

CLIENT MONEY PROTECTION SCHEME

QUESTIONS AND ANSWERS FOR LANDLORDS AND TENANTS

The UKALA Client Money Protection Scheme offers assurance and peace of mind to both landlord and tenant clients of UKALA member agents.

What is Clients' Money?

Clients' money is any money received and held by an agent that does not belong to it. This could include rent held on behalf of a landlord or a tenant's deposit. Examples of clients' money can be found in the UKALA Scheme Rules.

The UKALA Code of Practice requires that UKALA members must hold all clients' money in one or more client money bank accounts, separate from all other monies that the member may have. All client's money must remain in the segregated client money bank accounts while it is being held in trust by the agent.

What is the UKALA Client Money Protection Scheme?

The UKALA Client Money Protection Scheme is an insurance policy that has been arranged by UKALA to protect landlord and tenant clients of a UKALA member agent against theft of their money, (whilst in the custody and control of that agent), by a principal, partner, director or shareholder of the agent.

The protection is only provided for members that have been approved by UKALA for membership of the Client Money Protection Scheme and only whilst the agent remains a member of UKALA. When the agent is no longer a member of UKALA, whether by resignation or expulsion, protection of clients' money by UKALA ceases.

The insurance policy is arranged by UKALA. Individual UKALA Member firms are not themselves insured.

Are all UKALA members included within the Scheme?

Not all members of UKALA have been afforded the protection of the UKALA Client Money Protection scheme for their clients, it is only provided to those members that have applied for membership or renewal to UKALA since 30th July 2012 and have been vetted and approved for membership of the Client Money Protection Scheme by UKALA.

It is important that you identify which UKALA member agents have this protection by checking the member directory on the UKALA website at www.ukala.org.uk or by writing to UKALA at the address below.

What protection is provided by the scheme?

For a claim to be initiated there must have been theft of clients' money by a principal, partner, director or shareholder of the member agent from the firm's Client Money Account. In such a scenario, a full enquiry of the

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circumstances of any claim will be undertaken and the Police will be involved in all such investigations.

What circumstances are not covered by the scheme?

The Scheme will not deal with claims under certain circumstances. The following examples provide further clarification but this is not an exhaustive list:

- Monies that are held by a member agent but are already the subject of a dispute with either the landlord or tenant client. This is a dispute under the member agents Terms of Business, and therefore should be dealt with via a complaint to UKALA under the UKALA Code of Practice.
- Any deposit that is protected by a government authorised / licensed Tenancy Deposit Protection (TDP) Scheme in England, Wales or Scotland unless, for whatever reason, under the terms of that scheme the deposit is not protected in accordance with the TDP Scheme's rules. The UKALA Client Money Protection Scheme is not responsible for any penalties or fines levied against the landlord for non-protection of the deposit.
- Commissions due to be paid to introducers, suppliers or other third parties.

How can I make a claim?

If you wish to make a claim you should contact UKALA by following the Complaints About A Member Procedure and provide UKALA with the name of the UKALA member agent and your contact details. We will then send you a claim form and explain the process involved.

Details of the Complaints About A Member Procedure can be found within the Contact UKALA section of the UKALA website at www.ukala.org.uk or by writing to UKALA at the address below:

The UK Association of Letting Agents
22-26 Albert Embankment
London
SE1 7TJ

info@ukala.org.uk

How can landlords and tenants check that an agent is a member of the UKALA Client Money Protection scheme?

Anyone can check whether an agent is a member of the UKALA Client Money Protection Scheme by checking the member directory on the UKALA website at www.ukala.org.uk or by writing to UKALA at the address below:

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