

Client Money Protection (CMP) & Handling Procedures

LANDLES (the firm) is an RICS-regulated firm that adheres to client money rules gives independent assurance and confidence to our clients that your funds are well protected and safe. Our clients have this assurance through our membership of the RICS CMP scheme.

LANDLES is a private partnership firm who are members of the Royal Institution of Chartered Surveyors (RICS).

Client Money is held in a Client Money Account with a bank or building society authorised by the Prudential Regulatory Authority (PRA), the Bank of England and the Financial Conduct Authority (the FCA), and we adhere to a set of rules set out by RICS as follows:-

1) Members of the RICS scheme must:-

- a) Maintain one or more Client Money Account(s) into which all Client Money of the Member is paid;
- b) The Client Money Account(s) must be designated as such and easily distinguished from other accounts;
- c) All clients must be advised that Client Money will be held in a Client Money Account and be notified of the details of that account;
- d) Confirm in writing with the bank with which it holds a Client Money Account that the bank acknowledges that monies in the Client Money Account must not be combined with, or transferred to, any other account maintained by the Member firm, and the bank shall not be entitled to exercise any right of set up or counterclaim against money in that Client Money Account in respect of any sum owed to it in respect of any other account of the Member firm;
- e) Keep records and accounts which show all dealings with Client Money, and demonstrate that all Client Money held by the firm is held in a Client Money Account.

2) As regards handling Client Money, the Member firm must also:

- a) Have and comply with written procedures for handling Client Money, which must comply with any RICS requirement to which Client Money Rules apply;
- b) Publish these procedures for handling Client Money on its website (This page of our website meets that obligation);
- c) Provide a copy of its procedures for handling Client Money to any person who may reasonably require a copy, free of charge;
- d) Keep records and accounts that show all dealings with Client Money;
- e) Repay any Client Money, including where feasible any interest earned, without delay if there is no longer any requirement to retain that money or the relevant client requests it; and
- f) Hold and maintain professional indemnity insurance cover that is appropriate for the size, income, type of work and the amount of Client Money held by the Member's business.

3) In addition to the specific provisions set out in Rules 1, 2 and 3, the Scheme Administrator may from time to time issue advice and guidance as to how we – an RICS Registered Firm - should best comply with RICS Rules of Conduct, which may include guidance to, or prescription of additional required procedures for LANDLES who are members of the Scheme relating to key aspects of best practice as to the handling of Client Money.

Compensation for loss of Client Money

4. Liability for loss of Client Money

4.1 In the event that we failed to account for Client Money to a person entitled to it whilst remaining an RICS Registered Firm (having a primary duty to make full restitution), the Scheme Administrator shall, out of the Scheme Funds, make good our liability to that person or persons as soon as reasonably practicable on the terms set out below.

4.2 The Scheme Administrator shall, usually on an annual basis prior to the commencement of each Financial Year of the Scheme:

a) Determine the relevant limits and risks in respect of which cover is to be provided, further details of which are explained in Rule 5 below, and

b) Obtain insurance cover under Rule 6 accordingly.

4.3 No amount payable shall be subject to a deduction of a fee by the Scheme Administrator and no Client claimant shall be made to bear all, or any part of any, excess amount which may be applicable to the insurance cover obtained under Rule 6 below.

5. Compensation Limits

5.1 The Scheme provides for members of the public who are Clients of Members of the Scheme to be reimbursed for any direct pecuniary loss of Client Money. It does not cover any indirect or consequential loss which a Client may suffer.

5.2 The Scheme is designed to offer some protection to Clients where all other avenues have been exhausted, as explained in Rule 4.1. (Each Member has a primary duty to make full restitution). In the unlikely event of any Client considering making a Claim, they should in the first instance explore all other avenues principally by seeking restitution from LANDLES (the firm) as is reasonable in all the circumstances. Possible sources of restitution may include the financial indemnity insurance maintained by LANDLES (the firm) or access to other of our assets.

5.3 The Scheme Administrator may determine, as it thinks appropriate, any or all of the following: limits per claim: a cap on liability of the Scheme as a whole in respect of any single Financial Year of the Scheme and/or coverage of, or exclusion of, certain risks. Details of the current limits, caps and relevant risks (the "Compensation Limits") are set out in the Annex to the RICS Rules as amended by the Scheme Administrator from time to time. These can be obtained at any time from the RICS. Any aggregate cap set as a Compensation Limit shall be determined by the Scheme Administrator with the intention that it shall be in excess of the maximum probable loss which the Scheme Administrator reasonably expects might arise for the Scheme.

5.4 The Scheme Administrator shall maintain policies and procedures with a view to mitigating the risk of losses for Clients exceeding any Compensation Limits it sets pursuant to Rule 5.3. The Scheme Administrator may impose, whether through the RICS Rules of Conduct or by individual notification, controls with a view to ensuring that the prospect of a Scheme Member losing Client Money in excess of the Compensation Limits set by the Scheme Administrator under Rule 5.3 is sufficiently remote.

5.5 The Compensation Limits set pursuant to Rule 5.3 shall be reviewed, alongside the adequacy of insurance cover under Rule 6.5, periodically as the Scheme Administrator considers appropriate in all the circumstances. They will be reviewed in respect of each forthcoming Financial Year of the Scheme by the Scheme Administrator prior to the commencement of that Financial Year and should any exceptional circumstances arise to which Rule 6.5 refers. Should the Scheme Administrator determine to change the limits and/or risks covered within the Compensation Limits, the Scheme Administrator will update the Annex to these Rules and Scheme's Website promptly and any changes will also be notified to Scheme Members promptly so that, if they wish to review their status as an RICS Registered Firm, and consequently their membership of the Scheme, they will have the opportunity to do so, and to make alternative arrangements to join another Property Agents Client Money Protection Scheme.

5.6 In no circumstances may the individual limit, aggregate limit or risks covered within the Compensation Limits be amended retrospectively. Any adjustments shall only apply with effect from a date on or after the date of the adjustment as published on the Scheme's Website and notified to Scheme Members.

Scheme Members

6. Insurance cover

6.1 The Scheme Administrator shall, in respect of each Financial Year of the Scheme, secure insurance cover with an Insurer that:

- a) Covers any foreseeable liability which may arise in connection with failure of any Scheme Members to account for Client Money to persons entitled to that money; and
- b) Is appropriate with regard to the size and number of Scheme Members and the amount of Client Money held by Scheme Members.

6.2 The insurance cover obtained for a Financial Year shall be determined by the Scheme Administrator with the intention that it shall be sufficient to allow the Scheme to pay out in the case of maximum probable loss which the Scheme Administrator might reasonably expect might arise in the particular Financial Year.

6.3 The Scheme Administrator shall ensure that the terms for compensation under Rules 5 and 6 of the Scheme and the terms for the insurance cover obtained under this Rule 6 are consistent with each other. Liability of the Scheme to pay a Claim only arises in relation to a risk in respect of which such insurance cover has been obtained.

6.4 Insurance cover must be obtained in respect of each Financial Year of the Scheme. The Scheme Administrator shall use all reasonable endeavors to obtain the approval of the Secretary of State as to the type and amount of insurance cover obtained in respect of each forthcoming Financial Year in respect of the Scheme in good time before the commencement of that Financial Year.

6.5 Adequacy of insurance cover shall be monitored periodically during each Financial Year as the Scheme Administrator thinks appropriate in all the circumstances. (Should exceptional circumstances arise during any Financial Year such that the Scheme Administrator reasonably considers that the insurance cover is, or may become, inadequate for the purposes set out in Rule 6.1, it may determine to seek changes to the insurance cover and, if so, shall seek the approval of the Secretary of State as to the revised type and amount of insurance cover to be obtained in respect of the remainder of that then current Financial Year.)

7. Claims procedures

7.1 This Rule sets out the process for making Claims for compensation under the Scheme and the procedures that will apply in relation to the investigation and determination of such Claims and any complaints under the Scheme.

7.2 Claims for compensation for loss of Client Money shall be made in accordance with such procedures as the Scheme Administrator may determine and notify to Scheme Members from time to time.

7.3 Conditions are kept to the minimum but two important conditions are that;

- a) A Scheme Member Firm must report any known or suspected loss to the Scheme Administrator as soon as possible after the Member Firm becomes aware of it. Even if the Scheme Member Firm does not know the full extent or details of the Client loss, the Scheme Member Firm should advise the Scheme Administrator as soon as it becomes aware of the problem.
- b) where fraud or dishonesty is suspected, then the details must also be reported to the police and other relevant authorities.

7.4 In respect of a Claim or a potential Claim, a Scheme Member Firm must,:

- a) Submit a notice in writing of any potential Claim as soon as practicable giving all reasonable and necessary information assistance and proof of any Claim as the Scheme Administrator may reasonably require;
- b) Agree to cooperate fully with any investigation by the Scheme Administrator or their nominated representative;
- c) Agree to onsite visits to the addresses in which their records and accounts showing all dealings with Client Money are held;
- d) Produce, in response to all reasonable requests by the Scheme Administrator, all records and/or documents relating to matters pertinent to the Scheme for the Scheme Administrator and any nominated representative;
- e) Respond to all communications promptly when requested to do so by the Scheme Administrator;
- f) Make every reasonable effort to minimise any Client Money loss and to take appropriate measures immediately if they are required to reduce any Claim; and
- g) Give the Scheme Administrator all reasonable assistance which may reasonably be required to pursue compliance with the terms of the Rules.

7.5 Claims will only be accepted by the Scheme Administrator in respect of a Member Firm which occurred during such time as the Member Firm is a Member of the Scheme.

7.6 The Scheme Administrator shall accept notification of Claims for compensation under the Scheme for twelve months after the date on which the circumstances giving rise to a Claim occurred.

7.7 Any Claims should be submitted in writing to the Head of Registration and Compliance, RICS Regulation, 55 Colmore Row, Birmingham B3 2AA. The Scheme Administrator will acknowledge receipt of any Claim within seven working days.

7.8 Upon receipt of all information needed to substantiate a Claim, the Scheme Administrator hopes to be able to settle the claim quickly. Clients who are claimants will be kept informed of progress and advised of any reasons for any delay in the process. The Scheme Administrator will only make payment of any Claim to a Client once it has followed the terms of the claims procedure set out in this Rule and the Insurer has paid out to the Scheme Administrator in respect of that Claim under the terms of the insurance cover obtained under Rule 6.

7.9 Upon payment of any Claim to a Client by the Scheme Administrator out of the Scheme Funds, the debt/loss will be assigned to RICS for them to pursue any recovery against the firm or persons responsible. The Scheme Administrator may require payment by a Member Firm into the Scheme of an amount additional to its Levies which is equal to the detriment suffered by Scheme Funds as a result of the Member Firm's failure to comply with any conditions in these Rules.

7.10 The Scheme Administrator shall maintain a Claims complaints handling policy which it shall apply in the event of any complaints arising from Clients who make Claims under the Scheme. Details of the Claims complaints handling policy shall be made available on request to Scheme Member Firms and their Clients.