expectations in this area were far greater than respondents in the DE group.
- 7.11 Not surprisingly, expectations of first time buyers were greater than those who had previously gone through the house buying process. The following table shows how service expectations differed by experience of respondent:

<i>Service Expectation</i>	<i>First time buyers (228) %</i>	<i>Experienced buyers (439) %</i>
Mailing details of suitable properties	98	94
Telephoning with details of suitable properties	76	73
Accompanying you to viewings	75	69
Advice on the condition of the property	72	58
Advice on the buying process	66	46
Advice on the local area	55	44
Advice on the amount to offer for the property	49	42
Advice on mortgages	39	31
Advice on which surveyor to use	36	26
Advice on which solicitor to use	29	23

### *Performance against expectations*

- 7.12 The following chart shows overall expectations of buyers who registered with estate agents against the actual services they were offered by the agent who handled their purchase. The chart also highlights the difference between the proportion of buyers expecting and receiving each service element.



#### *Mailing details of suitable properties*

7.13 As would be expected, a high proportion of estate agents (77%) who were used by respondents to purchase their property were able to provide details of suitable properties. Provision for this element of service was lowest in the North East (68% saying it was provided) and North West (69%) and highest in the South West (83%) and Wales<sup>1</sup> (82%). Respondents buying houses priced at under £60,000 (69%) were less like than those buying more expensive houses (78%) to be mailed details of suitable properties.

#### *Telephoning with details of suitable properties*

7.14 Although three quarters of buyers (74%) expected to be telephoned by their estate agents about properties, only 57% of buyers were actually telephoned. This service was less prevalent in the North of England and Wales, and most prevalent in the South West and South East (both 60%). Again respondents buying properties valued at less than £60,000 were less like than other respondents, to receive this element of service.

<sup>1</sup> Note low base size of 17 respondents

'Just as another point of interest, we have been contemplating moving to [redacted] for some time and a little while ago we were in [redacted] on the Friday and just out of curiosity looked in [redacted] window (different branch to the one we had the problems with here). We saw a lovely 3 bed bungalow and decided to view it. They were very nice at the estate agents and apologised but said the vendors worked and so they couldn't get us a viewing that day but could arrange one for Saturday, which was fine. On Saturday we drove to [redacted] for the viewing at 10am, the cul-de-sac was lovely, BUT the house was an absolute disgrace, the photo in the estate agents window had obviously been taken years ago and the place was a pigsty. So the estate agents had let us view, after we'd told them we wanted somewhere that didn't need much work, let us drive 30 odd miles, etc. I phoned them from the car to say how disgusted I was with them for wasting our time! They had valued it at £95k and there wasn't a scrap of wallpaper in the kitchen! It was totally misrepresented in their details'.

#### *Accompanying you to viewings*

- 7.15 Accompanied viewings were least prevalent in the North East (39%) and North West (40%) and most common in Wales (76%) and the South West (73%). Again, respondents who were first time buyers and those buying more expensive property's were slightly more likely to have received this service than those not fitting either of these criteria.

#### *Advice on the properties' condition*

- 7.16 Although 63% of buyers expected this service, only 39% actually received any advice, leaving a particularly large gap of 24% between the proportion of respondents expecting this service and those perceiving it was actually provided by the agent they bought the house through. Perceptions were particularly low in the North West (27%) and highest in the South East (45%) and the South West (44%).

#### *Advice on the buying process*

- 7.17 First time buyers (45%) were far more likely than other buyers (30%) to have received advice on the buying process from the agent handling the sale of the house they were buying. However, expectations were also much higher for these first time buyers (66%).

#### *Advice on the local area*

- 7.18 Expected by almost half of all buyers registering with estate agents (48%), this type of advice was only provided to 27% of buyers. This type of advice was most commonly given in the South West (to 35% of respondents) and the South East (29%). Respondents in the Midlands and the North East (both 20%) were less likely to have been given such advice.

*Advice on the amount to offer*

- 7.19 Buyers in the South East and West (36% and 33% respectively) were more likely to have received this type of advice than those in other parts of the country. First time buyers with higher expectations in this area were again more likely to have been given advice on making offers.

*Advice on mortgage*

- 7.20 Expectations and perceptions of service were very similar in this area, with 34% of buyers expecting some kind of mortgage advice compared to 33% actually receiving it. Mortgage advice was most commonly provided in the South East (40%) and least in the South West (25%). First time buyers were again more likely than those who had bought in the past to receive such advice (41% vs. 29%).

*Advice on surveyor*

- 7.21 First time buyers with higher expectations in this area were again more likely to have been offered this service (26% vs. 16% of those who had bought in the past). Buyers in the South West were most likely to be offered this service (25%) whilst those in the North West and the Midlands (15% each) were least likely.

*Advice on solicitor*

- 7.22 Again expectations were fairly evenly matched against perceptions of service from estate agents, with first time buyers most likely to expect and receive advice on this area (with 36% expecting and 32% receiving). Over one in four respondents from the South East (28%) were given advice on which solicitor to use. This figure was nearer one in six (16%) in the North East and North West of England.

- 7.23 Perceptions of services that were indirectly related to the services expected of an estate agent were much closer to expectations – namely advice on mortgages, solicitors and to a lesser extent, surveyors.

- 7.24 Overall, the expectations of buyers in the North West were least likely to be met, and the expectations of buyers in the South West were most likely to be met. Interestingly, expectations on advice on a mortgage from buyers in the South West and Wales were exceeded, suggesting that some estate agents are concentrating on diversified services – particularly mortgages.

## Information services

7.25 Respondents were asked to say how well their estate agent kept them up to date with properties coming onto the market in terms of sending them details and keeping them informed. The following table highlights how well estate agents performed in this area by region. Significant figures are marked in bold.

<i>Level of information provided by estate agent</i>				
<i>%</i>				
<i>Region</i>	<i>Kept regularly informed of suitable houses coming onto the market</i>	<i>Sent few details of any houses</i>	<i>Sent many details of houses not matching requirements and/outside price range</i>	<i>Did not send any details</i>
South East (344)	43	16	13	28
South West (235)	40	21	7	31
Midlands (101)	33	20	10	38
North West (160)	30	21	7	42
North East (72)	25	17	13	46
Wales (24)	25	17	4	54

7.26 Buyers in the South East and South West were more likely to receive a better provision of information and communication than buyers elsewhere. As expected, more than half of the buyers who were 'very satisfied' (56%) with the way in which their agent handled the purchase were more likely to have received regular and suitable information than buyers that were 'very dissatisfied' (18%).

7.27 As perhaps would be expected, there was also a correlation between those that had been kept regularly informed by their estate agents and the length of time taken to complete the purchase of the property. 56% of buyers who completed in under a month had been kept regularly informed of suitable houses coming on to the market compared to just 28% of buyers who took over 6 months to complete.

## Financial services

7.28 Almost a third (29%) of buyers were offered some kind of financial advice from their estate agent, this was most prevalent amongst customers in the South East (33% being offered some kind of advice) and least prevalent in the North East (19%). Nearly half of all buyers (47%) under the age 25 were offered financial advice, compared to just 7% of buyers over 61 years.

7.29 Of the 273 buyers who were offered financial advice by their estate agents, mortgages were the key products that agents were most likely to offer advice on:

- Mortgage (56%)
- Independent financial advice (21%)
- Insurance (8%)

‘We had already arranged a mortgage with an independent financial advisor, but the financial advisor in the estate agents said that we would get preferential treatment from the estate agents if we took out a mortgage with him – he did get pushy – and the estate agents got pushy – but I made it clear that I was happy with what we’d already got and that it had taken me 4 weeks to sort it out – so there was just no way I was prepared to go through all that again when I didn’t need to. He never mentioned it again but the thought did occur that maybe he would have advised the first vendor to accept our offer if we’d have got a mortgage with them’.

7.30 Of those respondents who were offered financial advice, just over a third (34%) actually went on to purchase the products advised by the agent or their recommended financial adviser. Respondents buying more expensive properties were less likely to buy financial products from their estate agent than those buying cheaper properties (30% with a value of greater than £150,000 compared to 45% with a value of less than £60,000). Interestingly buyers who were ‘very satisfied’ with their agent’s handling of the purchase of the house were more likely to have bought financial products from an agent than those that were ‘very dissatisfied’ (41% vs. 31%).

7.31 The most commonly bought financial products from the estate agents were mortgages (bought by 90% of buyers who purchased any product). Life insurance was also purchased by just under a third of these respondents 30% while approximately 1 in 10 bought house/contents insurance.

## 8 THE BUYING PROCESS

8.1 The following chapter looks at estate agents' management of the buying process in terms of:

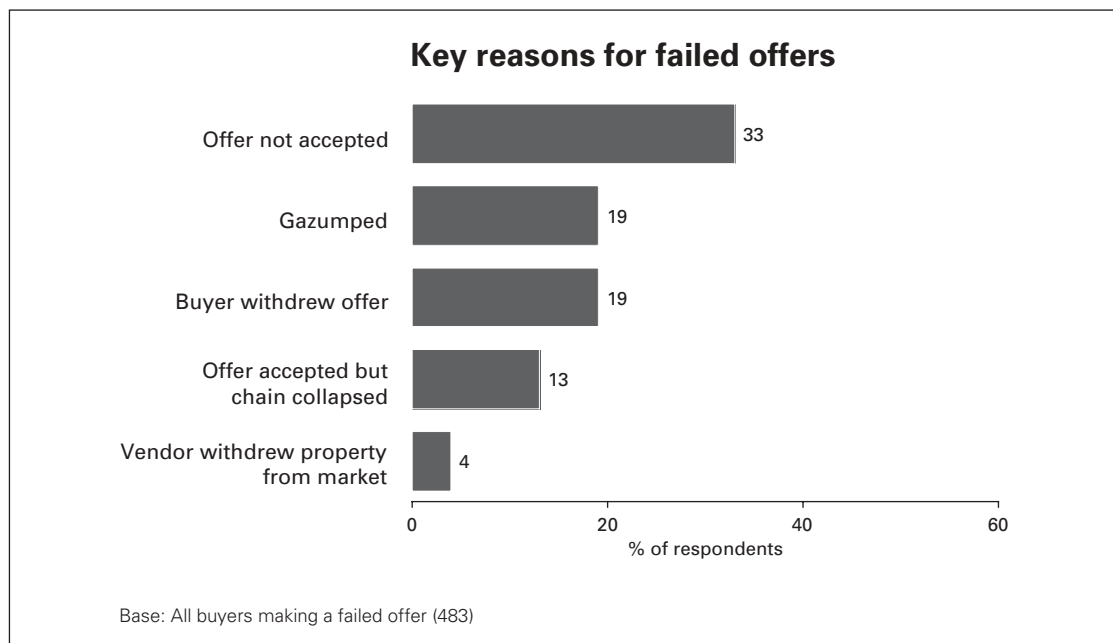
- Handling offers made
- Negotiation and completing the sales process

### Handling offers

8.2 Approximately half of all buyers (51%) made only one offer on a property (rising to 58% in Wales and falling to just 42% in the North East). However the average number of offers made was nearer to two, indicating that people who made two offers often went on to make three, four or even more offers on different properties (9% of buyers claimed to have made 4 or more offers).

#### *Handling unsuccessful offers*

8.3 The following chart highlights the main reasons buyers gave for the failing of their offer:



8.4 Looking specifically at those who had at least one failed offer by region, gazumping was most common in the South East (accounting for 25% of all failed offers) and North West (22%) whilst it was least prevalent in the Midlands (10%).

- 8.5 Respondents under the age of 25 were most likely to have their offers rejected (49%), whilst those aged 61 were most likely to withdraw their offer (35% claiming this to be the reason why their offer failed).
- 8.6 Those in socio economic group DE were least likely to have their offer rejected but were more likely than others to be gazumped or withdraw their offer. Those buying properties less than £60,000 were more likely to be gazumped than those buying properties over £150,000. Buyers that were 'very satisfied' with the agent handling the purchase were least likely to have been gazumped.

'She should never have been allowed to buy that property, our offer had been accepted, I know gazumping does go on, but being gazumped by the person who you are actually dealing with in the estate agency is completely wrong because she knew our offer...so to me, she surely broke the law in one way or another'.

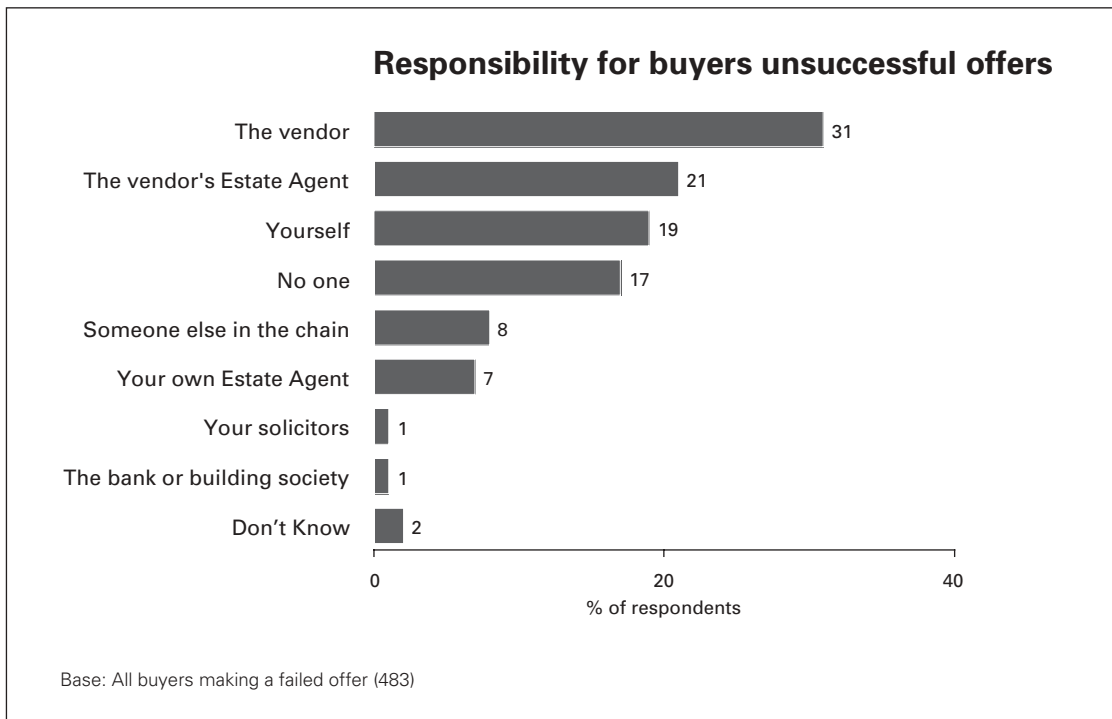
- 8.7 Of those making unsuccessful offers (483), just over a quarter (27%) claimed their unsuccessful offers had meant they had incurred survey fees; 22% claimed to have incurred solicitors fees and 8% incurred a mortgage arrangement fee. However, 65% of these respondents claimed they had not or could not remember incurring any expenses on failed offers.

'I was really angry with the Estate Agents because I felt they'd wasted our time, and were being devious with the vendor and basically didn't want to help us – he just said "I've got something better for you" – which actually meant " you'll have to have something else on our books". We picked up details of other properties they had but the ones we fancied were either under offer or sold or too expensive. We viewed a few but when we made an offer we were gazumped and we started to think we'd never find anywhere. Then we found a property we liked the look of with another estate agents. The problem was that at the time the house prices were rising really quickly – so because it took us so long to find somewhere we could buy – it cost us more. I know that isn't anybody's fault and it probably won't happen next time as the property we will be selling will be rising alongside the ones we want to buy – but it is really difficult when it is your first house'.

#### *Responsibility for buyer's unsuccessful offers*

- 8.8 Nearly all the buyers (98%) who had made an unsuccessful offer for a property could cite the reason for the lack of success of the offer and almost all felt someone was to blame (even if they themselves were at fault). Only 17% claimed that no one was to blame for the unsuccessful offers made.

8.9 The following chart highlights where buyers perceived responsibility lay for their failed offer/s:



8.10 Those who felt the vendor's estate agent was to blame for the unsuccessful offer felt that the vendors estate agent:

- Gave misleading/incorrect information (20%)
- Did not communicate sufficiently with the parties involved (19%)
- Felt the agent was dishonest (11%)
- Felt the agent did not put their offer forward (4%)

'They lied about offers that they hadn't actually got. At the time when I bought my house, there were many people that were putting £20,000 more than the asking price so I think that they encouraged everyone to put in higher offers.'

'We went to view a property and decided to make an offer. The offer was accepted by the vendor, however, the estate agent let another couple view the house and they then made an improved bid. We were then informed our bid had been rejected.'

8.11 There were a number of other responses given to this question that were very individual in their nature:

‘They tried to get me to participate in a bidding war. Property is already an over inflated market.’

‘The agent didn’t tell us the vendor had already accepted an offer from someone else’

‘They kept the house on the market, encouraging gazumping’

‘I don’t think we were at the top of their priority list -which I put down to the fact that we wouldn’t have a [x] I had to call in to the branch to see if the second vendor had accepted the offer (which was the asking price) after about 3 days – and they hadn’t even told the vendor about the offer. The woman in the branch rang him in front of me and he accepted straight way. I did get the feeling that if I hadn’t gone in the offer would never have been passed on to him and neither of us would have been any the wiser. They could have just told me he didn’t accept and him that we weren’t interested and didn’t make an offer. Who would know?’

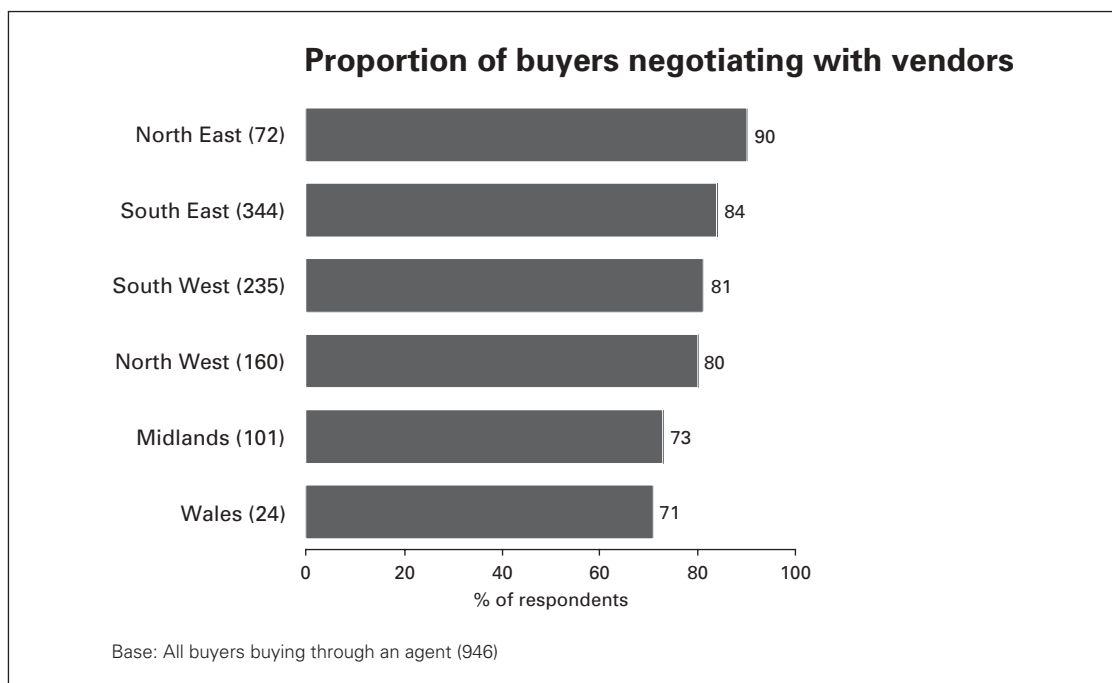
8.12 The overwhelming sense from the comments made by the buyers who felt the failure of their bid was due to the vendor’s estate agent was that the agents were generally trying to get the highest price for the property even though initial offers had been accepted.

8.13 Very few buyers (7%) felt their own agent was responsible for their unsuccessful offer. Of those that did, the majority gave similar reasons to those cited by buyers blaming the vendor’s agent (perhaps unsurprising given that a number of these respondents were both buying and selling through the same agent):

- Lack of communication/not kept informed (36%)
- Gave misleading/incorrect information (14%)
- Felt agent was dishonest (3%)

## Successful offers

- 8.14 When buyers had found the property they were eventually going to buy, 61% of respondents did not seek any advice on what to offer. Of those that did seek advice, this was mainly from the estate agent (18%), their family (16%), friends (12%) and to a much lesser extent, solicitors (2%) and financial advisers (1%).
- 8.15 First time buyers were more likely than those who had bought in the past to seek advice on what to offer for a property (50% vs. 32% respectively, seeking some sort of third party advice). Buyers in the South East and South West were also more likely to seek advice than buyers elsewhere in the country.
- 8.16 Once the offer had been made, the majority of buyers (82%) went on to negotiate with the vendor through the estate agent. The following chart shows how negotiations varied by region:



- 8.17 Buyers in socio economic groups C2 and DE were less likely to negotiate with the vendors through the estate agent than those in groups AB and C1.

8.18 Once the offer had been made, just over a quarter of respondents (26%) were advised by their agents to increase their offer because:

- **Of the strength of a competing offer – 16%.**  
Buyers in the socio economic group AB and C1 were most likely to be in this position
- **The vendor had raised the price of the property – 11%.**  
Again this was most common within socio economic groups AB and C1 (none were in the socio economic group DE).

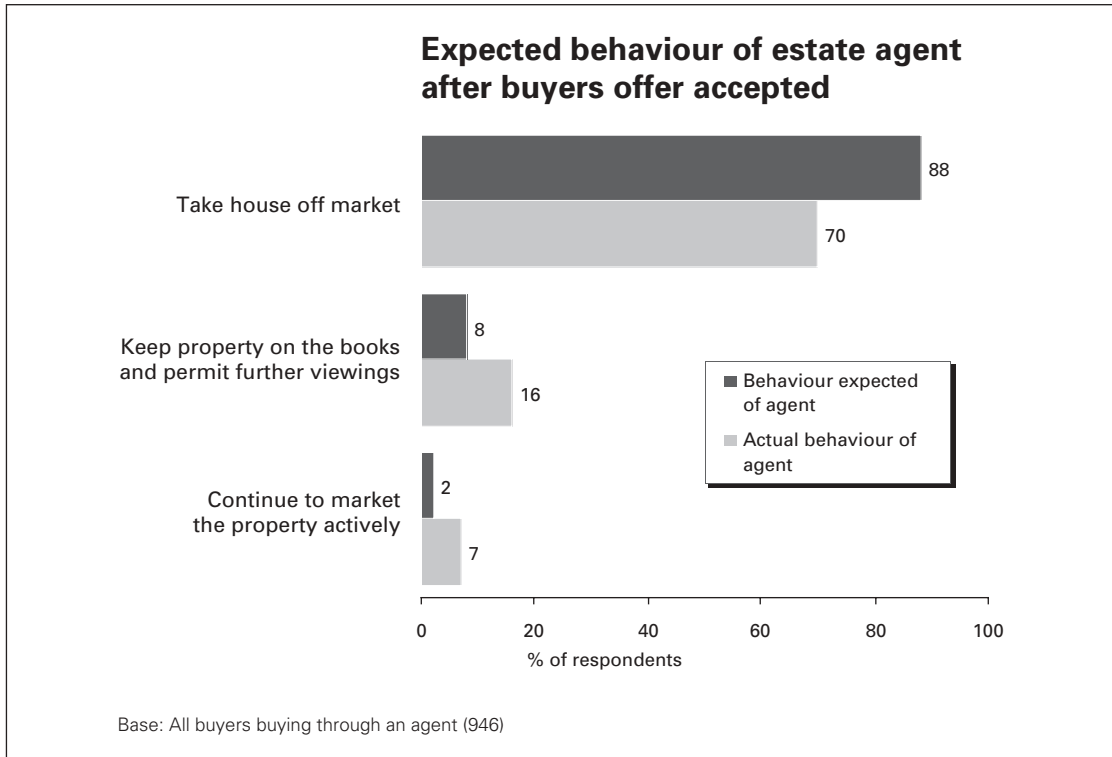
‘My wife works for an estate agent who has premises along the road from the estate agency. I went in to see the manager to tell him what I thought of the terrible service we’d had and was told he was out all day. My wife knew from seeing him regularly in the street that he never stays out all day and phoned me when he was back in the office. I went in, was told he was out and had to demand that he come out of his office and stop hiding from me. He just stood there and told me it wasn’t his fault and there was nothing he could do ‘it happens!’ I left when things got heated, he just wouldn’t admit he’d done anything wrong, or apologise! Even though I knew what he’d been doing – telling vendors about the un-adopted road to put them off in case we made an offer/ advising them not to accept, etc. He still wouldn’t admit it! My wife’s boss even rang him to tell him what he thought of him and how he gave estate agents a bad name but still no admission & no apology’.

### Following successful offers

8.19 Once the vendor had accepted an offer, buyers expected the estate agent then to:

- Take the house off the market (88%)
- Keep the property on the books and permit further viewings (8%)
- Continue to market the property actively (2%)

8.20 In terms of what actually happened, there was a negative shortfall between buyers’ expectations and the action of the estate agents, which focused on making the property available even though an offer had been made and accepted.



8.21 Looking at how buyers expected agents to behave compared to how they perceived agents behaved, by region, buyers in the North West were least likely to have had their property taken off of the market (53%) and those in the Midlands most likely (79%). The table below shows regional differences between what buyers expected of their estate agent and what their estate agent actually did.

Region	<i>Action taken by estate agent</i>					
	<i>House taken off the market</i>		<i>Kept property on the books and permitted further viewings</i>		<i>Continue to market the property actively</i>	
	<i>Expected</i>	<i>Happened</i>	<i>Expected</i>	<i>Happened</i>	<i>Expected</i>	<i>Happened</i>
	%	%	%	%	%	%
Wales (24)	96	67	4	21	0	13
South East (344)	94	76	4	13	1	5
Midlands (101)	89	79	6	11	1	4
South West (235)	87	74	9	14	3	6
North East (72)	86	61	14	21	0	14
North West (160)	78	53	12	26	6	13

*Tactics used by estate agents*

8.22 Most respondents (95%) claimed that their estate agent accepted their offer with no strings attached. However, for 4% of buyers, their estate agent suggested that a fee was required to facilitate the transaction. This was most likely to happen to buyers purchasing properties at the cheaper end of the market (7% for properties less than £60,00 compared to 3% making such a suggestion to buyers purchasing properties over £150,000).

8.23 The majority of these buyers that were asked to pay a fee were actually asked to pay a deposit, generally between 5% and 15%.

8.24 Overall the pattern of professionalism continues with 91% of agents making no implication that the buyer would be disadvantaged in any way if they did not take out a mortgage through the agent. Of those buyers that did receive this implicit message from their agent, they tended to be:

- First time buyers (12% receiving this message compared to 6% of more experienced buyers)
- Live in the North West or Wales
- Be buying properties valued at under £60,000
- More likely to have had longer completion times

8.25 Some of the comments from these 74 buyers included:

‘[>] gives favourable treatment to people who take their financial products.’

‘They didn’t directly say it but we were under a lot of pressure to take out a mortgage with them.’

‘They suggested their advisor could speed things up if he was used.’

‘They made it quite clear that I had to go and see their financial advisor and if I didn’t the vendor would be taking the house off the market, which I later found out wasn’t true.’

‘The estate agent told me that if I got a mortgage through them then my offers would be accepted rather than competing ones.’

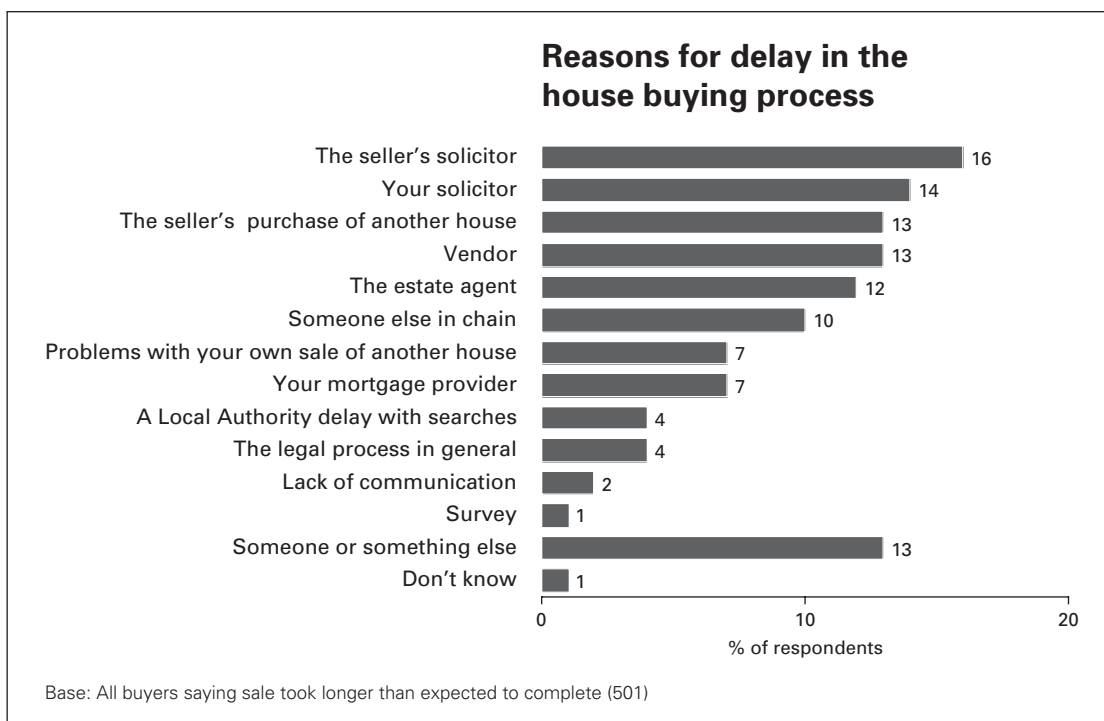
‘Certain agents implied that unless we went to see their financial adviser, they wouldn’t send us the details. They said it was to check we could afford the property in the area. We offered to show them proof that the mortgage was arranged but they said it wouldn’t do.’

‘[>] told us that if the buyer becomes a ‘preferred buyer’ by talking to their advisor, then the process would become a lot quicker.’

‘While making an offer on the house we bought, another agent contacted us and offered us the opportunity to purchase the property through them at £25,000 cheaper than normal if we also got our mortgage from them.’

### **Completion of the sales process**

- 8.26 On average, the completion of the sale took around 3.1 months. For buyers in the North East and Wales, the process was slightly faster at around 2.6 months. Not surprisingly, buyers who were ‘very satisfied’ with the way the agent handled the purchase had a generally shorter completion period (2.8 months) than those who were ‘very dissatisfied’ (3.4 months).
- 8.27 On the whole this did not meet buyer expectations. Over half (53%) of buyers felt that the length of time taken to complete the sale was longer or much longer than they expected. Women were 10% more likely than men to have felt the process took longer/much longer than expected.
- 8.28 In terms of what actually caused the process to take longer than expected, buyers were most likely to say it was down to one of the solicitors involved or down to the vendor. Just 12% of buyers blamed estate agents, particularly those buyers in the North East (19% of those delayed blaming the estate agent).



8.29 Of the 58 buyers who blamed the estate agent for the delay, 38% said that lack of communication was the reason why the agent was to blame and a further 5% said that estate agents lost interest once the buyers offer was accepted. Some other reasons mentioned included:

'We felt the estate agents were against the vendor and so it made it very hard'

'They were very slow and they overcomplicated everything'

'I was gazumped a week before moving in and I had to raise the offer'

'They sent all my details to the wrong solicitor'

'I think they were hoping to push the price up. I had to put pressure on them to get things moving and they were still advertising the property which made me suspicious'

## 9 COMPLAINTS

- 9.1 This chapter brings together the findings from both the buyer and seller sides of the house exchange process. It looks specifically at causes for complaint, the approach respondents take to handle their complaints and their satisfaction with how these complaints are then handled.

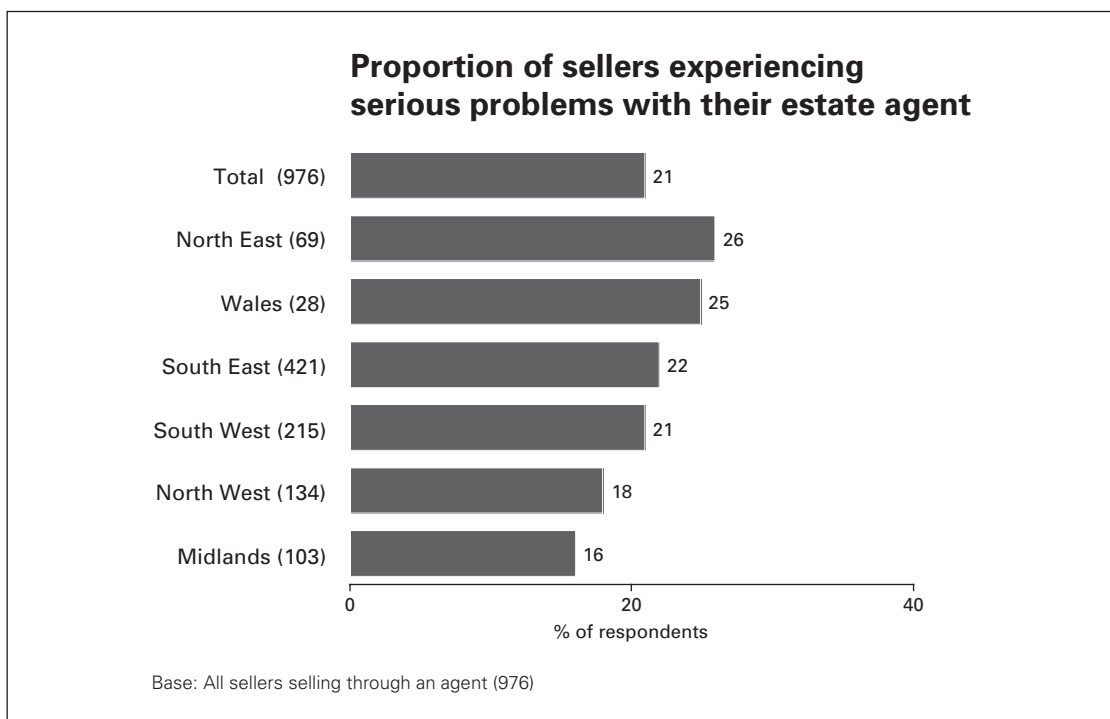
'I followed their own estate agents procedure and sent a letter to their head office – which they were supposed to reply to within 15 working days. Two months later I got a letter from the Financial Director saying that they would knock .25 % off the fees (so 1.5% down to 1.25%) which I thought was an insult when they did nothing for the money.'

'I wanted to take them (estate agents) to the Ombudsman but then I learnt it would cost me £600 and without any certainty of any compensation. I decided it wasn't worth it. Finally I got a letter from the estate agents saying, "we now need payment of the 1.25% fee on the sale price, otherwise we will commence court action". So I paid but I didn't like to.'

'I spoke with my solicitor about suing the estate agents to recoup expenses and some compensation for my time, but he said that he didn't believe they had actually broken any law. As for any professional body that regulates the industry, I don't know who that is, or how you would go about making that kind of formal complaint. I think because everything is by verbal agreement and you are reliant on people acting in a responsible and professional manner the whole system is open to abuse and it doesn't seem to be regulated by anyone with any serious authority. There is no-one, that I know of, to whom the Public can turn and be compensated by, either for financial loss or for their time and effort.'

## Complaints from sellers

9.2 Around one in five (21%) sellers believed they had encountered a serious problem with any of the estate agents they had contact with to sell their house. Females were more likely than males to say they had a serious problem (24% compared to 18%), as were respondents in the North East (26% compared to 18% in the North West). Respondents in the socio economic grade AB were just as likely to experience serious problems as those in the DE grade (23% of respondents in both groups experiencing serious problems compared to 19% of C1's and 20% of C2's).



9.3 The most common serious problem amongst sellers was 'lack of communication', experienced by a third of those who said they had had a serious problem overall. This was particularly apparent for those respondents whose properties took longer than six months to complete.

9.4 Other common problems encountered by sellers included:

- Inefficient/incompetent (23%)
- Incorrect/misleading information (20%)
- Dishonest/lied to me (18%)
- Poor staff attitude (10%)

- Sent unsuitable people to view (8%)
- Slow service (2%)

9.5 Some examples of the nature of the serious problems encountered were as follows:

‘It was all down to being misled. They didn’t keep their promises. We were promised internet coverage but didn’t get any. We didn’t get a copy of our signed contract. We sold our house very quickly but then found that it had been under valued.’

‘We were given the wrong advice about the mortgage that we needed and the delay meant we lost of the sale on the house.’

‘They sent details of my house without authorisation and arranged an appointment when they knew I wasn’t going to be there.’

‘The agents were very pushy, so pushy they photographed the house and began advertising it without my permission and without me agreeing a price’

‘The estate agents were acting in their interests and not mine. There was a late production of sale details and their general communication was poor.’

‘The main problems were generally lying to us and not being able to contact them. They developed a very nasty attitude when we asked them to take it off the market and showed a lack of respect to me as the homeowner.’

9.6 Of the 21% (204) of sellers that had reason to complain, 71% did but 29% did not. Those sellers in lower socio economic grades were less likely to complain than those in higher grades (63% of C2/DE respondents complained compared to 77% of C1 and 71% of AB respondents).

9.7 In order to understand the complaints process, it is also important to understand why sellers that had serious problems did not complain. In most cases this was due to a lack of knowledge of what could be done and a feeling that nothing would be done. Almost half (44%) of the 56 respondents that did not complain didn't think it was worth it/didn't think anything would come of it. 15% didn't know who to complain to, and a further 12% felt it was too stressful/too much like hard work to get involved in.

'I did not think anything would be done about it. I felt that I had no proof and just wanted to get it over and done with, and to get on with things'

'It was distressing. It was my late mother's house and I was fed up with the situation'

'I felt helpless so I just left that estate agent and went with another.'

'We did not think anyone would take notice or do anything about it!'

'Really – we just wanted to put the whole experience behind us and forget about it. The day we moved was so stressful we just wanted to move into our new house and shut the door – just thank god it was all over!  
I never complained before and I wouldn't have known who to complain to or how to go about it and I don't know if it would have helped us or if it would have somehow penalised the estate agents'.

#### *Complaints handling*

9.8 The majority of respondents with a serious problem, who made a complaint, did so to the estate agent themselves (89% with a further 5% complaining directly to the branch manager), with significantly fewer making complaints to solicitors (8%), the National Association of Estate Agents (2%), the Ombudsman (1%) and the Royal Institution of Chartered Surveyors (1%). Trading Standards and the Office of Fair Trading were also mentioned. Those sellers in the socio economic groups AB and C1 were the most likely to turn to someone else other than and in addition to the estate agent themselves.

- 9.9 In terms of how complaints were actually handled, sellers were largely dissatisfied; with almost three quarters (72%) feeling their complaint was not handled satisfactorily. There was an indication that those in socio economic groups C2 and DE were the least likely to have their complaint handled satisfactorily compared to those in the higher AB or C1 groups (30% compared to 22% and 20% respectively).
- 9.10 Sadly, almost two thirds (62%) of the sellers that had made a complaint felt that they had achieved nothing and that nothing had been done or changed as a result of their complaint.

‘Nothing happened at all. I just got annoyed and could not express myself properly at the time.’

‘They didn’t do anything. They wiped their hands of the problem.’

‘I told the branch manager I’d take it up with his MD but he didn’t care less. He already knew, I think, that the MD wouldn’t do anything about it. I spoke to and wrote to the MD of the company and he just didn’t want to know – he acknowledged my letter but never replied in writing and basically supported his branch manager to the hilt. This from a national estate agent with branches all over the country’.

- 9.11 For those few that did achieve something, this included an apology from the agent (5%) and a reduction in fees (4%). Other results included:

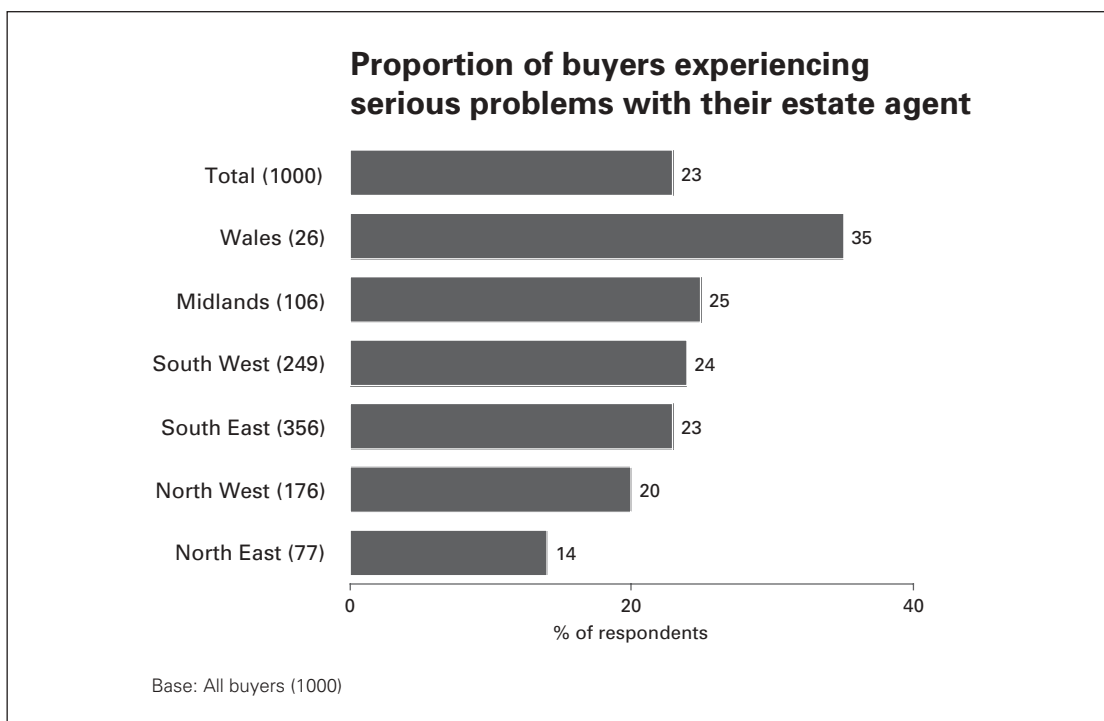
‘They gave me my keys back.’

‘They terminated the contract.’

- 9.12 Overall, there was an overwhelming sense of frustration from respondents. Expectations were low in terms of what would be done about complaints, and these had been proven – they largely felt ignored and that nothing would be done.

## **Complaints from buyers**

- 9.13 Almost a quarter (23%) of buyers felt they had had a serious problem with at least one of the estate agents that they been in contact with during their house buying process (a very similar level to that of sellers at 21%). These buyers tended to be in the socio economic groups AB (25%) and C2 (31%).



9.14 Again, the most common serious problem appeared to be an overall ‘lack of communication’, experienced by 24% of buyers (compared to 33% of sellers). This was particularly apparent for those respondents buying properties valued at over £150,000 (26% of respondents compared to just 13% of those buying a property valued at less than £60,000).

9.15 Other common problems encountered by buyers included:

- Poor staff attitude – rude, unhelpful, etc. (14%)
- Dishonest/they lied (10%)
- Gave misleading/incorrect information (10%)
- Agent pushed house that did not meet requirements (5%)

9.16 Other problems included gazumping, slow service, lack of action from the agent and problems arranging viewings. Some examples of the nature of the serious problems encountered by buyers are as follows:

‘They were interfering to delay the sale. They were calling at all times, e.g. 9pm, delaying the solicitors and getting them angry with their many calls for no real reasons.’

‘We met three estate agents in one day who were rude, overcharged for their fees and property and also implied in a very open manner that they were open to bribes.’

'The estate agent was telling me to up my price because the vendor had not accepted my offer when I knew that they had accepted. I then knew they were trying to gain a higher commission.'

'They never returned my calls. They never informed me of houses coming onto the market. They were dishonest. Some that I would register with I wouldn't even hear from them.'

'They breached confidential information ... the financial adviser told them about my bankruptcy and the agent openly talked about it.'

'They wouldn't accept my offer unless I took out their mortgage.'

'We made an offer on Saturday morning ... the offer was accepted by the vendor but the estate agent closed at lunchtime. On Monday morning, the estate agent called to say that our offer had been rejected because the paperwork had not been completed by lunch time.'

- 9.17 Just over half (55%) of the buyers who felt they had experienced a serious problem, did make a complaint, however, 45% did not. Those who had been through the house buying process before were more likely to make a complaint than first time buyers (61% complained compared to 46%).
- 9.18 Of the buyers that had perceived a serious problem, but had not complained, just over half (55%) did not do so mainly because they did not think it was worth it or did not think anything would come of it if they did (this was particularly true for first time buyers). As would be expected the number of buyers who did not know who to turn to (15%) was also similar to sellers (and again higher for first time buyers at 22% than for those who had gone through the process before 9%). Other responses given included:

'I couldn't face going through the whole process with someone who had no personal knowledge of the person I wished to complain about.'

'I felt that if I complained during the sale it would go against my interests, I just wanted an easy life and was unaware of any procedures.'

### *Complaints handling*

- 9.19 As with those selling houses, the majority of respondents with a serious problem, who made a complaint, did so to the estate agent themselves (81%). Complaints were also made to solicitors (9%), the Ombudsmen for Estate Agents (3%), and the National Association of Estate Agents (2%). Complaints were also made to financial advisors and friends and family.
- 9.20 Only a quarter (25%) of those that did complain felt their complaint had been handled satisfactorily. Respondents in the AB socio economic group were the most likely to be positive about their complaint, with 33% believing it had been handled satisfactorily (compared to 20% of respondents in the C2/DE groupings).

‘We got an apology from the agent.’

‘The regional manager helped us find a property.’

‘I think she was sacked, she does not work for them anymore.’

‘The price was lowered.’

- 9.21 However, the overwhelming majority (69%) did not feel their complaint had been handled satisfactorily, generally feeling that the complaint had made no difference and that nothing had come as a result.

‘The solicitor said ‘oh dear, but you’re in now.’

‘The estate agent told us if we were not happy to go elsewhere, so we did.’

## 10 OVERALL SATISFACTION

10.1 This chapter looks at the overall degrees of satisfaction of both buyers and sellers in the house exchange cycle.

### Seller satisfaction

10.2 Overall, over two thirds (68%) of sellers were satisfied to some extent with their first choice of estate agent (34% being *'very satisfied'*). Conversely, just under a third were actively dissatisfied (31%, rising as high as 41% for respondents in the Midlands). With this figure in mind, it is important to note that 15% of respondents pro-actively changed their first choice of estate agent, mainly due to their level of dissatisfaction with the service they were receiving.

10.3 As perhaps would be expected, overall satisfaction with the estate agent who actually went on to complete the sale was slightly higher, with 74% of respondents satisfied overall (38% of which claiming to be *'very satisfied'*).

10.4 Sellers were asked to assess their degree of satisfaction with five attributes that form part of the core service offered by estate agents during the sales process. The following table provides a summary of levels of satisfaction with the estate agent that handled the final sale:

<i>Service</i>	<i>Mean score (Out of 5)</i>	<i>Very satisfied %</i>	<i>Very dissatisfied %</i>	<i>Don't know %</i>
Selling price achieved	3.3	50	5	1
Representing the status of prospective buyers	3.2	42	8	5
Passing on offers in writing	3.1	41	9	10
Working in seller's best interest	3.0	42	12	1
Time taken to sell the house	3.0	41	14	2

10.5 Each area of service will now be looked at in turn.

*Selling price achieved*

- 10.6 Eighty-four per cent of sellers overall were satisfied to some extent with the final selling price achieved for their property. Sellers in the socio economic group DE were more likely to be 'very satisfied' with this aspect of the sale than any other group (60% compared to 46% of respondents in the AB group). Generally, the quicker the sale was to complete, the more satisfied the respondent (67% of those with properties who took less than two months to complete were 'very satisfied' compared to just 28% of those whose sales took longer than one year).

*Representing the status of prospective buyers*

- 10.7 Three quarters of all sellers claimed they were satisfied that their estate agent had accurately represented the status of prospective buyers for their property. As before, sellers in the socio economic group DE, were more likely to be 'very satisfied' with this service than others (55% compared to 40% of AB respondents).

*Passing on offers in writing*

- 10.8 Just over two thirds (68%) of all sellers, were satisfied with their estate agent's ability to pass on offers to them in writing. However, a quarter of respondents in the AB socio economic group were dissatisfied with this element of service to some extent (compared to just 10% of those in the DE group suggesting perhaps that this was a less important element of service for them – particularly given that 16% were unable to comment on this issue at all).

*Working in sellers best interest*

- 10.9 Although 72% of seller's felt their estate agent was working in their own best interest, over a quarter (28%) of respondents were dissatisfied to some extent with this element of service (rising as high as 38% for sellers in the West Midlands). Those in socio economic group DE were far more likely than others to be 'very satisfied' with their estate agent on this point (64% compared to just 39% of AB respondents). There was also a correlation with age – the older the sellers, the more likely they were to feel satisfied that the agent was working in their best interest.

*Time taken to sell the house*

- 10.10 The area with the lowest level of satisfaction yet just over two thirds (69%) of all sellers, were satisfied to some extent with the time taken to sell their house. Again those sellers in the socio economic group DE were likely to be 'very satisfied' than those in group AB (51% compared to 38%).

*Future usage of estate agents*

10.11 Overall, almost half of all sellers (47%) felt that having gone through the selling experience with their chosen estate agent, they would 'definitely' use them again. As would be expected, the more satisfied the sellers were, the more likely they were to use their chosen estate agent again. Being the most satisfied overall, respondents in the socio economic groups DE and C2 were the most definite about re-using their choice of estate agent (55% and 56% respectively would definitely use the estate agency again compared to 43% in group AB). Sellers in Wales were also very satisfied and therefore very definite about their likelihood of future usage.

<i>Service</i>	<i>Likelihood of sellers using estate agent again</i>			
	<i>%</i>			
	<i>Definitely</i>	<i>Possibly</i>	<i>Possibly not</i>	<i>Definitely not</i>
Wales (28)	64	7	11	11
South West (215)	52	20	11	16
North West (134)	52	16	4	25
Midlands (103)	49	19	6	26
North East (69)	46	20	6	28
South East (421)	42	22	9	26

10.12 In terms of alternatives to estate agents, just over a third (35%) of sellers using an agent felt they would be more likely to consider using an alternative selling method in the future (15% of those, 'much more likely to use an alternative method'). The kinds of alternative methods they were likely to consider included:

- Internet (61%)
- Advertising in local paper (45%)
- Board/notice outside the house (15%)
- Advertising in national paper (7%)
- Do it myself (5%)
- Word of mouth (1%)
- Auction (1%)

10.13 The main reason given for considering alternative methods to estate agents in the future was cost (cheaper/saves money – mentioned by 29% of respondents), perhaps unsurprisingly given the high number of sellers who felt their fees represented poor value for money. Other main reasons given included:

- Chance to reach a wider audience (12%)
- Growth of the Internet (12%)
- Poor service from estate agent (9%)
- Easier/less hassle (6%)
- Used alternative methods alongside estate agent (5%)
- More control (5%)

10.14 Examples of some of the reasons given included:

‘I’d get a fairer representation of what is happening.’

‘The service from the agent was so awful it’s worth a go.’

‘I think the estate agents add to the stress of selling a house so doing it yourself would cut that out.’

‘I found my current house on the Internet and it was a good experience.’

‘Because I was doing all the work myself anyway so I might as well not bother with an estate agent.’

‘Because it has to be a lot cheaper advertising in the newspapers and the Internet is free. Has to be better than estate agent’s commission.’

## **Buyer satisfaction**

10.15 Overall, almost three quarters (72%) of buyers who bought their house through an estate agent were satisfied with the agent who handled their purchase (32% being ‘very satisfied’). Those in the South West and Wales tended to be the most ‘very satisfied’ overall.

10.16 The greatest cause of dissatisfaction with the estate agent's handling of the purchase was due to a lack of information and not being kept informed (mentioned by 27% of those who were dissatisfied). Other common reasons given included:

- Poor staff attitude (17%)
- Dishonesty/lies (12%)
- Not doing their job (9%)
- Giving misleading/incorrect information (9%)
- Slow service/taking too long (7%)
- Different people each time (2%)

'They gave me the impression they were doing me a favour. Although the financial advisor was supposed to be independent, he was pushing the organisation's work.'

'They didn't keep us informed and when we talked to the vendor, the information I received was different to what I got from the estate agent. I didn't know if they were telling the truth or not.'

'They were not willing to show me surveyor's reports that showed there was asbestos in the property.'

'The estate agent seemed to be desperate to sell the property. After an offer had been accepted, the process slowed down, contact between us became minimal and we felt ignored.'

'I thought that they were very pushy and were only interested in their commission.'

'I was dissatisfied with the person who owned the estate agency. He was very patronising and considered himself to be always right. He told me that to move into the property as soon as I wanted was impossible and wouldn't budge so I went ahead and made the arrangements myself within my desired timescale.'

'Contact was the most irritating part – they didn't contact us at all. We made an appointment to view the house and no one turned up. We rang to see where they were and the girl in the office said he was out. Eventually the woman who owned the house turned up (it was unoccupied at the time) and we saw the house. When we rang to make an offer after the viewing I offered £63k – the estate agent told me it was already sold. Why did they let us view a property that should not have been on the market if it was already sold? Apparently there was a higher offer already on it – £65k – but the buyers had not got a mortgage. I don't think the estate agent even told the vendor that we had made an offer. I was really annoyed as it had taken me over 4 weeks to arrange our mortgage – because I'm self-employed and had to produce all my tax returns, etc and it dragged on forever – so I knew that the vendor wanted a quick sale and probably wouldn't get one with the people who'd made the higher offer'.

10.17 As with sellers, buyers were asked to assess their degree of satisfaction with a number of attributes that form part of the core service offered by estate agents during the house buying process. The following table provides a summary of levels of satisfaction with the estate agent that handled the purchase for buyers:

<i>Service</i>	<i>Mean score (Out of 5)</i>	<i>Very satisfied %</i>	<i>Very dissatisfied %</i>	<i>Don't know %</i>
Ease of arranging viewings	3.4	54	5	2
Manner of agency staff	3.2	46	8	0
Ability to contact (answering the phone, returning calls, etc.)	3.2	42	7	1
Honestly representing the seller's wishes	3.1	32	7	9
Being honest in their dealings with you	3.0	39	12	2
Working in the seller's best interests rather than your own	2.9	25	10	12
Keeping you informed of progress	2.7	26	18	3

10.18 Each area of service will now be looked at in turn.

### *Ease of arranging viewings*

- 10.19 The highest rated element of the estate agents service overall for buyers, with 85% of all respondents being satisfied to some extent. Although satisfaction levels were very similar across most regions, buyers in the North East stood out as being less strongly satisfied in this area (with just 38% of respondents being 'very satisfied' compared to the average of 54%). Buyers with the shortest completion times tended to be more satisfied with the ease of arranging their viewings than other buyers.

### *Ability to contact (answering the phone, returning calls, etc.)*

- 10.20 On the whole, buyers tended to be satisfied with their ability to contact their estate agent (79%). The lower the value the house, the more likely the buyers to be happy with the ability to make contact (51% of those with a property valued at less than £60,000 were 'very satisfied' compared to 39% of those with a value over £150,000).

### *Manner of agency staff*

- 10.21 Almost half (46%) of buyers were 'very satisfied' with the manner of the agency staff that dealt with the purchase of their property. However, experienced buyers were more likely to rate personnel positively than first time buyers who may have had high expectations in this area (50% 'very satisfied' compared to 37%).

'The main problem was the day we were moving in we were the first in a chain of 5 and the estate agents told us the money and the whole transaction (completion) would be done by 12 noon. As it happened there was a delay and the money did not clear until later in the afternoon – but the estate agents rang us 10 times in 1½ hours and started to get really snotty. Obviously at that stage there was nothing whatsoever we could do about it. I checked with the solicitor but all he could do was check with the banks, it was in the banking system somewhere and they told him it would all be ok by about 3-4pm – which it was! The estate agents was really [⋈] about the whole thing and got quite abusive, which was really unnecessary and frankly it was the final straw – I will NEVER use an estate agent again'.

### *Honestly representing the sellers wishes*

- 10.22 Although buyers on the whole were satisfied with this area of service (73% satisfied to some extent overall), there were 9% of respondents who were unable to comment, perhaps suggesting that a number of estate agents were not as clear and open in this area as they could have been. Those buyers whose completion period took over six months were particularly dissatisfied with this area of service (31% dissatisfied compared to just 17% of those who took less than one month).

*Being honest in their dealings with you*

- 10.23 Again, a high proportion of buyers were satisfied that their estate agent was dealing honestly with them (74% overall). However a quarter of respondents were not satisfied with this area of service, particularly women (29% dissatisfied compared to 21% of men).

*Working in the sellers best interests rather than your own*

- 10.24 As with honestly representing the seller's wishes, there were a number of buyers who felt they were unable to comment on whether their estate agent was working in their own best interests or the seller's (12%, rising as high as 19% for respondents in the DE socio economic grade). Again, a quarter of all buyers were not satisfied with this area of service overall.

'We ended up with the opinion that they were really not interested in selling us any of their properties. I think they should make it clear that they are working for the vendor – and only the vendor BUT we definitely got the impression that they were also trying to boost their commission by trying for the best possible price and not informing the vendor of any other offers'.

*Keeping you informed of progress*

- 10.25 The area with the lowest level of overall satisfaction related to communication and the estate agent's ability to keep the buyers informed of progress once the buying process was underway (with 41% of respondents actively dissatisfied). First time buyers, those most in need of communication and progress updates, were less satisfied with this area than more experienced buyers. As would be expected, those buyers with the shortest completion times were the more likely to be satisfied with the progress updates than those with longer completion times (42% 'very satisfied' completing within one month compared to just 10% of those completing in over six months).
- 10.26 Overall, for buyers the greatest issues in terms of satisfaction relate to communications along the house buying process and trying to resolve the conflict between working in the interests of the seller and the buyer (which impact on the perceptions of honesty of the agent's dealings).

*Future usage of estate agents*

10.27 Overall, 51% of buyers who used an estate agent said they would definitely use the agent who sold them their property in the future. A further 19% said they would possibly use the same agent again but nearly one third (29%) said they would not use this agent in the future. More females than males said they would not use their agent (33% vs. 25%) and younger first time buyers were also less likely than older more experienced buyers to want to use the same agent they bought their last property through in the future. The table below shows regional differences in likelihood to use agents again in the future:

<i>Region</i>	<i>Likelihood of buyers using estate agent again</i>		
	<i>Yes</i> %	<i>Possibly</i> %	<i>No</i> %
Midlands (101)	56	13	28
South East (344)	52	20	27
South West (235)	51	21	26
North East (72)	47	15	35
Wales (24)	46	21	29
North West (160)	44	21	33
Total (946)	51	19	29

## 11 RECOMMENDATIONS FOR IMPROVEMENT

### Recommendations for improving estate agents' service

11.1 Both buyers and sellers cited making offers legally binding and adopting the Scottish system as being the top two ways in which to make the process of buying and selling properties through estate agents better. The table below shows the top seven improvements suggested spontaneously, by buyers and sellers.

<i>Buyers (1000)</i>		<i>Sellers (976)</i>	
<i>Recommendation</i>	<i>% Respondents giving this recommendation</i>	<i>Recommendation</i>	<i>% Respondents giving this recommendation</i>
Offer should be legally binding	10	Offer should be legally binding	11
Adopt the Scottish system	9	Adopt the Scottish system	10
Agents should be more honest	7	Regulate agents properly	6
Stop Gazumping	6	Stop Gazumping	6
Improve customer service	6	Reduce commission/ commission too high	5
Provide more information	5	Speed up solicitors/ the legal process	5
Regulate agents properly	4	Improve customer service	5

11.2 Both also agreed that it was necessary to improve the communication process between all stakeholders involved (including buyers, sellers, solicitors, agents, mortgage providers and others). There was also a sense for both that the process needed to be speeded up from marketing to completion. Some suggestions for speeding up the process included the vendor doing all the searches and surveys, and the solicitors acting more promptly.

11.3 The estate agent's services were also felt to need improvement specifically in terms of:

- Being more honest
- Capping their fees
- Regulating estate agents more closely
- Improve communication and feedback with both buyers and sellers
- Stopping gazumping and closed bids systems

'Put the customer first and be more professional dealing with conversations in the office.'

'Agents should be regulated like the financial services industry, they tend to look after their own.'

'Tighten laws in respect to shop window adverts. May not be true representation, even publishing pictures of houses they don't possess. Industry not regulated.'

'There doesn't seem to be any control of prices charged by estate agents. There should be.'

'There should be a clear code of practice, the homeowner should do the survey themselves and there is such a difference in valuations. They should be more commercially orientated, be more proactive with purchasers. They start with good intentions and then they fall off. They also inflate the market place short term.'

'I think all estate agents should be licensed so that if they are found guilty of malpractice they can be struck off instantly and then the public would be protected. We know for a fact that the same estate agent we got tied up with has done the same thing before and since – presumably with the blessing of his MD. It is not on and there ought to be a law against it.'

## Improving the selling/buying process overall

- 11.4 Having gone through the buying and selling process, respondents were asked to think with hindsight what they felt could have been done to speed up the buying and selling process or make it easier.
- 11.5 Almost one in five sellers (19%) said that nothing could be done either because they were currently very satisfied or could not think of any alternative to the current system. A further 20% felt something could be done, but they did not know what.
- 11.6 In terms of buyers, just 6% felt that nothing could be done. Although one quarter (25%) were not able to give a suggestion of what to do to improve the buying process, most respondents could think of at least one suggestion.
- 11.7 The most common suggestions that were made by both sets of respondents related to improving communication and an improved service from solicitors rather than the estate agent themselves (in terms of providing a better/quicker service).
- 11.8 Some examples of comments made by buyers and sellers include:

‘The estate agent literally made me feel like I was the only person selling a house. He was on the phone every day, giving information about buyers, (if they were in a chain or if they were serious). He followed up every single viewing within an hour, in person! He was the joint-owner. He even let us know if there were no viewings that day, and let me know everything in writing and over the phone.’

‘There’s not a lot the estate agents can do. It depends a lot on the market and the buyers.’

‘Better advice and putting deadlines onto everyone and agree a date and stick to it.’

‘The agents could have been more proactive in moving things along instead of only doing things when I rang up. I wasn’t happy that they had done the blurb and did not wait for me to answer, as it was not correct. I was really upset about that. They sent details by post.’

‘To have chased the buyers a bit more, they were first time buyers and I don’t think they realised how soon they had to send back information. The estate agent should have chased them not me.’

'The purchaser caused all the problems. I think once you have made an offer it should be binding'

'Should be like a Scottish system. Offers binding, should be compensation if agreement breached.'

'To improve the overall process of buying and selling properties, an independent price guide would help regarding all their fees, prices of houses etc.'

'The whole gazumping thing. It isn't so easy in Scotland and it shouldn't be allowed here. People should be more transparent, lay everything on the line rather than you having to ask.'

#### *Home seller's pack*

- 11.9 Almost two thirds (65%) of sellers claimed to have heard of the government's proposal to introduce a Home Seller's Pack to provide information (rising to 73% of sellers in the AB socio economic group compared to 55% in the DE group). Similarly, those with more expensive properties were more likely to have heard of it than those with cheaper properties.
- 11.10 Buyers were slightly less aware of the government's proposal to introduce a Home Seller's Pack, with 57% of buyers claiming to be aware overall. As with sellers, buyers in the socio economic group AB were more aware than those in the group DE (64% aware compared to 47%).
- 11.11 The majority of both buyers and sellers (70% and 71% of respondents respectively) that were aware of the government's proposed packs felt that this would make the selling and buying process easier.
- 11.12 Although 10% of sellers were unsure, 20% did not think it would have any positive impact. Sellers with the most expensive properties (valued at over £150,000 were the most likely to feel the packs would not make the process easier (26% compared to just 6% of those with properties valued at under £60,000).
- 11.13 Buyers tended to be slightly less negative than sellers with 17% believing the pack would not make the buying or selling process easier. As before, it was those looking to buy the most expensive properties who were the least likely to think the packs would make the process easier.

'The idea of a vendor having a survey done on their own property before they put it on the market and lodging this and all the other relevant info with the estate agent would mean that everyone would know the actual facts. Then estate agents could give anyone interested a copy of all the particulars instead of making up stupid false stories about things they don't understand'.

## Investigation of estate agents

11.14 Both buyers and sellers were asked if there was anything else they would like the Office of Fair Trading to consider in its investigation of estate agents. The following table provides a summary of the most commonly given answers for both sets of respondents:

<i>Area to investigate</i>	<i>Sellers</i> %	<i>Buyers</i> %
Agent's fees	7	4
Professionalism of estate agents	5	4
Customer service	4	1
Role of solicitors in the process	4	1
Honesty of estate agents	2	2
The legality of offers being binding	2	3
Valuations	2	1
Tightening regulations	2	1
Gazumping	2	2
Accuracy of estate agency information	2	2
Whether estate agents are pushing up prices	1	1

'The agency should, at best, have taken the property off the market and told anyone, including any favoured clients, who enquired about it that the sale had been agreed and was going ahead, end of story! At worst, notified me immediately anyone else showed any interest in the property, perhaps someone who had viewed it before me and just come up with an offer, which can happen. Obviously a vendor may change their mind about a sale if they feel they can get more money and the estate agent is not at fault but there has to be a code of conduct that estate agents are bound to follow, with severe financial penalties for any malpractice. I think once an offer is accepted by the vendor, then the verbal agreement should be binding. All estate agents should be licensed by a professional body, which can inflict severe fines and revoke the licenses of any agents found guilty of misconduct.'

#### 11.15 Examples of the comments made by both buyers and sellers include:

'They should regulate their services and provide customer satisfaction forms on completion of the sale.'

'Have more information on the profession bodies that government approves so that you know you are dealing with a company you can trust.'

'Look into back door dealing. Estate agents shouldn't buy and sell internally.'

'They should be clearer about joint agency rights. Manipulation and the breaking of code of practice needs looking into. I received aggressive and threatening calls from [redacted] to complete.'

'The fact that once estate agents have got your business it is left to you to do the majority of the work.'

'Consider the role that estate agency's mortgage advisors play in the process.'

'Looking at the big boys such as [redacted]. They misrepresented the house they were selling.'