



\* PRESS RELEASE \*

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## **Housing Minister supports Government report which calls for new measures to protect rental money**

### **Sharpes Estates takes on new CMP cover to safeguard the money they handle for landlord and tenants in London.**

Letting agents across the country will soon be required to protect rental monies through an approved Client Money Protection (CMP) scheme, following the recommendations made in a new Government report.

**Sharpes Estates** is already offering local landlords and tenants in **London** enhanced levels of protection to safeguard to protect rental income from fraud and unlawful use.

Letting agents play a crucial role in passing on rental payments from the tenant to their landlord but there is currently no legal requirement for letting agents to take out any insurance to protect the rental money they handle.

The Housing Minister has responded to a parliamentary review of CMP and supported its recommendations to make CMP mandatory for agents in England that handle client money.

The report estimates that letting agents currently hold approximately £2.7 billion in client funds but found that very few landlords or tenants are aware of CMP and how it safeguards rental money if an agent goes bankrupt or attempts to use client funds fraudulently.

Gavin Barwell MP said the government will consult on details shortly, before posting a link to [the CMP report](#).

**Sharpes Estates** can now offer its landlords and tenants complete piece of mind that any client funds held by the branch is insured through a new Client Money Protection (CMP) insurance policy, which goes above and beyond current legal requirements to safeguard client funds.

The move has been praised by The Property Ombudsman (TPO) scheme, which provides a free, fair and impartial dispute resolution service to protect consumers from unfair practices and raise standards in the property industry.

**Explaining their decision to take out 'PI + CMP' with Lonsdale Insurance Brokers, Andrew Sharpe, Director of Sharpes Estates, said: Our clients trust us with substantial amounts of their money year after year. Our clients can rest assured that their money is insured and protected through the through the Client Money Protection Scheme**

The Government launched an official review into CMP in August 2016<sup>1</sup> to decide whether it should become a legal requirement for every letting agent to have CMP cover. As part of this review, TPO agreed to carry nationwide survey, which found just 11% of landlords ask how their rental money will be handled.

**Gerry Fitzjohn, TPO's Vice Chairman, said:** "While there is legislation in place for agents to protect a tenant's deposit by registering it with a government-backed protection scheme, there is no legal requirement to safeguard rental income and ensure the agent passes on a tenant's rent to their landlord.

"It is essential that landlords and tenants only use agents that have CMP cover or a method that guarantees the rent collected by their agent is covered against fraud and unlawful use. I would always urge consumers to check the

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<sup>1</sup> Government Client Money Protection (CMP) review: <https://www.gov.uk/government/consultations/client-money-protection-cmp-review>

credentials of their agent to ensure their deposits and rental money is protected, and the firm is registered with TPO should a dispute arise.”

**Oliver Wharmby of Lonsdale Insurance Brokers Ltd, which manages the PI + CMP scheme, said:**

“Recent press headlines have really hit home how rental fraud can affect landlords and tenants. The media has covered several high-profile cases where landlords have lost thousands of pounds in rental income by dealing with an agent who did not have sufficient cover to protect consumers from rental fraud.

“Rather than choose to use an agent that charges the lowest fee, landlords must ask if the agent offers sufficient cover and protection, through a comprehensive CMP policy, to protect their rental income.”

The PI + CMP scheme is an exclusive insurance product for agents registered with The Property Ombudsman scheme. Further information can be found on [Lonsdale’s website](#).

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