



**In the matter of
Case No. X0055438
PropertyMark v Mr J Hopkinson CPEA FNAEA MARLA**

**Disciplinary Tribunal Hearing held on
Thursday 2nd November 2017**

Case of

**Mr J Hopkinson CPEA FNAEA MARLA, a Director, Howroyd Estates Limited, t/a
Hopkinsons Estate Agents, 16 Princes Street, Harrogate, North Yorkshire, HG1 1NH**

A fellow member of NAEA and member of ARLA

at

PropertyMark, Arbon House, 6 Tournament Court, Edgehill Drive, Warwick, CV34 6LG

Alleged breaches as set out by the Disciplinary Case Manager:

Conduct Rule 1.13

Payments into a Client (Bank) Account

Payment of money into a Client Bank Account is restricted to the following:

- 1.13.1 The minimum sum required to open or maintain the Client Bank Account.
- 1.13.2 Clients' money (See clause 1.10)
- 1.13.3 An amount required to be paid by a member's firm to restore in whole or part any money paid out, or withdrawn, in contravention of this Rule.
- 1.13.4 A cheque or bank draft that includes clients' money as well as other money.

Conduct Rule 1.14

Payments out of a Client (Bank) Account

A member's firm should withdraw, transfer or make a payment from a client bank account only in the following circumstances:

- 1.14.1. Money paid in to open or maintain the account in accordance with clause **1.13.1** of this Rule and where it is no longer required.
- 1.14.2. Money paid into the account in accordance with clause **1.13.4** of this Rule, which does not belong to the Client, for payment to the person lawfully entitled to it.
- 1.14.3. Within three working days of becoming aware of a relevant contravention, money paid into the account in contravention of this Rule.

1.14.4. Money payable to a Client, or, to an appropriate person suitably authorised (in writing) to receive such payments on that Client's behalf.

1.14.5. Money being paid directly into another Client Bank Account.

1.14.6. Reimbursement of money to the member's firm for money expended by the member's firm on behalf of the Client.

1.14.7. Money lawfully and contractually due, in respect of a PPD member's firm's fees and charges.

1.14.8. Legitimate disbursements, e.g. amounts subject to invoices, costs or demands incurred or received on behalf of the Client.

1.14.9. Provided that in the case of money drawn under sub-clauses **1.14.6** and **1.14.7** above.

a) The payment is in accordance with lawful and contractual written arrangements (for example via terms of business, pre-contract/tenancy application documents, tenancy agreement, letter of engagement), previously agreed between the parties; or

b) The Client, or an authorised representative, has been notified or invoiced in writing by the member's firm of the amount and purpose for which the money is being withdrawn and no objection has been raised within a reasonable timescale.

1.14.10. Provided always that, under rule **1.14**, no payment shall be made for or on behalf of an individual Client that exceeds the total amount held on behalf of that particular Client.

Rule 1.23

Reconciliation(s) – format and frequency

1.23.1. Every member's firm shall:

(a) At least once every two calendar months (and within no later than ten weeks of a previous reconciliation), reconcile the balance on their Client's cash book(s):

(i) With the balance in their Client Bank Account(s) using the bank/building society statement(s); and

(ii) With the total of each Client's balance in the Clients' ledger; and

(b) Ensure that such documents necessary to support the reconciliation so produced have been kept safe, complete and readily available in the cash book or other appropriate place.

1.23.2. All such reconciliations should be checked and signed by the PPD member of the company, or by such person formally appointed by the PPD, who shall not be the person responsible for the preparation of such reconciliation. (This could be a member of staff of the appointed reporting Accountant, provided this is carried out within ten working days of the reconciliation.)

1.23.3. Reconciliations must be stored so as to be readily available at audit or inspection, in accordance with **1.21**.

After consideration of the facts and submissions the Tribunal found as follows:

Alleged Breach	Findings	Sanction
Rule 1.13	Not proven	N/A
Rule 1.14	Proven	£2,500
Rule 1.23	Proven	£1,000

The Tribunal made an order for costs in the sum of £210 in favour of Propertymark.

The case falls within the Propertymark Publications Policy.

The Tribunal issued the following statement:

“We are concerned that this matter has gone on for a period of four years and we are particularly concerned that there have been movements of quite large and unexplained sums in and out of the client account as shown on pages 6 and 13 of the evidence which has been produced to us today.

We would like to have questioned the Respondent on these matters, but unfortunately he is not here for us to do so. Therefore, after considering the evidence that has been presented to this Tribunal today, we find that there has been a serious breach of Rule 1.14 and impose a fine of £2,500. We will impose a further fine of £1,000 for a breach of Rule 1.23 because of the cumulative effect of the continued failure to reconcile the client account.

We would recommend closer support and monitoring of this firm by Propertymark and it may be that a visit by Ian Potter or a member of NFOPP’s accounting firm would be advised. We would also warn our member that any further breaches of the accounting rules could well affect his membership of this organisation.”