



Residential Leasehold Management (RLM) Membership Fees from 1 January 2022 – Frequently asked questions

Fees for RLM membership with The Property Ombudsman (TPO) will change for renewals from 1 January 2022. The set of questions below have been devised to provide more information about why the changes have been made, what they are, as well as to help answer some other frequently asked questions.

1. Why do I need to be registered for RLM?

It is a legal requirement for all property managers in England to belong to a Government approved redress scheme from 1 October 2014.

2. What is meant by “property managers work”?

Property management work means things done by a person in the course of a business in response to instructions from another person who wants to arrange services, repairs, maintenance, improvement, or insurance or to deal with any other aspect of the management of residential premises.

However, it **does not include** things done by, amongst others, registered providers of social housing, that is, housing associations and local authorities who are social landlords, as these organisations are already required to belong to the Housing Ombudsman Scheme.

For there to be property management work, the premises must consist of, or contain:

- (a) a dwelling-house let under a long lease - “long lease” includes leases granted for more than 21 years, leases granted under the right to buy, and shared ownership leases
- (b) an assured tenancy under the Housing Act 1988, or
- (c) a protected tenancy under the Rent Act 1977

Property management work would arise where a landlord instructed an agent to manage a house let to a tenant in the private rented sector. It would also arise where one person instructs another to manage a block of flats (often with responsibility for the common areas, corridors, stairwells etc.) that contains flats let under a long lease or let to assured or protected tenants.

The legislation will apply to people who in the course of their business manage properties, for example, high street and web based agents, agents managing leasehold blocks and other organisations who manage property on behalf of the landlord or freeholder.

The requirement to belong to a redress scheme **does not apply** to managers of commonhold land, student accommodation and refuge homes; receivers and insolvency practitioners; authorities where Part 3 of the Local Government Act 1974 applies; right to manage companies; legal professionals and property managers instructed by local authorities and social landlords.

Further information can be found here:

<https://www.gov.uk/government/publications/lettings-agents-and-property-managers-redress-schemes/lettings-agents-and-property-managers-which-government-approved-redress-scheme-do-you-belong-to>



3. What are the membership requirements?

The membership deed which is completed on application, and whose terms are agreed at each renewal sets out the governing documents and requirements. The deed refers to:

- Scheme terms of reference
- General Membership Obligations
- Privacy policy for members
- Data Sharing Agreement

All of the above documents may be found on our website www.tpos.co.uk

Further membership information can be found here <https://www.tpos.co.uk/join-the-scheme/application-requirements> and you can get help from the team via the website chat or by contacting the membership team via email membership@tpos.co.uk or call 01722 335458.

4. What is the basis of the changes?

Fees continue to be per legal entity.

Fees will change from a fair usage basis to a membership fee plus case fees for all resolutions and full case reviews.

5. Why do you need to know the number of units managed?

This ensures that membership fees are proportionate to usage.

6. What is a unit?

A unit is any form of accommodation that could give rise to an arrangement for occupation. For example, a block with 10 flats is 10 units.

7. What if the number of units I manage changes during the course of the renewal year?

You will only be required to verify the number of units at the point of renewal and as per the membership deed we encourage agents to update TPO with any changes to details during the year so that membership information is up to date. As per the membership deed members are required to provide accurate information for membership to remain valid.

8. When will my fees change?

Fees will change for all renewals from January 2022. For example, if you renew in April usually the new structure will be effective from 1 April 2022.

9. Why have they changed?

A forensic analysis of all costs by membership type was undertaken during 2021 which looked at the complaints process and the activity generating those costs. We used this to compare against the membership information and income being generated. This work enabled us to make some process changes that will enable greater efficiency helping to keep cost down. As a not for profit Ombudsman organisation, we continue to look for ways to increase productivity and efficiency, however, it was clear that there would continue to be an imbalance between income and the costs required to deliver the service if the fees were not revised.

10. How do you work out the fees?

As a not for profit Ombudsman organisation our underlying principles for collecting fees are:

- Full cost recovery allowing for ongoing running costs and continued investment in the scheme
- No cross subsidy between the different types of membership.
- Proportionate to the level of enquiries and complaints

We have used the evidence collected during the detailed review to analyse and model fee structures working with the executive and board to agree the final fee structure published here. We believe the fee structure is:


Fair - Scheme members should make appropriate payments to the scheme to match the volume of complaints received.

Transparent - All scheme members are aware of all fees and charges payable by across a range of services.

Value for Money – Allows for the development of services which provide quality resolutions against best practice through Ombudsman services which are accessible, meaningful, and relevant to consumers and member service providers.

11. What are the fees from 1 January 2022?

The table below demonstrates the new fees effective for renewals from 1 January 2022.

			
The Property Ombudsman			
Membership Fees - Effective for applications and renewals from 1 January 2022			
Membership type	Fees	Notes	2022 Fees for renewals from 1 Jan 2022
Option A - RLM < 2000 units	Membership Fee	Membership fee + case fees due for all early resolutions and full case review with Ombudsman decision	£ 160.00
	Joining Fee		£ 63.00
	Full Review Case Fee		£ 391.00
	Early Resolution Case Fee		£ 261.00
Option B - RLM 2,000 - 10,000 Units	Membership Fee	Membership fee + case fees due for all early resolutions and full case review with Ombudsman decision	£ 580.00
	Joining Fee		£ 63.00
	Full Review Case Fee		£ 391.00
	Early Resolution Case Fee		£ 261.00
Option C - RLM 10,001 Units + PLEASE CONTACT THE MEMBERSHIP TEAM	Membership Fee	Membership fee + case fees due for all early resolutions and full case review with Ombudsman decision	Bespoke - Please contact the membership team
	Joining Fee		£ 63.00
	Full Review Case Fee		£ 391.00
	Early Resolution Case Fee		£ 261.00



12. I manage over 10,000 units – How will my fees be calculated?

We will contact all renewing members requesting a declaration of number of units managed. New members will need to declare the number of units managed on application and at each subsequent renewal.

We will consider factors such as size and historical volumes if available, to design a membership fee that is proportionate to expected usage.