



Property Codes Compliance Board

UPDATE
ISSUE 4
August 2008

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AHIPP STATEMENT REGARDING MEMBERSHIP

The PCCB has been asked to relay the following statement to all HIP Code subscribers;

'Many HIP Code Subscribers will be aware of the previously stated intention to introduce a condition that all Code subscribers must belong to the Association of Home Information Pack Providers (AHIPP). This condition was being introduced to enable the HIP Code to apply for approval under the Consumer Codes Approval Scheme (CCAS) with the Office of Fair Trading (OFT).

For a number of reasons it has been decided that this condition will not now be introduced and alternative structures for entering the HIP Code into the CCAS process will be considered.

AHIPP and the PCCB believe that this is a constructive step, particularly in the present market.'

LATEST INFORMATION FROM PCCB COMPLIANCE INSPECTIONS

With the PCCB's compliance activities in full swing, we are now getting valuable feedback from the physical inspections which we are pleased to detail below to help firms achieve improved compliance. In general, the inspections are revealing generally good levels of compliance with the Codes with most instances of non compliance being the result of a lack of understanding or care, possibly caused by lack of familiarity with the Code requirements. Training or minor modification to business processes and procedures should easily and quickly rectify these issues. In future, PCCB will continue to report inspection findings and will also be issuing anonymised case studies so that firms can have a greater insight into how the inspections are performed and typical 'solutions' to areas of non-compliance.

Typical areas where non-compliance has been recorded under the Codes has included:

- **Terms and Conditions** - Terms and conditions are out-of date or unclear and could be a source of potential conflict, for both parties, in any dispute.
- **Complaints procedures** - Procedures are missing or incomplete (especially with regard to references to IPCAS), or focus only on internal handling arrangements rather than on what the customer can expect from the firm.
- **Registration** - Key registered information (e.g. company names and trading names, and address details) are out of date or inaccurate.
- **Marketing** - Statements in marketing materials or on a website are out-of-date, or inaccurate (and hence misleading).
- **Compliance processes** - Internal processes for checking compliance specifically with the Code (beyond simply checking searches) are absent.
- **Prescribed information** - The information is not included, or is incomplete, or makes misleading references to the PCCB.
- **Signposting** - Where information is not readily/freely available from local authorities, the necessary signposting to further sources of evidence could be improved
- **Referral to the independent adjudicator** - Final decision letters fail to mention that customers may refer complaints to IPCAS.

Continued overleaf...

WORKSHOP DATES

- 2008 -

25 SEPTEMBER

(BIRMINGHAM)

4 DECEMBER

(LONDON)

- **Copyright** - Ordnance Survey licences for copying maps have not been obtained or could not be produced.
- **Training** - The existence of the Code has not been taken into account in developing and up-dating training programmes.
- **Complaints handling** - Internal procedures for handling complaints do not sufficiently stress the need to deliver responses within 4/8 weeks.
- **Complying with the law** - Information which should be included in HIPs is absent or inaccurate.
- **Charges** - Letters setting out charges are not sufficiently clear about when payments will be taken and when additional charges may be payable.
- **Display of the HIP Code logo** - The logo is not prominently displayed.
- **Data protection** - Firms need to check whether they should be registered with the Information Commissioner.

While the number of inspections is growing so too is the diversity of firms involved. It is still premature to try to identify any patterns between different types of firms. The failings detected have also been diverse but not unexpected. They still seem to be errors of omission, more than commission, and can fairly readily be corrected.

Issues (as opposed to non-compliance) which have arisen in the recent inspections include:

- **Uncertainty about the documents which need to be included in HIPs for unregistered properties:** Firms are reminded that a Land Registry Search Index Map statement and plan must be included, together with all relevant documents relating to title. Some firms are not including the SIM. Others are simply providing an index to relevant documents without actually including them. To enable these points to be checked, PCCB now requests three sample HIPs from each HIP provider prior to an inspection - for a registered property, an unregistered property, and a leasehold property.
- **Uncertainty about including 'authorised documents' in HIPs:** Some firms seem to be worried that they will be criticised if they include additional authorised documents in HIPs (e.g. additional information on actual heating bills for a property, or on investments in insulation which the current EPC software is unable to take into account). Firms should be reminded that Regulation 9(p)(ii) enables the inclusion of any information which 'would be of interest to potential buyers of the property interest'.
- **Uncertainty about action where documents are not available:** Some firms have had difficulty in obtaining information on the title of unregistered properties from customers and are uncertain about what they should do. They should be reminded of the provisions of Regulations 17 and 20, of the need to keep making active efforts to obtain documents, and of the provision for recording the actions taken in the HIP.
- **The inadequacy of the software used by EPCs:** Concerns among homeowners over the perceived inadequacies of EPCs have been a source of some complaints to HIP providers. Some firms have sought to avoid these problems by ensuring that customers are briefed in general terms on the limitations of the software. This good practice, which helps to manage expectations, should be more widely adopted. In addition, it would be prudent for the industry to develop and promote more sophisticated software.
- **Good practice in checking credentials:** Some firms not only check whether their search providers are registered with the PCCB but also ask to see their PI insurance. Similarly, firms using DEAs not only check their accreditation but also ask to see their PI insurance. This good practice is to be commended.
- **Improving the prescribed information:** While the prescribed information is often included in searches and HIPs, an explicit link is not always made between the firm and its registration with the PCCB. It would be helpful to add to the prescribed information the phrase '[Name of firm] is registered with the Property Codes Compliance Board as a subscriber to the [Search/HIP] Code'.
- **Providing template 'final decision letters':** Few firms proactively draw attention to IPCAS. The most critical point at which the adjudicator should be mentioned is in the 'final decision' letters issued by firms in response to complaints. To raise the profile of IPCAS at this point it is recommended that, as a matter of good practice, firms should develop a template for 'final decision' letters which: (a) advises customers of all the steps which the firm has taken to tackle their complaint; (b) asks them if they are satisfied; (c) states that, if not, they can refer their complaint to IPCAS; (d) provides contact details for IPCAS. This approach could usefully be promoted more widely.

- **Signposting in searches:** A number of searches are found to contain long lists of unhelpful responses and are poor at signposting customers to further sources of information. For example:
 1. 'N/A' - it is not always clear whether this means 'not applicable' or 'not available'.
 2. 'Not as far as is known' - it is not clear whether the firm has actually inspected any records or asked any questions of anyone.
 3. 'The authority will not make this information available to us' (or similar) - it is not clear whether the authority is (a) actually refusing to deal with a personal search firm, (b) holds the information but charges a fee for it, which the search firm is not willing to pay, (c) simply does not hold the information, or (d) some other reason applies.
 4. Saying 'refer to planning register' in the LLC section of the report, without pointing out that the entries have actually been copied from the planning register onto a further sheet which is annexed to the LLC section of the search report.

In summary, the emphasis should be on providing clear information on: exactly what sources are available; what sources have or have not been inspected; what the entries inspected actually show; what other records exist (registers, web sites, etc.) that have not been inspected; and how these other records can be accessed (where, at what times, with or without appointment, and at what cost, if any). In particular, it would be helpful for the industry to develop standard phrases which are more meaningful than some of those currently in use and which could be promoted and adopted widely.

DON'T FORGET THE HIP CODE LOGO AND CONSUMER INFORMATION STATEMENT

As the PCCB inspections have revealed, it is very important that the HIP Code logo and consumer statement are prominently displayed in all HIPs provided by subscribers to the HIP Code. The recent audit of HIPs suggests that a number of registered firms are omitting one or both.

The HIP Code requires subscribers to display the HIP Code Logo prominently in their HIPs. Similarly, registered firms are required to include in their HIPs (and searches where applicable) the consumer information statement prescribed in Annex E of the PCCB Registration Rules (please also see note below about new text). These are very important because they are the means by which consumers and HIP customers are able to differentiate between HIPs produced to high standards with protection afforded by the HIP Code and HIPs of unknown quality that may afford home buyers, sellers, conveyancers, estate agents and lenders little or no protection. It is in all registered firms' interests that agents and conveyancers only accept Code compliant HIPs. Please therefore make sure you include both the logo and consumer statement prominently in all your HIPs. We suggest that for ease of recognition the HIP Code logo should be displayed prominently at the front of the pack.

NEW CONSUMER INFORMATION TEXT (ANNEX E)

To improve information provided to consumers and to limit the number of spurious enquiries received by PCCB, it has been decided to amend Annex E for use by both Search and HIP Code registered firms. Please can all firms therefore adopt the new text below as soon as possible? A lead in time of three months will be allowed to effect this change but it would be appreciated if this could be adopted sooner. The revised text will be posted on the PCCB website very shortly (Annex E in Registration Rules).

Keeping to the Search Code

How search organisations maintain compliance with the Search Code is monitored independently by the Property Codes Compliance Board (PCCB). If you have a query or complaint about your search, you should raise it directly with the firm, and if appropriate ask for your complaint to be considered under their formal internal complaints procedure. If you remain dissatisfied with the firm's final resolution after your complaint has been formally considered or if the firm has exceeded the response timescales, you may refer your complaint to the Independent Property Codes Adjudication Scheme (IPCAS). IPCAS can award compensation of up to £5,000 to you if it finds that you have suffered loss as a result of your search provider failing to keep to the Code.

Please note that all queries or complaints regarding your search should be directed to your search provider in the first instance, not to IPCAS.

IPCAS Contact Details: Telephone: 020 7520 3810 E-mail: info@idrs.ltd.uk
 You can also get more information about the PCCB and IPCAS from the PCCB website at: www.propertycodes.org.uk.

PLEASE ASK YOUR SEARCH ORGANISATION IF YOU WOULD LIKE A COPY OF THE FULL SEARCH CODE

Keeping to the HIP Code

How HIP providers maintain compliance with the HIP Code is monitored independently by the Property Codes Compliance Board (PCCB). If you have a query or complaint about your HIP, you should raise it directly with the firm, and if appropriate ask for your complaint to be considered under their formal internal complaints procedure. If you remain dissatisfied with the firm's final resolution after your complaint has been formally considered or if the firm has exceeded the response timescales, you may refer your complaint to the Independent Property Codes Adjudication Scheme (IPCAS). IPCAS can award compensation of up to £5,000 to you if it finds that you have suffered loss as a result of your HIP provider failing to keep to the Code.

Please note that all queries or complaints regarding your HIP should be directed to your HIP provider in the first instance, not to IPCAS.

IPCAS Contact Details:

Telephone: 020 7520 3810

E-mail: info@idrs.ltd.uk

You can also get more information about the PCCB and IPCAS from the PCCB website at: www.propertycodes.org.uk.

PLEASE ASK YOUR HIP PROVIDER IF YOU WOULD LIKE A COPY OF THE FULL HIP CODE

USE OF CODE LOGOS BY NON-REGISTERED FIRMS

It is increasingly being brought to PCCB's attention that many non-registered firms are using the HIP and Search Code logos on their websites, etc. In every case, this is being followed up by PCCB to stop such usage as this is a trademark infringement. Please note that if such infringement is reported, PCCB maintains total confidentiality of our source. As a Code subscriber, you have invested in registration and PCCB is therefore happy to follow up these cases to protect your investment and the integrity of the Codes. It is pleasing to note that one non-registered firm that was steadfastly refusing to remove the Code logo from its website did so very quickly once its ISP took its website offline following PCCB representation!

On a separate but related matter, please note that if a firm is selling HIPs for white-labelling by a non-PCCB registered third party HIP provider, this does not give that third party the right to use the HIP Code logo or claim any association with PCCB or to be 'HIP Code compliant'. As PCCB has notified previously, the only text recommended for PCCB registered firms is; "XYZ HIPs is registered with the Property Codes Compliance Board as a subscriber to the HIP Code".

TRADING NAMES

As you may have noticed, the PCCB register is gradually being amended to show the relevant trading names of each registered firm. This is being done for reasons of transparency for consumers (and other visitors to the PCCB register page on the website) so that they can identify firms more easily. In addition, the advice PCCB has received from its insurance contacts is that the information on a Professional Indemnity policy should of course include the business entity name and also all trading names (PCCB is only interested in related trading names).

If your firm is about to renew its registration, please can you check your register entry and ensure that it details both the business entity name (whether a person as a sole trader, Limited Company, LLP, etc.) and any relevant trading names. In future, for all registrations and renewals PCCB is checking that the PI policy details the business entity name and also all relevant trading names and where this isn't the case, it is requiring confirmation that the respective insurer/broker has been notified of and accepted any trading name change.

HIP CODE REVIEW

AHIPP will shortly be undertaking a review of the HIP Code with a view to updating the Code later in 2008. Suggestions for revisions from registered firms would be very welcome, and should be sent to paulbroad-head@hipassociation.co.uk

USE OF LAND REGISTRY DOCUMENTS IN HIPs

The following advice has been issued by Communities and Local Government following consultation with the Land Registry. The big message is don't use "Register Views" obtained from Land Registry Direct in HIPs.

The HIP Regulations - Regulation 8(e) of the Home Information (No.2) Regulations 2007 describes the documents that are required to be included in the Pack where the property is registered with the Land Registry. These documents provide an up to date official record of who owns the land, so no further evidence of title should be needed, and comprise:

- “an official copy of the individual register relating to that estate” (made up of a property register, proprietorship register and typically a charges register); and
- “an official copy of the title plan relating to that estate”.

An “official copy” may take the form of a paper document produced on watermarked paper, or an electronic version of the document. Copies of the pack provided to potential buyers and others should include a true copy of the “official copy” or another official copy. (See Regulation 6 for further information on the use of copies).

Use of electronic “official copies” - The electronic version of the “official copy” incorporates a security feature that prevents it from being incorporated into an electronic HIP. In order to get round this, some HIP providers are creating their own PDF copy of the Land Registry's PDF Official Copy, by scanning it. Others are "unlocking" the PDF Official Copy and incorporating this into their electronic HIP. In both cases, the resultant copy packs would comply with the HIP regulations as long as the resulting PDF copies are a “true copy” of the originals. The Land Registry position, however, is that copies of Land Registry documents produced in either of these ways will lose their status as "official copies" and, whilst acceptable as copies for purposes of the HIP, cannot therefore be relied upon as “original” documents in the conveyancing process.

Use of Register Views - Instead of using official copies (as described above), some HIP providers are including "Register Views" obtained from Land Registry Direct as evidence of title. This option provides users with an on screen display of the register which can be downloaded and printed. Although the information contained within a printed version of the register view may be identical, it is not an Official Copy of the register and is not therefore acceptable for inclusion in the HIP.

NEXT CODES WORKSHOP

As reported in the news section of the PCCB website, the most recent HIP and Search Code Workshop in Huddersfield proved extremely popular with Code subscribers, with an attendance of over 50 delegates. With these events now running quarterly at venues around the country, this is giving registered firms an invaluable opportunity to gain intelligence on the latest industry and market developments and receive advice and information on how best to maintain compliance with the Codes of Practice. The events are sponsored by the [Association of Home Information Pack Providers](#) (AHIPP) and the [Council of Property Search Organisations](#) (CoPSO) who are the owners of the HIP and Search Codes respectively. As is normal practice, the Property Codes Compliance Board (PCCB) attends and makes a presentation giving generic feedback on the latest findings from its compliance monitoring regime. The next workshops are in Birmingham on 25 September and London on 4 December. Registered firms wishing to attend either workshop are advised to contact CoPSO who are the event organiser via info@copso.org.uk. The Workshops are free to firms that are registered under the Codes.

CONSUMER COMPLAINTS PROCEDURE

The Codes require every search/HIP firm to have a written complaints procedure and to make this available to customers. All registered firms will be aware that a template procedure is available from PCCB and this has recently been updated as shown below. It is also good practice to:

- Include the procedure as part of your standard terms and conditions
- Include the procedure in your searches/HIPs
- To publish the procedure on any website(s) which you maintain
- To include the IPCAS address in the procedure
- To attach the procedure to the firm's initial response to a complaint or to a query which could well turn into a complaint (e.g. a search has missed material information which could potentially affect the value of the property concerned).

The following guidance replaces any earlier versions;

XYZ Searches/ABC HIPs**Complaints Procedure****Information for customers**

If you want to make a complaint, we will deal with it speedily and fairly. We will:

- Acknowledge your complaint within 5 working days of receipt
- Try and resolve your complaint fully within 4 weeks of receipt. If there are valid reasons for consideration of the complaint taking longer, we will keep you fully informed in writing or via telephone or email as you prefer and you will receive a response at the very latest within 8 weeks.
- Liaise with counselling organisations acting on your behalf, if you ask us to.
- Send you a final decision on the complaint in writing.

If you are not satisfied with the final decision, you may refer the complaint to the Independent Property Codes Adjudication Scheme (IPCAS) and we will give you contact details. We will co-operate fully with the independent adjudicator during the consideration of a complaint by the IPCAS and comply with any decision.

Complaints should be sent to:

Customer Services
XYZ Searches/ABC HIPs
Address
Phone
E-mail

IPCAS can be contacted at:

IDRS Ltd, 24 Angel Gate, City Road, London EC1V 2PT
Phone: 020 7520 3810
Fax: 020 7520 3829
E-mail: info@idrs.ltd.uk