

STATES OF JERSEY



REGULATION OF ESTATE AGENTS (P.13/2023): AMENDMENT

Lodged au Greffe on 11th April 2023
by the Council of Ministers
Earliest date for debate: 18th April 2023

STATES GREFFE

REGULATION OF ESTATE AGENTS (P.13/2023): AMENDMENT

1 PAGE 2, PARAGRAPH (a) –

For paragraphs (a) and (b), substitute the following paragraph –

“(a) a statutory requirement for Estate Agents to obtain membership of an independent redress scheme, approved by the Government of Jersey.”.

COUNCIL OF MINISTERS

Note: After this amendment, the proposition would read as follows –

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 requirement for Estate Agents to obtain membership of an independent redress scheme, approved by the Government of Jersey.

REPORT

The [Consumer Protection \(Unfair Practices\) \(Jersey\) Law 2018](#) was developed to protect consumers from unfair commercial practices and this includes consumer to business transactions with estate agents.

The Law currently prohibits a number of practices, including: misleading advertisements and listings; misleading omissions where for example a business has failed to provide the consumer with important material information in good time; aggressive practices and failure to act in accordance with professional diligence.

Trading Standards also supports and engages with estate agents to adopt good practice and has provided detailed sector specific guidance.

During the implementation phase of the 2018 law, Officers engaged with The Property Ombudsman (an independent redress scheme) in providing feedback to their revised Channel Islands Code of Conduct. In 2018 to 2019 the TPO received one Channel Island complaint in respect of lettings, in 2020 they received a further 5 Channel Island complaints regarding property sales, all of which were resolved informally.

The purpose of this amendment is to consult on and bring forward regulations to provide an additional provision within the Consumer Protection (Unfair Practices) (Jersey) Law 2018 to prohibit estate agents from operating without membership to an independent, and Government approved, redress scheme.

It should be noted that professional industry bodies, including the [Jersey Estate Agents Association](#), already require their members to be members of an independent redress scheme (in the case of the JEAA, The Property Ombudsman) and therefore adhere to the code of practice for such schemes.

The UK Consumers, Estate Agents and Redress Act 2007 requires estate agents to be a member of either the [Property Redress Scheme](#) or [The Property Ombudsman](#) (TPO). The TPO make approximately 5,700 decisions a year, achieving 99% compliance. If members fail to pay an award for redress or comply with other decisions under either scheme, they can be excluded and are then unable to re-join either scheme until payment or corrective action is taken.

Under the Regulations proposed in this amendment, it would be an offence for a business which conducted Estate Agency activities not to be a member and participate in an approved redress scheme under the Consumer Protection (Unfair Practices) (Jersey) Law 2018. The penalty carries a level three fine (£10,000).

Financial and manpower implications

By incorporating the requirement of membership of an independent approved redress scheme into the existing Consumer Protection (Unfair Practices) (Jersey) Law 2018 it is anticipated that the policy development, consultation, law drafting and, if approved, the enforcement required will be achievable within existing Departmental resources.