

STATES OF JERSEY



REGULATION OF ESTATE AGENTS

**Lodged au Greffe on 28th March 2023
by Deputy M.B. Andrews of St. Helier North
Earliest date for debate: 18th April 2023**

STATES GREFFE

PROPOSITION

THE STATES are asked to decide whether they are of opinion –

to request the Minister for Economic Development, Tourism, Sport and Culture to establish, following consultation with stakeholders and no later than December 2024 –

- (a) a statutory regulatory body for Estate Agents; and
- (b) an independent redress scheme for Estate Agents.

DEPUTY M.B. ANDREWS OF ST. HELIER NORTH

REPORT

During the previous iteration of the States Assembly, the Economic and International Affairs Panel were approached by members of the Jersey Estate Agents Association (JEAA) who raised concerns about the lack of Estate Agent regulation on the island. The Panel in response decided to create a public survey to gather the views of respondents who utilised Estate Agent services to acquire or sell property on the island. With 65 respondents to the survey and 86 percent of those respondents believing Estate Agent regulation was necessary; it was decided that the panel would launch a review into the regulation of Jersey Estate Agents.

The Panel's [review](#) was extensive with numerous stakeholders giving evidence to the Panel including the Jersey Estate Agents Association (JEAA), Jersey Financial Services Commission (JFSC), [The Property Ombudsman \(TPO\)](#), and Propertymark (National Association of Estate Agents) among others. The Panel during its [review](#) discovered 46 Estate Agents operated on the island which excluded letting agents. In total, there were 19 Estate Agents who were registered with Propertymark and TPO who transacted property on the island. The JEAA comprised of 15 Estate Agents who are registered with TPO and Propertymark which are prerequisite conditions in joining the JEAA. There were also 4 Estate Agents who were members of the TPO and Propertymark but not members of the JEAA on the island. The number of Estate Agents who were not members of the JEAA, TPO, or Propertymark stood at 27 at the time of the Panel's [review](#).

The Panel discovered during its [review](#) that Estate Agents who are members of Propertymark are required to be members of an approved redress scheme which is a legal requirement in the United Kingdom. Estate Agents who are members of TPO provide consumers with protections which include compensation awards up to £25,000. The Panel also discovered that in the United Kingdom Estate Agents are placed on public registers however information on Estate Agents is held privately by the JFSC.

Stakeholder Engagement

During the Panel's stakeholder engagement, the Panel received the following written submission from Propertymark which highlights the benefits of being a member:

“Once in membership there are five main member benefits and a requirement for members to undertake at least 12 hours of Continued Professional Development. Firstly, members have access to key industry information. This includes regular newsletters, Fact Sheets, guides, FAQs, Toolkits on legislation and Primary Authority Assured Advice. Secondly, members receive discounts on events, training, industry suppliers and qualification workbooks. Thirdly, members are provided with legal documents and templates including a Property Information Questionnaire and tenancy agreements. Fourthly, members are given tools to promote their membership and a ‘Find an Expert’ listing on our website. Fifthly, members have unlimited access to legal helplines as part of their membership. Propertymark also provides training through online and classroom courses. The training is offered at foundation, intermediate and advanced levels, catering for everyone at different stages of experience and covering all areas of property related subjects”.
(Propertymark: 18th November 2021)

One of the benefits of being a member of Propertymark is that members undertake professional qualifications which are nationally recognised in the United Kingdom.

Qualifications can be attained through the [‘Award in Introduction to Sale of Residential Property \(Level 2\) and the ‘Award in Sale of Residential Property \(Level 3\).](#)

During the panel’s [review](#) the panel learnt that Estate Agents were not required to attain professional qualifications on the island which was a concern Propertymark raised during the panel’s review:

“Yes, Propertymark would have concerns about estate agents’ level of knowledge about properties they are marketing in a market where agents are not regulated. The level of knowledge about properties being marketed is fundamental to ensuring buyers and sellers have the right information at the right time to ensure they can make informed decisions.”

(Propertymark: 18th November 2021)

The Panel also received a submission from the TPO which highlights the importance of the implementation of an independent redress scheme to inform the government on enquiries and complaints which can also inform the government on future policy considerations.

“In this respect, as an Ombudsman, the Property Ombudsman provides the UK Government with a monthly data set for enquiries, complaints and membership to help them identify areas that require policy consideration. We are able to do this under the mandatory redress arrangements that exist for UK agents”.

(TPO: 10th November 2021)

Following up

In following up on the work of the previous Economic and International Affairs Panel, I asked the Minister for Environment the following [written question](#)

“Will the Minister advise whether he will seek to regulate Estate Agents, and if so, when will such regulation be implemented?”.

In response to my written question, the Minister predicated there were no plans to introduce legislation to regulate Estate Agents because the [Consumer Protection \(Unfair Practices\) \(Jersey\) Law 2018](#) protected consumers. The Environment Minister mentioned there was no need to introduce bespoke regulation of Estate Agents because in his opinion *“Many Estate Agents in Jersey already adopt good practice”* however there is no empirical evidence to reinforce this statement and as the quantitative data demonstrates most Estate Agents at the time of the Panel’s [review](#) were not even registered as members of Propertymark or TPO. Despite the Panel’s public survey being limited to 65 respondents, what the Panel’s survey does show is an overwhelming majority who support the regulation of Estate Agents on the island.

I believe there is a need to ensure that Estate Agents are members of a statutory regulatory body and redress scheme. As it stands, Estate Agents can access the market with ease without undertaking professional qualifications when dealing with transactions that are the biggest investments some people will make in their lifetime. There needs to be a more robust process in place to ensure Estate Agents are regulated to improve the experiences of those who utilise Estate Agent services. I am therefore asking the Minister for Economic Development, Tourism, Sport and Culture to consult

with stakeholders prior to implementing a statutory regulatory body and independent redress scheme which is to be introduced no later than December 2024.

Financial and manpower implications

Officers from the Department for the Economy will be required to undertake stakeholder engagement and to bring forward plans prior to December 2024 for the States Assembly to decide upon. The implementation of a statutory regulatory body and redress scheme will need to be implemented prior to December 2024 and therefore there will be a manpower requirement within the Department for the Economy to deliver this implementation. And the legislative drafting team will be required to draft legislation pending on the adoption of this proposition being successful.