



Review of letting agent qualifications and CPD

Final report

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indigohouse



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Introduction from CIH Scotland

Housing qualifications and CPD improve practitioner practice. That is the ultimate conclusion of this report.

Legislation passed in 2014 ensured letting agents in Scotland became the only part of the housing sector where it is necessary to hold a relevant qualification and undertake additional training.

Therefore, as we approached the first re-registration period CIH wanted to review the impact of the requirement on letting agencies. We wanted to consider if the policy was helpful, whether it can be amended to improve outcomes for tenants and to understand if there are lessons that could be applied across the rented sector. We were particularly mindful of the Scottish Government's upcoming rented sector strategy and its communicated ambition for greater alignment across the whole rented sector.

As such this evaluation, funded by SafeDeposits Scotland Charitable Trust, and undertaken by Indigo House, provides the first authoritative examination of the regulation of letting agencies in professionalising practice and their rationale for the CPD requirements. And it sets out clearly the benefits of investing in housing qualifications and ongoing professional development to improve practitioner practice.

The report rightly captures the feedback of landlords, letting agents and crucially tenants as well as looking at all available data sets in making its determinations and recommendations. As such CIH Scotland believe now is the time for the housing sector and the Scottish Government to recommit to a principle of housing education and CPD, across all tenures.

If we want to meet the ambition set out in Housing to 2040 then now is the time to invest in housing professionals.

We need to give them the skills, the training, and the knowledge they need we will develop a more knowledgeable, resilience and dedicated workforce which can only improve outcomes for tenants and customers and create a future in which everyone has a place to call home.

Finally my thanks to SafeDeposits Scotland Charitable Trust for funding this evaluation, to Indigo House for conducting the work, to the members of the sounding board Elspeth Boyle, John Blackwood, Mike Campbell, Timothy Douglas, Lorna Dunsmore, Neil McInnes, Daryl McIntosh and Alice Simpson for providing advice and direction for the project as it progressed and to all letting agents, landlords, tenants and stakeholders that contributed to the research project in any way.

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1. Introduction and methodology

1.1 Introduction and aims of the review

The Chartered Institute of Housing (CIH) Scotland commissioned Indigo House in collaboration with IBP Strategy and Research to undertake a review of the letting agent qualification in Scotland.

The overall requirement was for a review the existing qualification and training requirements for letting agencies in Scotland, three years following the introduction of the Letting Agent Code of Practice. The review has both historic and forward-looking elements. There is a need to assess whether the new regime has enhanced professionalism and practice amongst letting agencies and, looking forward, to consider both the potential for further enhancement of the system as it relates to letting agents, and lessons for other parts of the private rented sector (in particular, landlords that let directly to tenants). Underpinning all of this is the need to maximise the quality of service provided to tenants.

The Housing (Scotland) Act 2014 requires “appropriate people” in each letting agency to hold a “relevant qualification” and, where necessary, to undertake additional training on letting agency work.

In the case of sole traders, the people that must be qualified include the sole trader themselves and any person directly concerned with managing and supervising the day-to-day running of letting agency work. For companies, partners and other bodies, the people that must be qualified include the person holding the most senior position in the organisation’s management structure (unless not involved in letting work) and, again, any person directly concerned with managing and supervising the day-to-day running of letting agency work.

Relevant qualifications are required to be at Level 6 or above on the Scottish Credit and Qualifications Framework (SCQF). There are currently four programmes leading to qualifications that are considered acceptable:

- The LETWELL programme, delivered by Landlord Accreditation Scotland and CIH Scotland.
- The Association of Residential Letting Agents Propertymark programme in Residential Letting and Property Management Scotland.
- The Safeagent Foundation Lettings Course.
- MRICS qualifications, where certain conditions have been met in relation to the qualification route, timing and competencies undertaken as part of the Assessment of Professional Competence (APC).

Letting agents are required to re-apply for registration every three years and therefore to keep their qualifications and training up to date, with the period for re-registrations now being imminent. It is also expected that any findings would inform the Scottish Government’s whole rented sector strategy, which is expected to be published in 2023.

The study assessed whether the learning and qualifications requirements have improved professional practice and, importantly, whether this has led to better outcomes for tenants. It aimed to identify the relative success of different approaches to practitioner practice and tenant outcomes and considered whether practice can be further improved, especially through potential changes in requirements, improved learning and Continuous Professional Development (CPD) processes, and new content. The recommendations aim to improve professional practice, focused on CPD, within the rest of the rented sector.

The main research questions were:

- What evidence is there of enhanced and professionalised practice?
- How can this be improved for letting agents and tenants?
- What lessons are there for other parts of the rented sector?

A set of more detailed areas of investigation were also identified in the brief and have been incorporated into the three overarching research aims within the findings:

- The degree of uptake of qualifications within the letting agent sector; and the extent of compliance within the sector with the requirement for qualifications and CPD.
- The impact of the qualifications and associated CPD in improving practice amongst those that have taken the qualifications.
- The extent to which the focus on qualifications and CPD has been effective in improving practice within the sector overall.
- The relative effectiveness of different approaches to learning and qualifications (for example, between the Letwell and ARLA online offerings).
- Identification of other opportunities to professionalise the sector (whether in relation to learning and qualifications or to other elements).
- Identification of the nature of an effective model of monitoring and enforcement.
- Identification of lessons for other parts of the rented sector in terms of how it could improve its practice, taking account of the Scottish Government's aspiration towards alignment across the whole rented sector.

1.2 Methodology

The review has been undertaken through three main strands of research:

- An evidence review – identification and analysis of key texts and data sets, including Scottish Government data, and examination of the Letting Agent Code of Practice to identify the key features of the accreditation. This examined the evaluation conducted in Wales to review Rent Smart Wales, and comparative literature to examine lessons learned around qualification and CPD in other sectors.
- Online surveys undertaken with letting agents and private sector landlords across Scotland. Online surveys were supplemented by a telephone survey to secure 100 responses from letting agents. A total of 150 responses were received from private landlords. In each case the sample sizes are substantial enough to provide a good indication of the population group as a whole¹. A separate report provides the detailed survey findings and key aspects are integrated within this report.
- Qualitative interviews with 10 tenants who let their homes through letting agents. This was undertaken at the start of the review to understand what tenants' expectations were, and to help with the design of the survey and other review elements.

¹To provide an estimated margin of error for the survey findings, we have used an estimated population size of 600 letting agents within Scotland, which is understood to be the number of separate businesses on the Council of Letting Agents database. A sample of 100 from a population of 600 gives a margin of error of +/- 8.95% based on a 50% answer and a 95% confidence level. At a lower confidence level of 80%, the margin of error is +/- 5.85%. A total of 150 responses were received for the landlord survey. We have assumed a population of 3,000 landlords, this being the number on the Scottish Association of Landlords database. A sample of 150 from a population of 3,000 gives a margin of error of +/- 7.80% based on a 50% answer and a 95% confidence level. At a lower confidence level of 80%, the margin of error is +/- 5.09%.

- Qualitative interviews with letting agents and trade bodies to explore matters relating to the letting agent qualification and CPD in more depth. A total of 16 in-depth interviews were undertaken with a range of types, portfolio size and location of letting agents.
- Finally, the study findings and recommendations were then tested with tenants, letting agents and landlords through two focus groups involving 12 individuals (six in each).
- The review was overseen by a Sounding Board which provided valuable insights to assist in the design of the elements of the review and scrutinise interim and final outputs.

Indigo House would like to thank all who participated in the study through the surveys, qualitative interviews and focus groups, and the Sounding Board.

2. What evidence is there of enhanced professional practice?

2.1 The three pillars of professionalism

The evidence review identified the importance of three pillars of professionalism². These are:

1. Entry qualifications;
2. Complaints and disciplinary procedures; and
3. The positive support of good professional practice through membership bodies/networks, also known as Continuing Professional Development (CPD).

The body of comparative evidence across different sectors points to significant potential in CPD improving professional practice and outcomes including job satisfaction, employee retention, quality of service provision, and status of the profession. Overall, the evidence of the value of CPD to increasing public confidence and trust is clear. CPD appears to have the most positive impact on outcomes when it is systematic, tailored to the individual with the learner at the centre of activity, embedded and applied to practice, recorded and recognised, and supported through strong leadership and positive workplace culture ongoing support.

In principle, the Letting Agent Code of Practice incorporates all three pillars - with the requirement for initial training, the First Tier Tribunal process, and the ongoing CPD requirement.

The only direct comparison of formal letting agent qualification and CPD in the UK is Rent Smart Wales. Rent Smart Wales is the brand name for the government activity associated with administering the registration and licensing requirements set out under Part 1 of the Housing (Wales) Act 2014. The legislation requires that all private landlords must be registered, and all self-managing landlords and letting agents must have a licence which involves completing the necessary landlord or letting agent training. If a landlord is not involved in setting up tenancies and managing their rental properties, they do not need a licence; however, they must appoint a licensed agent.

An evaluation completed in 2018³ looked at the impact of the Welsh legislation on private renting on the awareness, attitudes, behaviours, and practices of landlords, letting / managing agents, and tenants within the private rented sector in Wales. This showed that while the knowledge of landlords had increased, letting agents had a greater knowledge and understanding of the requirements of Rent Smart Wales. It showed there were high levels of awareness of the need for registration and licensing to be renewed every five years, and most landlords and letting agent survey respondents indicated that the training received was useful and

²An idea developed in Friedman and Hanson in 2010; see <https://research-information.bris.ac.uk/en/publications/professional-standards-regulation>

³<https://gov.wales/sites/default/files/statistics-and-research/2019-05/evaluation-of-rent-smart-wales-implementation-and-delivery-final-report.pdf>

helped them to be more aware of their responsibilities as a landlord or letting agent. However, there was consistently little evidence of tenant awareness of Rent Smart Wales, what the requirements were and what it meant for them / their landlord or letting agent. At the time of the evaluation, CPD was being piloted through the Welsh scheme.

The following sections explore the uptake of the qualifications and CPD in Scotland and consider the impact of the current qualifications on individuals, businesses, and the sector as a whole.

2.2 Uptake and compliance with the letting agent qualification and CPD

Around 1,000 letting agents originally registered through the Scottish Government letting agent register three years ago. By comparison, there are currently around 600 letting agents that are members of the Council of Letting Agents in Scotland.

The Scottish Government data shows the scale of re-registrations. This was standing at 666 at the end of September 2022 but it was not yet time for all the agents to re-register: the bulk of the original registration applications were made to Scottish Government between October 2018 and October 2019, and Scottish Government is working through renewal applications received. In terms of the agents that had failed to renew by their due date, the Scottish Government is aware of these and the agents will have received automated emails regarding removal from the Register and notification that conducting letting agency work without registration is a criminal offence. However, at this stage the final number of re-registrations is not available. It is also not possible to tell how many letting agents have never registered at all i.e. complete non-compliance.

As the letting agent registration data is primarily used in the administration of re-registrations, limited data is collected by Scottish Government. Of the data that is available, and from those re-registering it is roughly estimated that around 1 in 10 applicants for re-registration did not at that time have the CPD evidence required to re-register. This does not mean that the necessary training has not been done, but may mean documentation has not been uploaded or some of the training may not be judged to be appropriate CPD.

Of those that originally registered, only a very small number of letting agents failed to reapply for registration on time and most of those do re-apply shortly after. As of 16th May 2022, 63 letting agents had been removed from the register after not renewing their registration. A further 18 were removed from the register as they were no longer doing letting agency work and one letting agent had been refused registration and none have been revoked. The data analysis suggests overall that more letting agents have left the register than have joined.

However, looking in more detail at those who had not renewed their registration, in the vast majority of cases these involved businesses that had legitimately been acquired or changed names, but there were a few cases where changing company names and entities appeared to coincide with being struck off the business register or having very poor feedback associated with the previous letting agency brand. There is not currently any part of the registration process that tracks these types of cases, or any other means for the Scottish Government to take enforcement action where letting agents are operating without registering. Anyone suspecting illegal letting would be directed to Police Scotland.

Data on certified letting agent training was requested from the organisations that provide letting agent qualifications. However, this data was not provided by all providers due to concerns over commercial sensitivity. The accredited training providers for the Letting Agent qualification in Scotland are the CIH/Landlord Accreditation Scotland LETWELL, the Association of Residential Letting Agents (ARLA) Propertymark, Safeagent, and Royal Institute of Chartered Surveyors (RICS) as part of its wider qualification.

³<https://www.mygov.scot/letting-agents-removed-register>

⁴<https://register.lettingagentregistration.gov.scot/refused-and-revoked>

Data that was provided on training provision shows that there was a period of intense training activity in advance of the Code of Practice coming into effect in 2018. The profile of attendees has broadened over time to include less senior letting agency personnel and those working in Mid Market Rent (MMR) housing association businesses and Local Authority private rented sector housing teams. Over the last two years there has been an increase in the number of participants who have no direct experience of lettings yet who are keen to advance their knowledge or require a qualification prior to entering the lettings sector.

From 2021 onwards, letting agents began to reach the three-year threshold, after which they were required to evidence CPD activity of 15 hours formal training and five hours of informal training. Insights from the Scottish Government suggests that the majority of re-registering applicants are using formal training, often in chunks - i.e. one-hour, two-hour and five-hour training packages. There is also some inclusion of other activities, such as meetings with SAL counting as one or two hours etc. Courses tend to cover general customer care principles as relevant to the letting agent industry, various industry processes and health and safety standards etc.

Data provided by SafeDeposits Scotland (SDS) provides some insights into the overall progress in recent years across the sector. The late registration of deposits has been monitored since 2012, with improvement over time. In 2012, 31% of deposits with SDS were deposited late, while in 2018 this was down to 14%. By 2021 just 6% of deposits were deposited late, while in 2022 only 2% were. As well as the Letting Agent Code of Practice, SDS also started informing tenants about the need for timely deposit lodging in June 2019. Since 2018, there has also been a reduction in SDS dispute rates, which affected 4% of deposits in 2018, 3% in 2019, 2% in 2020 and just 1% in 2021. This indicates recent improvements in practice relating to deposits, which may have benefitted from the Code of Practice and associated training but is also likely to have been influenced by information and advice offered by SDS.

The **letting agent and landlord survey** completed for this review showed that the vast majority, 93% of survey respondents, had undertaken an appropriate qualification, and 96% of respondents had met the 20 hours CPD requirements over a three-year period. However, there were also occasional reservations expressed about the extent to which there was suitable and equitable enforcement to ensure that all "appropriate people" had taken the qualifications:

"Bad letting agencies will find a way around it and good ones are paying through the nose."

Lack of enforcement was also raised when letting agents were asked about the impact of the qualification on the wider sector: when asked whether the requirement for letting agent qualifications has been appropriately enforced - 51% agreed that it had, 22% disagreed, with the remainder giving a neutral view.

There were a range of specific open ended comments provided through the survey about other letting agents that were seen as not complying with the requirements, and the lack of enforcement was one of the most common barriers to uptake of letting agent qualifications (alongside cost and limited staff time). Landlords were also evenly divided as to whether the requirement for letting agent qualifications had been appropriately enforced (although most didn't know), and the perceived lack of enforcement was also a common barrier perceived by landlords to uptake of CPD.

When asked about other opportunities to make further suggestions for enhancing qualifications, open ended comments commonly included the perceived lack of enforcement, along with quality issues, costs and the perceived need for more tailoring of the qualifications, discussed in later sections below.

The **qualitative in-depth interviews** with letting agents and sector representatives also highlighted some perceptions over lack of enforcement. Letting agents often spoke about how the qualifications and CPD has made a considerable positive impact on quality in the sector, but at the same time, many complained that there was not enough enforcement to get rid of the poor agents:

"For the sector I find it frustrating and concerning that many letting agents trading are not doing anything about it. For small agents it is costly and it's not fair if not all agents are doing it. Registration got rid of many of the cowboys, but many are still remaining. There is not enough enforcement." (Letting agent)

"Letting agents have upped their game. They pay attention now because agents couldn't get away with what went on in the past, but there are still a few around that are unregistered, or unqualified; I know because we have picked up the properties and tenants and there are still some dodgy ones." (Letting agent)

Other letting agents suggested that in addition to more proactive enforcement, there should be an audit process to check that letting agents are implementing the Code in practice. A few agents referred to comparable systems such as RICS where members *"live in fear of an audit"*.

The issue of lack of enforcement was also raised in both focus groups. All participants felt that the use of criminal offence was "disproportionate" for letting agent registration, and it was felt that few people would think of reporting agents to the police - either because they felt it wasn't relevant for the police, or because there may be ramifications for tenants "shopping in" agents. Participants felt another type of enforcement was required. Scottish Government also noted that they are aware of Police Scotland not always being familiar with the relevant piece of legislation.

"The police are not resourced to investigate, and its extreme and disproportionate going to the Police about letting agents. They've got more serious things to do. It should be a civil offence, or some other form of regulation to make sure they are investigated. But there should be no excuse for not knowing about letting agent regulation. Someone would have to be living in a hole to not know about letting agent regulation. It is really simple, just go onto SAL website, and get all the info you need, there is no excuse." (Letting agent)

"Another Regulatory body may help, so long as they are actually doing something. There is a total lack of enforcement in the private rented sector, lots of regulation, which keeps coming, but no enforcement. It's so the Scottish Government can say they have regulated, but they don't make sure it is enforced. There is no point if there is no policing. That's the biggest failing." (Letting agent and landlord).

It was also notable that some of the tenants in the focus groups didn't know about letting agent registration, or what to look for to check they are registered. Despite this, tenants commented that pursuing letting agents or landlords was not an option due to lack of choices to move to, either in the private rented or social rented sector.

It was agreed in the focus groups that there should be more awareness raising on tenant rights and in relation to the Letting Agent Code of Practice. While letting agents pointed out the "good" agents would provide relevant information including 'welcome packs', it was agreed that a verbal walkthrough of the lease and the Letting Agent Code would be useful, especially for young or inexperienced renters. There was also consensus that there should be more public awareness raising about the Code, led by Scottish Government or charities so that tenants renting from poor, or unregistered agents would know what to expect since those agents would not be telling tenants about their rights.

The **First Tier Tribunal (Housing and Property Chamber)** is the statutory route to redress in the private rented sector in Scotland. The Tribunal provides information on the number and type of Letting Agent cases that go to Tribunal. This shows that there are very low numbers of letting agent cases that go to the Tribunal - 53 in 2020-21 and 77 in 2019-20 compared with a projected caseload of 250 applications per year. The RentBetter survey in 2019 found that 65% of tenants renting from a letting agent had not heard of the Tribunal.

The Tribunal data also shows that while the number of cases had been lower, there had been a high proportion of cases decided upon where there has been a breach of Letting Agent Code. The most common complaints were in relation to communication, resolving complaints, standards of practice, management and maintenance, and lettings. Most of the Letting Agent Enforcement Orders involved financial compensation to tenants, but no other requirement e.g. policy and practice review, or training.

The focus group participants were scathing about the performance of the Tribunal. All the letting agents, one landlord and one tenant had experience of the Tribunal, the other tenants were not aware of the Tribunal at all. The tenant with experience of the Tribunal said it was a "horrendous process" and all the time he was waiting for essential repairs.

"All this time just waiting for a repair to be done. It is easier to move and that's difficult, than to get something through the Tribunal. The system is ridiculous and needs to change, it needs to have teeth. You can't wait for months to get a repair done because of the Tribunal being slow". (Tenant)

"The Tribunal can't deal with the volume, the lead-in times are long, it is laborious and slow and for tenant and landlord it is totally unacceptable as a route to justice." (Letting agent)

2.3 The impact of the qualification on individuals, businesses and the sector

Evidence of impact of the qualification and CPD was established through the survey findings, the qualitative interviews and focus groups. Respondents were asked to comment on the impact that undertaking the qualification had on their own and employees' professional capabilities, on the business as a whole and the wider sector.

For letting agents, 87% of respondents indicated that their involvement in undertaking the qualification had a **positive impact on their overall professional capabilities** as a letting agent (this was broken down into different elements, provided in the detailed survey report). In addition, 93% stated that undertaking this CPD has had a positive impact on their own professional capabilities as a letting agent.

A significant proportion indicated that other employees in their business had taken one of the letting agent qualifications. Respondents were even more likely to indicate that positive outcomes had been achieved by other members of staff than they were in relation to themselves. Overall, 95% of respondents indicated that undertaking the qualification had a positive impact on the professional capabilities of employees. Most (78%) also indicated that employees had achieved their 20-hour CPD. Overall, 97% of respondents considered that this CPD had a positive impact on the professional capabilities of employees on their business.

Letting agents were very likely to suggest that these qualifications had a **positive impact on their business generally**, with 89% feeling there had been a positive impact of the qualifications on the image of their letting agent business as a professional organisation.

This generally positive theme was repeated through the open comments from the survey, and the in-depth interviews.

For the business leaders consulted, while they acknowledged they needed to be qualified for registration, many may have been qualified for a long time, or their long practice and experience meant their perception of what they gained from qualification was less than they saw for more junior colleagues.

Interviewees reflected particularly on the value gained by ensuring there was a foundation of knowledge, or minimum standard for wider employees. This provided assurance to the business around compliance and consistency, often across a range of different roles in the business (not necessarily just front-line property managers). Most consultees saw the confidence and motivation that qualifications gave individuals to execute their roles, with a deeper knowledge on why they must do certain things and

being able to negotiate with colleagues and tenants in the knowledge they "know what they were talking about", and "it puts them in the right position and can hold your ground, walk taller". They also saw the value for individuals in gaining qualification and opportunities for individual development and potential promotion through sometimes nearly created career structures in enabled through the qualification:

"The wider team, especially for the younger staff their confidence grows dramatically, they know the right answer without having to ask others. Some didn't go to university, so to have that qualification gives value and it's not just a job, it's a career. It gives them to tools to negotiate with tenants, asking tenants to do the things that are their responsibility, and a solid foundation for discussion around tenant obligations." (Letting agent)

"The LETWELL training was eye opening for our staff who got a lot out of it and now aspire for a higher qualification." (Letting agent)

"We offer the course to qualifying staff. Some of the team are motivated by this opportunity and perform better as a result. We are able to attract a higher calibre of staff." (Letting agent)

It was also noted that it is now much more common than three years ago to see job applicants being qualified or working towards a qualification (or who at least know about the qualification). While many welcomed a recruit being qualified (a few required qualifications for certain levels), it was not the most important thing that employers were looking for when recruiting – in the context of shortages of staff and a tight employment market, most look first for the right personality and aptitudes in customer service, and then would put employees through the qualification.

It was also commented that the qualification helped to create a career structure and concluded that if you now want to make letting agency your career, you need the qualification. One disadvantage commented upon by business leaders at the beginning of the registration process was that qualification was used as currency, with quite a bit of movement in the sector as employees were qualified. Many thought this had now settled down as qualification was more common, and some businesses use training contracts to ensure longer commitment to the company, or repayment of training fees.

Most survey respondents, 84%, agreed that the requirement for letting agent qualifications had been a positive thing for the sector overall. Many interviewees felt that there were now a lot less poor-quality agents (although some also stressed that too many still existed with more enforcement required, as discussed above). Some reflected on the low level of knowledge and expertise that was previously prevalent and how valuable the qualification was in implementing a minimum standard:

"[The training] It was an eye opener and hit home the need for a minimum qualification. So many people didn't seem to know what they were doing, and it provides the basic stuff that every letting agent should know." (Letting agent)

Many agents, while referring the value of the qualification of improving standards, also referred to their perceived improvement of the reputation of the sector, but others said much more needed to be done individually and collectively to capitalise on these qualifications, to use these in marketing as a quality assurance badge or "sticker", and that sector representatives should do more to promote these standards to enhance the credibility of the sector and public trust as illustrated below:

"It is fine having the employees all trained up and having CPD but it matters little if the general public are unaware of that training and how it impacts them." (Letting agent).

Some agents also felt that this reputation would be enhanced through an audit system to make sure businesses are implementing the Code in practice. For those that were using ARLA this exists, but it is not available through LETWELL qualifications - but taking this route, the review concludes that LAS would be more relevant for accreditation.

The most common barriers to uptake of letting agent qualifications were cost (55% indicating this to be a barrier to some / a significant extent) and limited staff time (51%) followed by a lack of enforcement (40%). About a quarter (25%) had doubts about the value of the training. The interviews confirmed that while the over-riding themes about the value of the qualifications were positive, there were some caveats. These mainly related to the relevance of the qualifications to more senior staff, and suggestions that there should be a more nuanced approach with different types of qualification for different types and level of staff - strategic and operational.

There were also comments around the amount of time that qualification takes, cost and impact on the business and therefore judgements were made on the amount and types of roles of staff that were put through the qualification. The minority were negative about the qualification requirement, illustrated as follows from a survey respondent:

"Has proved to be another large amount of red tape to jump through (in addition to RICS requirements) that has not helped our offering to both tenants and landlords."

These opinions were reiterated through the focus groups, where letting agents were in agreement on the value of qualification. This was caveated that the entry qualification is less relevant for more experienced owners and managers, but there is significant value in the CPD, emphasised in the light of keeping up to date with the "constant change" in regulations in Scotland. However, there were complaints from decision makers in letting agent businesses that there is insufficient range, and "a distinct lack of choice" of CPD courses to reflect the different roles within organisations from senior managers to those responsible for frontline customer service.

Tenants felt that the qualification and ongoing training provided a baseline, and regardless of the length of experience of an owner or employee would provide reassurance. Tenants also felt all employees should be trained, not just the owners and managers. This was countered by letting agents who reflected on the cost of training all employees.

"There are experienced letting agents that are poor at their job, and we need to get reassurance through a baseline. There can be high staff turnover and a qualification would give some reassurance that there is a minimum standard. All staff should be trained, not just the senior staff." (Tenant)

From the **landlord** perspective, from the survey, 60% of landlord respondents indicated that they were aware that there was a legal requirement for "appropriate people" within letting agents in Scotland to have a "relevant qualification". Amongst those that were aware, 42% felt that there had been some positive impact compared to 16% that considered there to be no impact. In addition, 51% of respondents considered that the requirement for letting agent qualifications had been a positive thing for the letting agent and landlord sector overall, compared to only 12% that disagreed. However, the open-ended comments did suggest many landlords had difficulty in ascribing any changes in service to the qualifications:

"Little communication with letting agent other than the "normal" level for maintenance etc. Therefore, I am unable to identify where these qualifications have improved these dealings." (Landlord)

"Good letting agents are still good. Bad are still bad." (Landlord)

The nature of these comments imply that landlords were not necessarily able to draw a direct link between enhanced qualifications and improvements in service and professionalism. Indeed, some commented on their own lack of awareness of the qualification regime:

"I wasn't aware of the qualification requirement." (Landlord)

"I'm afraid I didn't even know there was a professional level of service required." (Landlord)

"When investing in Scotland I was not advised of any qualifications of letting agents and if my letting agent had this qualification." (Landlord)

This supports the expressed need, among many letting agents, for greater marketing and promotion of the registration and qualifications requirements as a quality assurance tool.

In relation to landlords' own experience of qualifications and CPD, only 16% of landlord respondents indicated that they had personally undertaken any formal qualifications of direct relevance to their role as a landlord, such as property or lettings qualifications. There was a correlation to the size of portfolio – among those with smaller number of properties, the proportion who were qualified was much lower, compared with those with larger portfolios, who were more commonly qualified; amongst those with up to 10 properties only 13% said they were qualified, and from the small number of respondents (14) with more than 10 properties, the figure was 43%. Given that most landlords in Scotland have a small number of properties, it may be concluded that most do not hold relevant qualifications for property and tenancy management.

The landlords that had undertaken qualifications were quite likely to say that being qualified had an impact on their ability to comply with relevant rules and legislation (81% saying some / significant impact), on the quality of service provided to tenants (68%) and on their overall image as a landlord business (58%). They were less likely to ascribe this level of impact on financial management within their organisation and on employee satisfaction. Over half (55%) of landlord respondents indicated that they undertook CPD relevant to their landlord role.

Among the very small number of landlords that had employees, 45% said that they had paid for employees to go on training courses and 36% had supported the cost of employees undertaking professional qualifications. The most common barrier to uptake of CPD amongst landlords was similar to letting agents – the cost of the training, limited staff time available to take part, doubts as to the value of the training, and lack of enforcement.

3. Opportunities for improvement

This section considers what tenants think about letting agency services, outlines the nature of the current qualifications that are offered, explores the relative effectiveness of the different types of qualifications, identifies other opportunities for professionalising the sector and finally considers the nature of an effective model of monitoring and enforcement.

3.1 Tenant experiences of renting from letting agents and landlords

A range of data sources were examined as part of the evidence review. In Scotland, the RentBetter Wave 1 survey research included interviews with 971 tenants, of whom around 370 rented through a letting agent. This asked tenants about their experience of renting, including communication, getting repairs done etc. Overall, the RentBetter research indicates a high degree of satisfaction among private tenants generally, but more tenants being very satisfied were dealing directly with landlords, in relation to the property overall, property condition, and communication/complaints resolution. This may indicate that some letting agents were less engaged than some landlords that let directly, which would impact on the quality of service.

The RentBetter qualitative research in Wave 2 undertaken with lower income tenants found that longer term private renters often had closer contact with landlords and more informal relationships which felt more secure, while relations with letting agents were more distant and viewed less favourably.

The Scottish Household Survey, while also showing general satisfaction among private tenants, showed that tenants of letting agents were less likely to say they were very satisfied with the service they received, compared with tenants of landlord directly managed properties, and were less likely to be very confident about how to make a formal complaint. This echoes the results of the RentBetter survey.

As part of this review, qualitative research was undertaken with 10 private renting tenants. All of these were relatively low-income tenants, and all were renting through letting agents. The tenants were asked what the most important aspects of service delivery was for them from letting agents. By far the most important priority reported by interviewees was ensuring the maintenance of the property, followed by making sure tenants are aware of roles and responsibilities on both sides, then good ongoing communication (particularly in relation to repairs) and finally tenants want support in looking for a property, including understanding more details about tenancy arrangements. The focus group work for this review confirmed these opinions about priorities, although the tenants had varying experiences of letting directly from landlords compared to letting agents.

3.2 What qualifications are being delivered?

The Code of Practice outlines the clear expectations of the services that letting agents need to provide, so the initial training needs to cover these areas, with ongoing CPD consolidating/enhancing learning as required. Appendix 1 sets out the detailed requirements of the Code and Appendix 2 outlines the content of the courses accepted as part of the accreditation for landlord registration – these are LETWELL (CIH/LAS), ARLA Propertymark, Safeagent and MRICs.

As can be seen when reviewing the content, there is a fair amount of difference between the accredited training courses on offer. While the core competencies covered across the various courses have been accredited to meet the requirement for letting agent registration, they are delivered in quite different ways, with different formats and accreditation methods and different time commitments. Appendix 2 also outlines a comparison of the different courses in more detail. This shows that although the same core competencies are the focus of all the possible routes to registration, the qualifications and learning outcomes from the different providers are quite different.

3.3 Effectiveness of different approaches to qualification

The landlord and letting agent survey showed that 93% of respondents had taken an appropriate qualification, and of these most had either undertaken the LETWELL programme (51%) or the Propertymark programme (41%) with take up of other courses or approaches being much less common (Safeagent 6% and MRICS 4%). The survey indicated that most had undertaken this training 2018-19 or before. This trend in the type of qualification undertaken was also reflected in the interviews with stakeholders.

Overall, 89% of survey respondents gave a positive rating for their learning experience, including 52% that gave the highest rating of "very good". Breaking this down further, 89% gave positive ratings for relevance of content, 86% for methods of delivery, 80% for the quality of people delivering the learning and 79% for practical arrangements.

Looking to the future, most commonly, survey respondents felt that delivery of training should be:

- through a balance of face-to-face and online delivery (50% responding in this way).
- 22% had a preference for face-to-face only as compared to 18% online / remote delivery.
- others gave no preference or don't know response.

Survey comments, and interviewees also indicate a preference for at least some in-person training as illustrated below:

"Face-to-face training is essential for the LETWELL qualification. I find my staff have not had as effective an experience or the same value for money with the Covid-led remote style."

"I was lucky to be in one of the first courses run and attended the courses, which I feel is a much better way of doing it. Staff have since done the online version due to covid and have not enjoyed it as much, finding the online platform complicated."

The interviews also explored the different approaches used and the effectiveness of these in more depth. As discussed above, the qualifications vary significantly in their approach and content. Interviewees had generally experienced either LETWELL or ARLA Propertymark. Two interviewees also referred to themselves or staff undertaking Safeagent or MRICs qualifications.

In general, the key differences between LETWELL and Propertymark were identified as follows:

The **LETWELL** (pre-pandemic) approach of in-person training was preferred by many compared to a purely online approach. Many referred to the value of the inter-active nature of the course, working with others in a room, being able to compare practice, problem solve and network.

The style of learning (written essays and reflective pieces) was also welcomed and considered by some who had done both LETWELL and alternative qualifications to be more effective to embed learning and knowledge.

LETWELL was identified as more expensive compared to other options, and it was also noted that there is limited capacity for places which some saw as a problem. A few interviewees noted that they used other qualifications as a basic foundation (sometimes because they were waiting for a LETWELL space) and then used LETWELL later as "icing on the cake", and in a couple of cases this was used as a career progression tool.

Many of those with experience of LETWELL called for its return to in-person learning, although others said they would welcome a combination of online and in-person to get benefits of flexibility and less time lost out of office, but still get the opportunity to learn with others for some of the course.

In relation to the **ARLA Propertymark** qualification, this was also popular with the key benefits identified as lower cost and accessibility, with an independent learning method (previously a hard copy manual, now online) and exam based on multiple choice questions. Some did note that this type of learning doesn't suit everyone with the exam approach being intimidating and out of date, although several said that if this was the preferred approach across the whole business, then staff members could support each other in their learning.

Comparison was made with the benefits of learning in a room with others, the lack of which was seen as one downside of Propertymark, but the self-learning approach was felt to give more flexibility for individual's schedules, and that of the business. A few interviewees noted that the ARLA content is not sufficiently focused on Scotland and in particular, Unit 2 (legal aspects) could develop the Private Rented Tenancy (PRT) content to a greater extent.

Several people also mentioned that they wanted to repeat the qualification since they did this a while ago and before the PRT aspects were added, but there was not an option to repeat it with ARLA. A key benefit of the ARLA approach was said to be that Propertymark provides a more visible accreditation, and also provides an annual audit service which was considered important for credibility and marketing/assurance for landlords.

Only two interviewees had experience of **safeagent** and the **RICS qualification**. In relation to safeagent which is purely online approach, one consultee considered this very much as entry level compared to other qualifications, whereas RICS was considered more in-depth and comprehensive in the context of a wider surveyor qualification, also associated with an audited approach.

As discussed above, commonly senior staff and business leaders felt the qualifications were a 'tick box' exercise for them, arguing that they had the knowledge already, but acknowledged it was necessary to get the sector up to a minimum standard. Others commented that increasing the intensity of the legal aspects, in particular how to deal with a Tribunal application and process was needed to improve the training qualifications.

Overall, there was a sense of "horses for courses" with businesses taking a view on the different types of qualification and what it offers on quality, cost, ease of access, time out of the business and preferred learning styles. These choices come into sharp focus for some that had recently changed their business model including mergers and acquisitions:

"I have to weigh up as a business cost/benefit, keeping people in the office/out of office for training and keeping people in the office making money." (Letting agent)

In relation to CPD, the vast majority of respondents (96%) of respondents indicated they met the requirement to undertake 20 hours of CPD (15 hours formal and five hours informal), over a three-year period, with 58% indicating that they exceeded this. Most also indicated that employees had completed the CPD requirement, although to a lesser extent (78%).

A wide range of examples of CPD were cited in a follow-up survey question. Courses, webinars and similar through SAL were very prominent in these responses, with respondents only very occasionally referring to other providers, such as Under One Roof, SafeDeposits Scotland and Propertymark. Typically, respondents answered in a generic fashion, referring for example to "online courses", "webinars", "in-house training" and "conferences". A number of positive comments were made in particular noting that the qualifications and associated CPD helped to keep people's knowledge up-to-date, provided ongoing confidence to individuals, more credibility for the sector as a whole, and assurance to tenants and landlords.

"We feel it is also important to continue to keep the industry qualified and promote this wherever possible to ensure landlords and tenants are able to make an informed decision on which company or agent to use." (Letting agent)

"Very good; relevant; worthwhile. Makes you more confident." (Letting agent)

"It does push you to keep updated, and to learn new things." (Letting agent)

Opinion regarding the CPD elements from interviews and focus groups generally agreed with the positive responses in the survey and saw it as a necessity to maintain minimum standards, to keep up with "ever-changing" regulations and case law. While some people thought there was a lot of choice in the market from LAS/SAL/CLA, ARLA and other providers including Rightmove, as discussed above, others felt there was insufficient choice and some mentioned the high cost to keep all staff up to date, particularly for the smaller agencies.

Several people mentioned that there needs to be an easier way of logging CPD certificates in the same way as ARLA has a portal to do so, but this service is not available for other routes to qualification. Some suggested that the Scottish Government registration portal should have a mechanism for doing this and avoid the need for a 'scramble to get your certificates together at the point of registration'. Others also mentioned there needs to be clearer guidance on what CPD is eligible and what is not, to make the CPD eligibility of courses broader, and more clarity on what is formal and informal CPD.

A few people mentioned that the timing is very strict with no flexibility for different circumstances e.g. people being off on maternity or long-term sick which may make it difficult to complete their CPD within

three years. Finally, the theme around relevance to roles was repeated, with more strategic level or 'advanced' CPD options required, although it was also acknowledged that this should increase as in-person conferences re-start, post-pandemic.

In summary, areas for improvement in the initial qualification and CPD requirements gathered from the survey and interviews are:

- Ensure there are options for in-person and online training.
- Increase capacity in the LETWELL training course.
- Ensure all courses are relevant to the Scottish PRT.
- Provide more training on how to deal with a Tribunal case.
- Potential for a greater range, and different types and levels of CPD for different levels / roles the business – entry level, operational and strategic so that ongoing learning is tailored to the individual. There may also be scope for a directory of CPD courses available across the market.
- More clarity on what is and is not CPD eligible, and what is formal and informal CPD.
- Consider whether pricing of CPD is appropriate to encourage as many people as possible in the sector to undertake continuous learning.
- Make available a common portal for uploading CPD certificates on an ongoing basis to keep track, and to make the re-registration easier.

3.4 Other opportunities to professionalise the sector, and monitoring and enforcement

Other opportunities to professionalise the sector over and above training and CPD have been outlined above and are summarised as follows:

- Better enforcement of the Code with suggestions for a whistleblowing approach for reporting unregistered letting agents to Scottish Government or some other form of regulator rather than going to the police. The criminal offence approach is seen as disproportionate and unlikely to be used by tenants or others.
- Enforcement should also be supported through an audit process, with examples cited as ARLA Propertymark and RICS systems where processes are audited against the professional membership standards.
- Using registration and qualification as a quality assurance certificate and in marketing to increase public confidence e.g. in the same way that ARLA and RICS membership works. For example, CLA membership could be promoted for those that have undertaken the LETWELL qualification.

4. Lessons for other parts of the rented sector

4.1 Current requirements

As well as letting agents, private landlords and social landlords have been considered in relation to regulation and training.

Private landlords are required to register with local authorities through the landlord registration scheme but are not required to evidence competency. However, the local authority must ensure that only those landlords that are judged to be 'fit and proper' are allowed on the register.

The First Tier Tribunal deals with areas of dispute including the Repairing Standard, Rent Deposits and other tenant-initiated cases. This is different from the case in Wales, where landlords are also required to engage in training through the licencing scheme, unless they are using a licenced letting agent to manage their properties in which case they only require to register, not have a licence. In Scotland, it is not clear the extent and consistency of local authorities' enforcement against private landlords and very few cases are brought to the Tribunal by local authorities.

Local authority and Registered Social Landlord (RSL) staff are not required to undertake training, but performance is monitored annually using the **Annual Return on the Charter (ARC)** which is completed by every social housing provider and covers a wide range of indicators against the Scottish Housing Charter. The Scottish Housing Regulator (SHR) uses that information, alongside other feedback on complaints to determine whether intervention is required.

Social Landlords are required to make information on reporting significant performance failures and to provide information about the Regulator available to its tenants. They must also provide tenants and other service users with the information they need to exercise their right to complain and seek redress and respond to tenants within the timescales outlined in its service standards, in accordance with guidance from the Scottish Public Services Ombudsman (SPSO). They must also ensure they have effective arrangements to learn from complaints and from other tenant and service user feedback, in accordance with SPSO guidance.

The latest data from the SHR showed that overall tenant satisfaction in the social housing sector is 89% - with satisfaction with Local authority housing at 84% and RSLs 90%. There is not a comparable question in the RentBetter research, though satisfaction with the property overall was similar - 90% for those renting from a private letting agent but higher at 94% renting from a private landlord directly. Therefore, although there are no specific training requirements for employees working in social housing, there is a strong regulatory framework with a significant level of ongoing performance measurement in the ARC and complaints monitoring by the SPSO. This level of scrutiny enables the SHR to take enforcement action as required. The level of scrutiny of the private rented sector by local authorities is far less clear.

In terms of future consideration of improving practitioner performance in the social rented sector, this is currently under discussion in England⁶, considering:

- (1) professional behaviours - so that housing professionals know how to behave and communicate when dealing with tenants and customers;
- (2) technical skills - having the knowledge and competence to address issues that tenants have with the property in a timely manner; and
- (3) professional qualification - which may be useful to provide staff with a broader understanding of the sector and related issues but may not necessarily be a requirement for everyone (i.e. qualification for leadership roles/ key members of staff).

⁶<https://www.gov.uk/government/news/new-professional-standards-and-stricter-regulation-to-drive-up-social-housing-standards>

4.2 Opinion from stakeholders

Exploring the issue of qualification and CPD with stakeholders in the wider rented sector, most survey respondents (77%) considered that social landlords should be required to have employees with such qualifications, 69% that private landlords with employees should be required to do so, and only 50% felt that all private landlords should be required to have such a qualification.

In some cases, it was felt that a lighter touch approach may be appropriate, or that any requirements on private landlords should recognise the landlord's scale of operation, and in general comments made in response to this question suggest a common view that where landlords' scale of operation was such that they are seen as having similar characteristics to a letting agent business, similar requirements should be placed upon them.

"I think private landlords should have to undergo a simplified version of the courses we need to." (Letting agent)

"Any landlord with 10+ properties should be required to hold a relevant qualification, along with any staff they employ to conduct letting business. This also needs stringent enforcement." (Letting agent).

However, others took a more pragmatic approach, perceiving the potential for disproportionately negative impacts on landlords with a small portfolio.

"I don't believe private landlords need to have staff with such a qualification as the vast majority of landlords only own one or two properties." (Letting agent)

"A requirement for private landlords to be qualified will drive them out, especially if they own one or two properties." (Letting agent)

These views were repeated in the in-depth interviews. Overall, views in relation to private landlords fell into two camps:

There is a case for a **minimum standard of training or basic awareness** for private landlords required e.g. a set of webinars to provide the basic foundation of knowledge for how to start and end a tenancy properly, and the basics around rights and responsibilities. Some caveated this requirement that it should be based on the scale of operations with those with more properties required to have a higher level of training.

Others argued that either landlords get a basic qualification, or they let their properties through qualified letting agents. It was also suggested that this training should be proven and be part of the landlord registration process.

"They should have a basic level of qualification. Something missing in the landlord registration - not enough checking that people are registered, and there is only checking the registered ones that have their certification. It is not finding the unregistered ones. We see landlords not using the PRT, don't know the documents to serve, don't have the certificates, they are not bad, just ignorant. It's easy for landlords to get a tenant as demand so high but more enforcement of the regulations are needed." (Letting agent)

The **alternative view** was that a training requirement for landlords would put them off, was a step too far and that they would leave the market, exacerbating the problems of supply/demand imbalance that is already very challenging in some markets. It was argued that there requires to be more enforcement of existing requirements rather than more regulation for landlords.

"Private landlords, there is already some good control on the property through landlord registration. Tribunal is there although under resourced. Anything more will put landlords off and we're already losing properties to the market. 89% of our landlords have one property - they are professionals doing other things. They don't want to do qualifications on being a landlord. Making it more onerous, people will leave." (Letting agent)

While the survey and in-depth interviews suggested a split on opinion on whether private landlords should be qualified in some way, in both the focus groups the opinion was clearly in favour of private landlords being qualified. There was a strong sense about the need for equivalent standards, regardless of whether you rented directly from a landlord or a letting agent. Both focus groups also raised the examples of Rent Smart Wales and suggested if landlords didn't want to qualify then there should be a requirement to use a registered letting agent to manage and let their properties.

*"Basically, there is half of the Scottish PRS qualified - the letting agents - and half not - the landlords".
(Letting agent)*

*"I'm a huge advocate for qualification, but when acting for a landlord, and that landlord is not aware of obligations, it's makes things a lot more difficult. It would be easier if landlords had to be qualified".
(Letting agent)*

One of the tenants did not agree with the notion of risk associated with the number of properties a landlord had and therefore the requirement for qualification (as raised in the survey). This tenant's argument was that qualification removed some of the risk for tenants, and it didn't matter how many properties the landlord had - the risks associated with a bad landlord is the same for each individual tenant, regardless of whether the landlord had one or many properties.

Across the survey, in-depth interviews and focus groups, in relation to social landlords the over-riding opinion was that all social landlords should have a minimum standard of qualification, in the same way as private letting agents do, with many arguing that the need for this was even greater due to the different demographic and perceived vulnerabilities of social rented tenants. There were arguments that while there should be a minimum standard across all the rented sector, it would not be the same qualification as these would vary according to the legislation and requirements in each sector.

"There should be uniformity [in qualification] across the rented sector." (Letting agent)

"If anything should be a higher level of qualification as social tenants are generally more vulnerable and they may not be aware of rights. The landlord needs to be responsible and trusted and qualification should provide some reassurance on that." (Tenant)

5 Conclusions and recommendations

5.1 Conclusions

Evidence of enhanced professional practice

The evidence review identified the importance of three pillars of professionalism: (1) entry qualifications; (2) complaints and disciplinary procedures; and (3) the positive support of good professional practice through membership bodies/networks, also known as CPD. All these exist in the Scottish letting agency sector through the Letting Agent Code of Practice (including qualification requirement) and the First Tier Tribunal (Housing and Property Chamber), and the requirement to complete and prove 20 hours CPD over three years. The body of comparative evidence from different sectors points to the key benefits of CPD as improving professional practice and outcomes, and increasing public trust and confidence.

This review shows that the benefits of qualification and CPD have been experienced in the letting agency sector in Scotland over the last three years. Most stakeholders agreed with the requirement for a minimum standard qualification. The benefits are highly valued for individual employees by giving a foundation of knowledge and confidence to do their job well, although inevitably less so for managers and decision makers. It provides opportunities for career development, with qualification in the sector now being far more common than it was three years ago. For businesses the qualification and CPD give ongoing assurance around compliance and consistency, and it is considered to improve reputation in

the sector as a whole, although there is a call for the sector to market registration and training credentials more widely to instil public confidence. This is borne out by the fact that a significant proportion of landlords and tenants know little about the Code of Practice, or their rights to take letting agents to the Tribunal.

Areas for improvement

Areas for improvement identified included

- Maintaining options for both in-person and online training
- Increasing capacity of LETWELL
- Ensuring all courses are relevant to the Scottish PRT
- Enabling repeat of the basic qualification after a number of years
- Developing a wider range of CPD including different types of courses for different roles (strategic and operational)
- Clarifying eligible and non-eligible CPD including what is formal and what is informal CPD
- Considering whether the pricing of CPD is accessible for all letting agents in the sector
- Developing a common portal for easy storage of CPD certificates, and
- A single directory of CPD courses to enable letting agents to find different types of courses more easily.

There is also a need to increase awareness amongst landlords and tenants about the ability to take letting agents to the Tribunal for potential breaches to the Code. Accessible information is required for both landlords and tenants, including a verbal 'walk-through' of rights and explanation of the Code at the beginning of each tenancy. Public information and advice is also required to promote landlord and tenants' rights in relation to the Code since less reputable letting agents will inevitably not give the relevant advice.

Compliant letting agents are frustrated with the perceived lack of enforcement of regulations, particularly for those that have never registered. Lack of registration is a criminal offence, but all stakeholders agreed that few people would use this remedy, and it would be better to have an alternative approach to report unregistered or non-compliant letting agents to some form of regulator.

Lesson for other parts of the rented sector

Stakeholder opinion suggests there should be a requirement for qualification across the rented sector (with clear support for the social rented sector, and more mixed opinion for private landlords). Considering all the evidence provided through this review, it is concluded that there is a case for requiring qualification across the whole rented sector – letting agents, private landlords and social landlords. There was a strong call for equivalence in standards, leading to the conclusion that if landlords are not able or willing to qualify, they should employ qualified letting agents to let and manage their property.

5.2 Recommendations

Recommendations for the Scottish Government and the First Tier Tribunal (Housing and Property Chamber)

1. The system to identify letting agents that have not registered should be reviewed to make complaints easier e.g. through some form of whistleblowing system to the Scottish Government (or the Scottish Government's proposed private renting Regulator) for further investigation.
2. The First Tier Tribunal members could make more use of recommendations for policy, procedural change and training in Letting Agent Enforcement Orders to help improve the sector (not just financial sanction for breaches of the Letting Agent Code of Practice).
3. Scottish Government and advisory organisations have a key role in raising public awareness of the role of the First Tier Tribunal in enforcement of the Letting Agent Code of Practice.
4. Qualification should be a mandatory requirement across the rented sector including letting agents, private landlords and social landlords. If private landlords are not willing to qualify then they should be required to use a registered letting agent. Introducing a qualification requirement for social and private landlords will take time to develop, allowing for consultation and timescales to be agreed with the sector. In the short-term, the Chartered Institute of Housing could encourage a commitment to a relevant qualification and CPD, including mechanisms to easily log and evidence ongoing CPD.

Recommendations for the Letting Agent qualification and CPD providers

5. A range of areas for improvement in the qualifications and CPD for letting agents have been identified including maintaining options for both in-person and online training, increasing capacity of LETWELL, ensuring all courses are relevant to the Scottish PRT, enabling repeat of the basic qualification after a number of years, developing a wider range of CPD including different types of courses for different roles (strategic and operational), clarifying eligible and non-eligible CPD including what is formal and what is informal CPD, considering whether the pricing of CPD is accessible for all letting agents in the sector, developing a common portal for easy storage of CPD certificates, and a single directory of CPD courses to enable letting agents to find different types of courses more easily.
6. There is a requirement for more detailed training on First Tier Tribunal processes in the initial qualification and on lessons learned from Tribunal cases through ongoing CPD courses. This will require ongoing analysis of Tribunal cases and Letting Agent Enforcement Orders to feed into CPD.

Recommendations for the letting agent sector

7. Letting agents, and sector representatives have an important role in awareness-raising for tenants and landlords about the Letting Agent Code of Practice and recourse to justice through the First Tier Tribunal system to both improve access to justice, and in turn to improve learning across the whole system.
8. Letting agents should use registration and qualification as a quality assurance tool for development of the positive reputation in the sector. The sector should consider whether there needs to be more uniformity in the way in which implementation of the Code of Practice is audited through membership of the various professional organisations.

Appendix 1 - Training requirements of the Letting Agent Code of Practice

Overarching standards of practice (Section 2) - complying with legislation, being open, honest and transparent, communicating clearly, applying policies and procedures consistently and reasonably and without discriminating, maintain appropriate records in line with legislation and responding to enquiries and complaints in a timely way and communicating promptly with tenants/landlords if important issues arise and never in an abusive, intimidating or threatening way.

Engaging landlords (Section 3) - provide clear information on service and charges, offer accurate advice about legal obligations, perform due diligence re. identity checks and conflict of interest, provide clear written business terms covering services, authority to act, fees, tenancy deposits, communication and complaints handling, insurance and details of money handling and the terms and conditions for ending the agreement.

Lettings (Section 4) - marketing properties in a clear, accurate, open and non-discriminatory way providing registration details and property energy rating information, providing full, accurate property details including all financial obligations, complying with legislation on charges/fees, conducting viewings in a secure and non-discriminatory way providing reasonable notice to sitting tenants, agreeing criteria for selecting applicants with landlord and informing applicants of outcomes promptly, agree and perform reference and identify checks, thoroughly, legally and with landlord and applicant agreement, holding all data securely. Tenancy agreements meet legal requirements and are signed after allowing time for checks/legal advice to be sought and deposit correctly lodged. A full inventory and schedule of condition is provided with photographic evidence and signed/agreed by the tenant.

Management and maintenance (Section 5) - services must be provided as agreed and outlined in the tenancy agreement and the code, with written procedures on rents, repairs and maintenance. Landlords are informed about any arrears or late payments and actions taken to recover rent. Keys should be securely stored and property access agreed in advance. Any issues arising at inspection should be raised with the tenant/landlord as appropriate, with any breach to the tenancy conditions dealt with promptly and in line with the tenancy agreement. Appropriate systems, policies and procedures should be in place for safety checks, repairs and maintenance, including for emergencies/out-of-hours. Repairs should be dealt with promptly, using appropriately qualified/certified trades, with appropriate notice and remedies in place if work is inadequate/substandard.

Ending the Tenancy (Section 6) - tenancies must end with due legal process, in line with policies and procedures with correct notice and documentation. The tenant needs full information about the cleaning/administration required at the end of the tenancy, with full inventory taken and any damages reported (with photographic evidence) and proposed repairs costs. An agreement needs reached about deposit repayment, involving the relevant scheme in any dispute.

Communications and resolving complaints (Section 7) - all information should include the Letting Agent Registration Number, with all enquiries dealt with promptly, with notice of any likely delays provided. Tenants/landlords must be provided with contact details, be made aware of the code and be communicated with without abuse, intimidation or threat. There must be a written complaints procedure with details of timescales for responding, including contractors/third parties, with information about the Tribunal for where disputes remain unresolved. All written information on complaints must be kept for five years and all details provided to the Tribunal as required.

Handling landlords' and tenants' money and insurance arrangements (Section 8) - if handling money, there must be a clear policy and procedure with accurate records and accounts. Client money must be kept in separate accounts from the main business account, be monitored regularly and available immediately on request. Appropriate insurance is needed to cover client money. There must also be a clear policy for debt recovery, including details of contacting a guarantor. Any contact with tenants about debts should be honest and lawful and non-threatening. Adequate and appropriate Professional

Indemnity cover must be in place. If providing insurance cover to landlords/tenants, details of costs and any commission should be provided, with procedures in place for making insurance claims on their behalf, with claims dealt with promptly. Any suspected criminal activity should be reported to the appropriate authorities.

Appendix 2- Course Content and Accreditation

LETWELL⁷ - The programme consists of five training courses, each course comprising three virtual training sessions (webinars), each 90 minutes long. The virtual training sessions assist completion of five units of learning and there are three written assessments, is for letting agency staff requiring an accredited qualification. There is no exam. The webinars take **22.5 hours plus additional time** to study for and produce three written assessments.

The content for each course is delivered over three consecutive days, and for most learners attendance of the full programme will be spread over **approximately five months**. The learning outcomes across the five training courses are as follows:

Professional practice for letting agents - Understand the terms of business with landlords, tenants and agents. Understand business development opportunities. Understand how to assess own performance.

Letting residential properties - Understand different types of tenancies. Understand how to prepare a property to let. Know how to market properties for let, Understand the requirements for selecting a tenant and setting up a tenancy in Scotland.

Ending tenancies of residential property - Understand how a tenant can end the tenancy. Understand how a landlord can end the tenancy. Understand the legal process for a landlord to obtain possession.

Property standards for residential properties - Understand the legislation relating to property maintenance and repair. Understand procedures for property maintenance. Understand the definition of a house in multiple occupation (HMO) and the extra responsibilities this places on landlords. Understand licensing schemes and the extra responsibilities they place on landlords.

Tenancy management for residential properties - Understand the financial aspect of letting a property. Understand how agreements can change during the tenancy. Understand how tenancy issues are prevented and resolved.

Propertymark - Level 6 Award in Residential Letting & Property Management – Scotland⁸. The course takes up to **12-18 months** to complete, requiring approximately **120 hours** of qualification study time in total.

Each of the four units are assessed by a multiple-choice examination which is taken on a computer at a UK Pearson Vue test centre. Propertymark courses are distance-learning based and learners studying towards the Level 6 Award in Residential Letting & Property Management have access to resources to support study including face-to-face courses. The four units tested on are as follows:

Unit 1: Health and Safety, Security and General Law (SCOM1) - Understand the general concepts of law relevant to a property professional. It deals with the historical development of the law as well as current concepts, relevant statute and common law.

Unit 2: Legal Aspects of Letting and Management (SRLPM2) - This covers the law specific to the letting and management of residential property, including law and legislation regarding granting, administration, financial management and termination of the various types of residential tenancies.

⁷ <https://www.landlordaccreditationscotland.com/letwell-programme/>

⁸ <https://www.propertymarkqualifications.co.uk/qualifications/residential-letting-property-management/scotland-scqf-level-6-award/>

Unit 3: Residential Property Letting Practice (SRLPM3) - You will learn how you should carry out the letting of a residential property, including one's actions when dealing with landlords & tenants, and the appropriate practices adopted for taking client's instructions, finding tenants and preparing appropriate documentation.

Unit 4: Residential Property Management Practice (SRLPM4) - This unit covers the management aspect of residential property, including dealing with repair & maintenance, appointing contractors related to residential properties, problems associated with managing residential properties and end of tenancy duties.

Within each unit, there is between 8-10 detailed learning outcomes, with a number of assessment criteria alongside each learning outcome, with associated guidance. For example, under 'health and safety' for one learning outcome -

- Learning outcome: The candidate should be able to 1. Understand health and safety at work legislation and its relevance in and out of the workplace.
- Assessment Criteria: The candidate must: 1.1 Identify the duties of employers 1.2 Identify the duties of employees 1.3 Select correct procedures for carrying out a risk assessment for appointments and visits.
- Assessment Guidance: The candidate should be familiar with: Health and Safety at Work Act etc. 1974.

The overall qualification specification document⁹ is 15 pages in length, covering 95 assessment criteria across the four units. So, although there is a more formal examination process, candidates are provided with very detailed information about assessment and example questions and answers to help them prepare.

The **safeagent** Level 3 Scotland Foundation Lettings Course comprises of three modules (each accessed and tested online) and a final online test. Access to the course is for a period of **three months** from the date of enrolment. There are tests on (1) Scotland: Foundation Lettings Course (2) The Code of Practice and (3) Legionnaires Disease and an overall final test. Learners must score 70% or more to pass each test (with two attempts only).

The content of the course is as follows:

- Legal obligations relating to letting agency work in Scotland.
- Rights and responsibilities of landlords, tenants and agents.
- Handling landlords' and tenants' money.
- Arranging, managing and ending a tenancy.
- Managing repairs to, and maintenance of, a property.
- Customer communications and complaints handling.
- Equality issues relating to letting agency work.
- The Letting Agent Code of Practice Scotland.

The course content is very closely related to the Code of Conduct. There are a number of resources across the entire Scotland qualification, and they include text-based information, online eBooks, Self-Assessment activities, YouTube videos, links to external websites and downloadable documents. This means although all self-directed learning, there is some variety in the delivery mode.

⁹https://www.propertymarkqualifications.co.uk/media/340599/level_6_award_in_residential_letting_and_property_management_scotland_qualification_specification_v1.3_nov_2021.pdf

MRICS APC in Residential Lettings¹¹ – this **10-month** online learning course covers the core skills required by residential chartered surveyors, focussing on core competencies identified by RICS' industry expertise. This includes the principles and best practice related to activities like inspecting properties, valuing properties, letting and leasing. In addition, the course supports Residential APC candidates throughout the membership assessment process and activities. Delegates submit technical case studies and receive feedback and support from a RICS Assessor, simplifying the process and preparation during their APC structured training period. It supports candidates to ease through the process and prepare them as much as possible for the final assessment and steer the learners in the right direction to become a Chartered Surveyor in Residential pathway.

The training includes the following modules (bold most relevant to Letting Agent Registration):

- Introduction module – Understanding the APC.
- Module 1 – Inspection and measurement (Conduct residential property inspections and prepare accurate reports and schedules, recognise basic property defects and understand how properties are measured, learn to identify areas which are included and excluded and the guidance and regulation on measurement).
- Module 2 – Building pathology (Demonstrate your knowledge and understanding of building defects including collection of information, measurements and tests).
- Module 3 – Valuation (Identify the correct valuation method for a residential property. Understand what registered valuers do. Learn to do evidenced and principled comparable valuations).
- Module 4 – **Letting and leasing** (Demonstrate knowledge and understanding of how various types of property are let or leased. Be able to apply knowledge of letting standards and guidance).
- Module 5 – **Housing maintenance, repair improvements** (Demonstrate knowledge and understanding of the roles of owners, occupiers, providers and local authorities in the maintenance, repair and improvement of housing. Housing policy and law relating to maintenance and repair, Property maintenance issues in relation to the housing market).
- Module 6 – **Property management** (Demonstrate knowledge and understanding of residential property management, the legal requirements, the role and responsibilities of the property manager and the practical approach to property management).
- Module 7 – Mandatory Competencies Demonstration (Ethics, Rules of Conduct & Professionalism, Business Skills, Soft Skills - Client Care, Communication and Negotiation, Conflict Avoidance and Management & Dispute Resolution, Team Working).
- Module 8 – Preparing for your case study and final assessment.

¹¹ <https://www.rics.org/globalassets/rics-website/media/training--events/e-learning/uk/apc-accelerated-learning-residential.pdf>

Comparison between the qualifications

- **Safeagent** offers a lot of flexibility in accessing learning materials and enrolling in the online assessments. LETWELL is delivered as a Webinar at specific times which is less flexible but may seem closer to face-to-face learning (previous to the pandemic was all in-person, and is reported to be now moving to hybrid - a combination of in-person and online). Both LETWELL and Safeagent appear to be very closely aligned to the Code of Practice and the accreditation geared towards letting agent registration.
- **Propertymark and MRICS** are designed to be undertaken over a longer period, with far more technical detail covered in the assessment criteria in Propertymark (as well as the SCQF Level 6 Qualification) and the additional requirements of the broader Chartered Surveyor qualification required with MRICs, as part of a post-degree qualification. Both can include face-to-face support alongside online learning.
- **LETWELL and the MRICS** qualifications both highlight early intervention in their learning outcomes - e.g. understanding how tenancy issues are prevented and resolved, conflict avoidance and dispute resolution. LETWELL also touches on self-reflection in its learning outcomes. Propertymark by contrast appears to offer a far more technical/detailed focus on legal requirements and procedure as opposed to developing 'softer' skills associated with communication and customer care.



**Chartered
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To discuss any matters relating to the work of CIH Scotland and how we can support your organisation please contact:

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