

NATIONAL TRADING STANDARDS

Estate Agency Team

Protecting Consumers
Safeguarding Businesses

LEASEHOLD: A GUIDE TO REDRESS

Guidance for consumers seeking redress for leasehold matters

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This publication is also available from our website at: www.powys.gov.uk/estateagency.

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1 Who is this guide for?

This guide is aimed at anyone who has purchased a leasehold property. Its intention is to provide information about your rights and responsibilities when owning a leasehold property, explain important terms you may come across as a leaseholder, and offer some practical steps to take in the event things go wrong.

You will find links to other useful sources of information already available to leaseholders.

This guide answers the following questions:

What is leasehold?

Leasehold means that you own the property only for the number of years left of the lease. You may have to pay ground rent, and service charges which are a contribution to maintaining shared amenities. The lease will be subject to rights and terms which might prevent you using or altering the property as you might wish. See [Chapter 2](#) for more information.

What are my rights as a leaseholder?

Your rights as a leaseholder will depend on whether you own a flat or a house. See [Chapter 3](#) for more information.

How do I get redress if things go wrong?

In all cases you should first to complain to the person whose service you are not satisfied with and go through their internal complaints process. Estate agents, property managers and conveyancers all have to be a member of a redress scheme. If you are not satisfied with their handling of the complaint you can complain to their redress scheme. See [Chapter 4](#) for more information.

How do I take court action?

If you have exhausted all other possible avenues to get redress, or if your complaint falls outside the scope of the redress providers already mentioned; you may wish to pursue matters through the court system. See [Chapter 5](#) for more information.

What can I do if I have an onerous ground rent?

It may be possible to get the onerous clause amended. See [Chapter 6](#) for more information.

2 What is leasehold?

Many properties for sale in England and Wales are offered on a leasehold basis. A 'lease' is a type of contract which gives you the right as the buyer (or 'leaseholder') to occupy the property for a fixed number of years (the 'term'). The length of the term offered initially varies but is typically for 125 or 150 years, up to 999 years.

Each year you live in a leasehold property, the term will decrease. After the term runs out, there are protections under the law for leaseholders to carry on living in the property but paying a rent. More commonly, and before the term expires, leaseholders will apply to extend their lease, or choose to buy the freehold of the property. If you wish to extend the term or buy the freehold, you should seek legal advice about this.

A shorter lease term is less attractive to a lender. If you decide to apply to extend the lease or to buy the freehold and the term has less than 80 years left to run, the price (also known as the 'premium') that you will be required to pay will be increased because it will include an extra amount, known as the 'marriage value.' As a result, lenders may refuse mortgages on properties with fewer than 90 years left on the lease. If you are already in a leasehold property and want to enquire whether you have a right to extend the lease, it is advised you seek professional advice on this by the time 85 years is left on the term. If you wish to buy the freehold of the building where your flat is situated, then you would have to apply communally with the other owners of flats in the block.

The terms and conditions of the lease will provide details of the rights which you will be entitled to enjoy and the terms which you will need to abide by. It will spell out what responsibilities you have as the leaseholder, what you can expect the landlord to be responsible for, and any payments you are required to make, for example for shared services or areas, or if you do not comply with your obligations as they are set out in the lease. It is important you refer to the actual wording of your lease, as each lease can differ from property to property.

In all cases, you can expect a lease to set out the length of the term. You should bear in mind that the date when the term began may be earlier than the date when the lease was made and signed. This means that the lease may be shorter than it initially appears.

The ownership of the structure of the building and any common parts is likely to be retained by the freeholder. Your landlord may be the freeholder of the building, or may also be a leaseholder, who has a lease that sits between the freeholder and you. In some circumstances, 'landlord' has a technical meaning and includes a party who has a right to require you to pay a service charge.

The freeholder is the ultimate owner of the property. In blocks of flats, for example, the freeholder would own the land and the actual building. A leaseholder will own a flat within that property on a lease for a fixed length of time, but the freeholder will own the property outright. The freeholder is usually responsible for the repair and maintenance of the exterior and common parts of the building.

The parties to the lease may include a third-party management company that is under separate ownership from the freeholder, or a Residents' Management Company (RMC). Should an RMC exist, all leaseholders would usually be shareholders. A third-party management company, whether owned separately from the leaseholders or by the leaseholders themselves as an RMC, is generally responsible for providing maintenance and services to the building.

There may also be a Right to Manage Company (RTM Co). The acquisition of the Right to Manage is a legal right that can be exercised by a group of leaseholders of flats, as a result of which they are entitled to manage the building in which they live.

3 What are my rights as a leaseholder?

It is advisable you seek independent [legal advice](#) on your options before taking action

Some of the rights you have as a leaseholder will depend on whether you own a flat or a house.

[The Leasehold Advisory Service](#) provides a comprehensive resource on leaseholder rights and obligations as well as free, independent initial advice on leasehold matters.

Here is a brief summary of some of the rights you have as a leaseholder. You can:

- Form a Recognised Tenants' Association with other tenants and leaseholders in the premises
- Challenge the reasonableness of service charges
- Challenge the reasonableness of some administration charges
- Request a written summary of the service charge costs incurred by the landlord in the last accounting period and inspect the documents supporting that summary
- Set up a Right to Manage Company with fellow leaseholders to take responsibility for the management of your block (flats only)
- Apply for the appointment of an independent manager if there are serious problems with the management of the premises (flats only)
- Request to vary the terms and conditions of the lease (see [Chapter 6](#))
- Apply to extend the lease
- Exercise the right to enfranchisement, i.e. purchase your freehold (house) or a share of it (flats – known as 'collective enfranchisement')
- Exercise your right to first refusal of the freehold, should the landlord choose to sell their interest in it (flats only, excludes housing associations and local authorities)

[The First Tier Tribunal \(Property Chamber\)](#) is part of Her Majesty's Courts and Tribunals Service. It handles applications, appeals and references relating to issues over property and land. The matters mentioned above would be heard in the Tribunal which normally consists of three members: a legally qualified chairman, a valuer and a lay person. It is independent and impartial in its approach.

4 If things go wrong – how to get redress

Check your rights at the [Leasehold Advisory Service](#) website and that of the [Citizen's Advice Consumer Helpline](#). Before progressing your complaint, you will need to exhaust a company or entity's own internal complaint procedure first and allow them 6 weeks to deal with the complaint.

If you believe that an estate agent, a developer or a seller of a leasehold did not disclose material information that was relevant at the time of sale, there may be a breach of the [Consumer Protection from Unfair Trading Regulations 2008](#). You must ensure that you lodge your complaint as soon as possible as you can only do this within 3 years of the issue arising.

Pressure tactics, deception or aggressive practices are also offences which you should report to Trading Standards through the [Citizen's Advice Consumer Helpline](#). It is recommended that you seek independent advice on your circumstances before considering legal action.

If you have a complaint against:

4(a) an estate agent

Estate agents must act in the best interests of their clients, ensuring that both buyers and sellers are treated honestly, fairly and promptly. You should always bear in mind that the estate agents' client is likely to be the seller of the property: it is the seller who pays the agent. Even so, the Consumer Protection from Unfair Trading Regulations 2008 prohibit an estate agent from misleading or giving false information.

As early as possible, estate agents must give you the information you **need** to know as a consumer to make an informed decision about a property. This is not necessarily all the information you may **like** to know (such as the minimum price the seller would be willing to accept as an offer). This is a non-exhaustive list of example information you can expect to know early on in the marketing of a leasehold property:

- the length of the lease
- the service charge amount
- the cost of ground rent
- if any major works are planned and if you are expected to contribute
- terms within the lease that might affect your planned use and enjoyment of the property

If you feel you have a complaint against an estate agent you should exhaust their complaints procedure first. If you are still unhappy, you may choose to complain to a redress scheme or make a claim in the County Court. There are currently two government-approved redress schemes. Estate Agents must be a member of one of them. They are:

- [The Property Redress Scheme](#)
- [The Property Ombudsman](#)

There is no charge for consumers to use one of the independent redress schemes. If your complaint is upheld by the scheme, they have the ability to:

- direct the member to pay you compensation (to a maximum of £25,000)
- direct the member to apologise
- order the member to take some remedial action to put things right.

If the member does not comply with the redress scheme's decision, or refuses to pay compensation found owed to you, they risk being expelled from the scheme. This can mean they are unable to join any other scheme, too. In the event this happens, you may have to go to court to get the decision enforced.

You may still go to court if the redress scheme does not rule in your favour. However, the redress schemes' decisions can be very persuasive for the courts.

4(b) a property developer

Currently, developers do not have to be a member of a redress scheme, but they must still act fairly, honestly and must never mislead.

Developers must give you as early as possible the information you **need** to know as a consumer to make an informed decision about a property. This is not necessarily **all** the information you would **like** to know. As an example, here is a non-exhaustive list of the information you can expect to be made aware of early on in the marketing of a leasehold property:

- the length of the lease
- the service charge amount and any arrears that may be owed
- the cost of ground rent
- if any major works are planned and if you are expected to contribute
- particularly onerous terms within the lease

You should exhaust any internal complaints procedure first. If you are still unhappy with the response there are two consumer codes in the UK which the warranty providers may be signed up to:

- [Consumer Code for New Homes](#) (the 'CCNH'), and:
- [Consumer Code for Home Builders](#) (the 'CCHB')

The codes are not compulsory for developers to be signed up to in all cases. Although separate from one another, both codes say:

- you should be treated fairly
- you should be aware of the level of service to be given
- you should be able to rely on information given by the developer about the property and your rights, before you buy.
- you should be made aware of the complaints process and how to access the Codes' Dispute Resolution Scheme

Remember, there may be some form of fee for using the consumer codes' independent Dispute Resolution Scheme.

Check if the developer is a member of a professional association (such as the [Federation of Master Builders](#)) that provides authorised Alternative Dispute Resolution as part of their service.

4(c) a landlord or freeholder

Most landlords and freeholders do not need to be signed up to a redress scheme, but they do have responsibilities, including:

- **providing their contact information** in each demand letter for ground rent and service charges. You may be able to withhold payment until that information has been provided.
- **explaining your rights and obligations** as a leaseholder in every service charge demand.

- **consulting in accordance with statutory regulations on major works** costing any one leaseholder more than £250. This is known as the section 20 consultation process. If not done, the landlord might only be able to recover £250 in total from you towards the work.
- **consulting in accordance with statutory regulations on long-term (qualifying) agreements** for any contract for providing services lasting over 12 months where the cost to any leaseholder is more than £100 per year.

Landlords should also comply with the [Service Charge Residential Management Code](#) (currently in its 3rd edition). The Code is published by the Royal Institution of Chartered Surveyors (the 'RICS'). It sets out the statutory obligations with which a landlord must comply, and best practice that a landlord should follow.

Landlords in the retirement sector are required to comply with the [Code of Practice](#) relevant to their country and produced by the Association of Retirement Housing Managers (the 'ARHM'). Those Codes, like the RICS Code, set out the statutory obligations with which a landlord must comply, and best practice that a landlord should follow. Additionally, the Associated Retirement Community Operators (ARCO) is the main body representing retirement community providers in the UK. Approved Operators registered with ARCO who sign up to the ARCO Consumer Code need to provide core levels of services in retirement communities and must maintain a fair and consultative relationship with residents.

Social landlords must belong to a redress scheme.

Local authorities and housing associations do not always have to comply with the codes above. They should instead comply with the best practice recommended by the Chartered Institute of Housing.

Different types of residential leasehold dispute can be resolved by the First Tier Tribunal (Property Chamber) ('the Tribunal').

For full details of landlord and leaseholder rights and obligations, visit [The Leasehold Advisory Service](#) website which provides free, independent initial advice funded by Government.

4(d) a managing agent

Subject to some exceptions, property managers are required by law to be members of a redress scheme.

If you have a complaint against a property manager, be sure to exhaust their own internal complaints procedure first. If you are still unhappy with the outcome, you may approach one of the two authorised redress scheme providers to review your complaint:

- [The Property Redress Scheme](#)
- [The Property Ombudsman](#)

It is free for consumers to use one of the independent redress schemes. If your complaint is upheld by the scheme, they have the ability to:

- direct the member to pay you compensation (to a maximum of £25,000)
- direct the member to apologise
- order the member to take some remedial action to put things right.

If the member does not comply with the redress scheme's decision, or refuses to pay compensation found owed to you, they risk being expelled from the scheme. This can mean they are unable to join any other scheme, too. In the event this happens, you may have to go to court to get the original redress scheme's decision enforced.

You may still go to court if the redress scheme does not rule in your favour. However, the redress schemes' decisions are often very persuasive for the courts.

If you are a resident of a property run by a local authority, you will need to approach [The Housing Ombudsman](#), if you have an unresolved complaint.

A managing company or Residents' Management Company (RMC) may have overall responsibility for the management of your property and you should contact them first to make your complaint. A managing agent may be a member of [ARMA](#) and you will need to have exhausted all other avenues including the agent's complaints procedure and the First Tier Tribunal before considering a complaint.

4(e) a conveyancer or solicitor

You can appoint a licenced conveyancer or a solicitor at any time to advise you on your purchase and to carry out the legal work for you and usually, any lender. Some have cost effective pre-offer advisory services, and some will work on a no sale – no fee basis.

Their fees must be displayed on their website, so check what their service includes and get advice as early in the process as possible. They will need to carry out anti-money laundering checks and establish how you are financing the purchase, so it can help speed up your move if you make contact as soon as possible.

This process can take longer and can be costlier in leasehold sales than freehold sales as more information must be obtained from the landlord or the managers of the building about matters such as the service charges. As well as the usual investigations a conveyancer will make on your behalf when you are buying a property, some specific example checks for a leasehold include:

- Contract terms (including the level of ground rent, and the rate by which they increase)
- Inspection of the Lease
- Review of the Leasehold Information Form
- Managing Agent details
- Service Charge costs and any arrears (and whether you could be responsible for any shortfall)
- Planned repairs or major works (and whether additional charges could apply to you)
- Details of previous disputes between the Landlord and Leaseholders
- Whether a Reserve Fund exists to cover future works
- Details of Building Insurances
- Account checking
- Whether the terms in the lease or registered title would prevent your planned use and enjoyment of the property as you describe it to them.
- Whether the title meets the lending criteria of your chosen mortgage lender (if any).

If you are unhappy with the service you have received from your conveyancer or solicitor, it is important to make them aware of your complaint in the first instance. Usually, legal firms have 8 weeks to resolve your issue.

If you are still not satisfied with the response, you can ask [The Legal Ombudsman](#) for help within 6 months of the final response from your conveyancer or solicitor. You can expect the Legal Ombudsman to try to resolve the problem informally, first. But if there is still disagreement, they may investigate and come to a preliminary decision, which if not accepted will lead to a further stage and final decision. If found in your favour and you formally accept it, this decision is legally binding.

Remedies may include:

- Fee waiving, compensation for costs or distress/inconvenience/ loss suffered (up to a maximum of £50,000)
- Requiring an apology, the return of documents or remedial action to put work right.

Your conveyancer will be a member of either the [Council for Licenced Conveyancers, CILEx Regulation](#) or [Solicitor's Regulatory Authority](#) and if you believe they have been negligent, you may be eligible to claim compensation. You can apply for compensation if you have suffered an actual loss of money and if the conveyancer is unable to pay in full.

If your conveyancing solicitor is regulated by the Solicitors Regulation Authority ['the SRA'] and you believe they have been negligent you may be able to claim compensation. The SRA has a range of legal powers that enable them to take a variety of different actions according to the severity of the breach and the risk posed to the public and the profession.

If you believe you have received incorrect advice you should obtain independent advice on professional negligence.

5 Taking court action

If you have exhausted all other possible avenues to get redress, or if your complaint falls outside the scope of the redress providers already mentioned; you may wish to pursue matters through the court system.

It is advisable you seek independent [legal advice](#) on your statutory options before taking action

A court claim is normally 'allocated' to one of three 'tracks': small claims, fast track and multi-track. The value and complexity of a case governs the track to which a claim is allocated, and the way in which the parties must prepare for trial. The small claims track is for the lowest value and simplest disputes: the multi-track is for the highest value and most complex.

In all cases the party making the claim is called the 'Claimant' and the party against whom the claim is brought is called the 'Defendant'.

‘Small Claims Track’

If the Claimant is claiming £10,000 or less, the case is most likely to be allocated to the ‘small claims track’.

In most small claims cases, you do not need to use the services of a solicitor to represent you. If your case is allocated to the fast or multi-track because it is worth more than £10,000 or it is complex, it is advisable to seek independent legal advice.

If you lose a case allocated to the small claims track, court rules limit the amount of legal costs that you may be required to pay to the winning side, unless the court decides that you have behaved unreasonably. However, you should also be aware that those rules do not overrule the terms of your lease, which may require you to pay all your landlord’s legal costs relating to the claim, even if the case was allocated to the small claims track, so check your lease carefully.

To find guidance, download court documents and see information about how to begin a small claims application, you may visit the [Government’s webpages](#) on the issue, or visit the [Citizen’s Advice Bureaux](#) website.

Example scenarios:

Example 1

You bought a house situated on a new development. In the marketing information you saw, it stated that the property was being sold on a freehold basis. You made enquiries about the property based on this information and made an offer to purchase it. You paid money for the services of a conveyancer and for a building survey to be carried out. It wasn’t until later in the process it became apparent that the property was actually sold leasehold and is subject to ground rent and a service charge. You would not have made an offer on the property, nor instructed a conveyancer or surveyor had you known this was the case.

Example 2

You bought a leasehold property within a new development. You are now living in your new home but have been told that there will be major works required to improve the building. These major works had been planned for some time, but, despite having specifically asked, you were not made aware of this before buying the property, and all the marketing information about the development suggested strongly that all works had been completed. You are now being held liable to contribute to the cost of those works.

Example 3

You are a consumer who has purchased a leasehold property. After moving into your new home, you are told there are service charge arrears built up by the previous leaseholders which the management company say you are responsible for paying. You had asked about service charge arrears before placing an offer to buy the lease. You were told, in writing, that there were no service charge arrears. Technically, you wouldn’t be liable to pay those arrears. The main problem is that the

landlord would be entitled to forfeit the lease for non-payment, and that means that you effectively have to pay to save your flat from forfeiture.

The Consumer Protection from Unfair Trading Regulations 2008 ('the CPUTs')

The scenarios above describe some of the ways you as a consumer might feel you have been misled when buying a leasehold property.

The CPUTs prohibit 'misleading actions', 'misleading statements' and 'misleading omissions' that cause, or are likely to cause, the average consumer to take a 'transactional decision' they would not have taken otherwise. The regulations state that pertinent information should be given in a timely manner. If you were not given information you needed to know to make an informed decision about buying a property (a 'misleading omission') or were given false information about that property (a 'misleading action') then you may be able to pursue the matter further through the criminal courts.

The CPUTs also provide private rights for consumers who are party to a 'relevant lease' to pursue remedies directly from traders if they can prove they have been the victim of misleading actions or aggressive practices as defined under the CPUTs. This right to redress does not apply to breaches which are strictly considered to be pure misleading omissions

Advice on individual issues can be obtained from [Citizen's Advice Consumer Helpline](#).

IMPORTANT EXEMPTIONS

The CPUTs do not apply:

- to social housing provided by local authorities, housing associations or private landlords
- to transactions for the sale of immovable property or land which is not considered a 'relevant lease'. That definition limits the scope of the CPUTs to assured tenancies and leases under which accommodation is let as holiday accommodation. You are likely to be an assured tenant where you have a lease and the annual ground rent exceeds £250 (£1000 in London).

6 'Compensation' or 'Assistance' Schemes

Some leases specify that ground rent will double every 5 or 10 years, which is considered by many lenders to be an onerous or unacceptable lease term.

There have been some offers by freeholders or developers to amend these leases free of charge. This could mean that ground rent would rise in line with the Retail Price Index instead of doubling. However, you must get independent advice to verify whether accepting such an offer would improve your circumstances. If you have a lease with doubling ground rents and have not been approached directly about such a scheme, you could ask your freeholder or the developer who built the property whether amending your lease is an option available to you.

It is also worth noting that once you have owned the property for 2 years with a lease of over 21 years you have a statutory right to extend it for a further 90 years with rent at a peppercorn, and you will need to pay compensation to the freeholder for loss of ground rent. This is called the 'premium' and the law sets out how this should be calculated.

Annex A: Glossary

What are the important definitions I need to know?

If you are thinking of buying a leasehold property, or if you are already a leaseholder, it is important to familiarise yourself with the different definitions and terms commonly used. Below is a list of some of those definitions along with a brief explanation of each.

Commonhold – *an alternative to freehold and leasehold. This allows a person to own a freehold 'unit' – like a flat within a building – and at the same time be a member of the company which manages the shared areas and buildings. Unlike a flat owned leasehold, a flat owned commonhold is in principle owned permanently rather than being owned for a diminishing term of years.*

Common parts – *may also be known as 'shared areas' and means the parts of the property which are used or made available to leaseholders, owned and maintained by the freeholder, that maintenance generally being paid for by leaseholders through the service charge.*

Consumer – *any individual who enters into a contract with a business for services and/or goods. For example, a customer of an estate agent or a property developer using their service to buy or sell a property. Potential viewers and buyers of a property may also be considered consumers. Consumers are afforded statutory rights and protections under the law.*

Conveyancer – *a legal executive, licensed conveyancer or conveyancing solicitor does the legal work to do with transferring the ownership of land or buildings from one person to another. They will generally owe a duty to their client to take reasonable care when carrying out that legal work.*

Estate agent – *a person/ business who markets and negotiates on the sale of property, facilitating the introduction of buyers and sellers. Estate agents must make reasonable enquiries about a property and disclose any important information they become aware of to potential buyers (i.e. consumers).*

Event fee/exit fee – *A fee payable under a term of or relating to a residential lease of a property, normally a retirement property, on certain events such as resale or sub-letting. Event fees may be referred to by a variety of names including exit fees, transfer fees, deferred management fees, contingency fees and selling service fees.*

Fire Risk Assessment – *A fire risk assessment is a check of a building for fire risks. All blocks of flats and large houses in multiple occupation in England and Wales must have one. The assessment has recommendations about how to protect the building and the people in or near it from fire. It is, effectively, a guide book for fire safety plans in your building. The assessment looks at:*

- *How likely a fire is to start*

- What the consequences would be if a fire did start
- What needs to be done in the building to minimise the risk of fire starting or spreading

The law says the assessment must be 'suitable and sufficient' for the building.

First Tier Tribunal (Property Chamber) – a section of the tribunals system which deals with disputes over leasehold matters, such as service charges, lease extensions and the buying of the freehold.

Freeholder – a freeholder owns the land and buildings on it outright. Freeholders may be responsible for the repair and maintenance of the exterior and common parts of the building (though the cost will ordinarily be passed on to the leaseholder). The freeholder may also be the landlord.

Ground Rent – specified in your lease, this is a sum payable to the landlord, normally annually, to continue living in the property. Ground rents vary and can be a 'peppercorn' payment (nominal amount) or considerably higher. Commonly they will be subject to periodic 'rent reviews' as specified in your lease, for example ground rent may increase by a fixed amount or by inflation every 10, 20 or 25 years.

Landlord – many different parties may be the 'landlord' under a lease. The landlord may be the same person as the freeholder or may be a leaseholder with a long lease (without a right to possession of your flat) sitting between you and the freeholder. In the Landlord and Tenant Act 1985, 'landlord' also means the party entitled under the terms of the lease to collect service charges from you and other lessees.

Lease – a document which sets out the rights and duties of landlord, leaseholder and any other party, such as a management company, who has rights and obligations in the lease. The lease will set out the names of the original landlord and the original leaseholder. They will not change when a leasehold property is transferred from one person to another, even though ownership does change. Your lease will typically allow you to occupy the property for a fixed number of years: typically for 125 or 150 years when first granted.

Leaseholder – the party who has the right under the terms of a lease to occupy a property for a fixed number of years. In law, there is no difference in meaning between 'leaseholder' and 'tenant'. Both words mean a person who is a party to a lease. It is generally the case that 'tenant' is used to describe people who are in possession of property on a short-term basis, and 'leaseholder' is used to describe persons with a right possession of property for a longer period.

Management Fees – normally form part of the service charge. Those fees are payable to the landlord, normally through their managing agent, for costs incurred in running the building.

Managing Agent/Property Manager – is a company or person appointed by the landlord to run and manage the building and any services. If the managing agent is a third party acting on behalf of the landlord (the freeholder) then they are required to sign up to a residential redress scheme.

(Residents') Management Company – a company that may be named in the lease to run and manage the building and any services. The shares in the company may initially be owned by the landlord, and the lease may provide that they are to be transferred to the leaseholders in the building once all the flats have been sold.

Property Developer – in general terms, a property developer will construct, market and sell its own developments, which may include leasehold properties, directly to the buyer (i.e. the ‘consumer’).

Property searches – a conveyancer or conveyancing solicitor will conduct legal searches when you are buying a property to ensure there are no other factors you should be aware of. Some searches will be recommended by the solicitor for all purchases and others will be required by the mortgage lender to protect them from any liabilities that the property may have.

Recognised Tenants’ Association – a tenants’ association is a group of tenants (normally leaseholders) who hold houses or flats on leases/tenancies from the same landlord on similar terms. A Recognised Tenants’ Association is one where the members have come together to represent their common interests so that the association can act on the tenants’ behalf. An association is recognised either by notice in writing from the landlord to the secretary of the association, or by application to a First Tier Tribunal (Property Chamber).

Redress scheme – there are two government approved residential redress schemes (see contact information below) of which all estate agents and property managers must be a member. Schemes may be able to resolve disputes between leaseholders and propriety management agents, once internal complaint processes have been exhausted.

Reserve Funds/Sinking Funds – contributions, generally made by leaseholders, towards the cost of future major works to the building, designed to avoid sudden and unexpected increases in service charges.

Right to Manage Company – a company set up by leaseholders for the purpose of acquiring the right to manage a building.

Service Charges – an amount payable by a leaseholder in addition to or as part of the rent as a contribution towards services, repairs, maintenance, improvements, insurance or the landlord's costs of management. Those services might include maintaining the property, repairs, cleaning common areas, upkeep of any gardens etc. The charge may vary as it is generally set by the freeholder or their managing agent. Disputes about service charges can be challenged by lessees by applying to the First Tier Tribunal (Property Chamber).

Surveyor – it is advisable to employ the services of a qualified surveyor to conduct a homebuyer’s survey before purchasing a property. The homebuyer’s survey is not to be confused with a mortgage valuation. A professional survey will look at any structural issues with the building concerned.

Annex B: Further information and guidance

Leasehold law and rights

[Leasehold Advisory Service](#)

[Government webpages](#)

[Association of Leasehold Enfranchisement](#)

[Practitioners](#)

[Law Society’s Solicitor Search tool](#)

Redress Schemes

[The Property Ombudsman](#)

[Property Redress Scheme](#)

[The Housing Ombudsman](#)

[The Legal Ombudsman](#)

Codes of Practice

[Royal Institution of Chartered Surveyors' Service Charge Residential Management Code of Practice](#)
[Association of Retirement Housing Managers Code of Practice](#)
[Association of Residential Managing Agents' Consumer Charter](#)

Advice Providers

[Citizens Advice](#)
[Federation of Private Residents' Associations](#)
[Leasehold Knowledge Partnership](#)
[Money Advice Service](#)
[Shelter](#)

To take a case to the Tribunal

[First Tier Tribunal \(Property Chamber\)](#)

Retirement Housing

[Association of Retirement Housing Managers](#)
[Associated Retirement Community Operators](#)

Buying and selling

[Law Society's Solicitor Search tool](#)
[The Conveyancing Association](#)
[National Association of Estate Agents: Propertymark](#)
[Council for Licensed Conveyancers](#)

Trade Associations

[Association of Residential Managing Agents](#)
[Institute of Residential Property Management](#)
[Royal Institution of Chartered Surveyors](#)
[Federation of Master Builders](#)
[HomeOwners Alliance](#)

Lease Records

[HM Land Registry](#)

Regulatory Bodies and Advice

[The National Trading Standards Estate Agency Team](#)
[Local Authority Trading Standards search tool](#)
[The Consumer Protection from Unfair Trading Regulations 2008](#)

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