

propertymark

**Mr Grant Lowes MNAVA**

**Director,**

**Our Auction Limited t/a Moovd**

**Disciplinary Tribunal Decision**

**March 2024**

# Disciplinary Tribunal Decision

<b>Member:</b>	Mr Grant Lowes MNAVA
<b>Position:</b>	Director
<b>Company/Employer:</b>	Our Auction Limited t/a Moovd
<b>Address:</b>	Carter House, Pelaw Leazes Lane, Durham, DH1 1TB
<b>Complainant:</b>	Propertymark
<b>Reference:</b>	Y0002624
<b>Date:</b>	21 March 2024

## A. INTRODUCTION

A Disciplinary Tribunal of Propertymark Limited was convened on 21 March 2024 to consider the case against Mr Grant Lowes.

The panel members were Mr Neville Pedersen MARLA (Honoured), FNAEA (Honoured) (member panellist acting as the Chairperson for the Tribunal); Ms Jacqueline Stone FNAEA (member panellist); and Ms Gillian Fleming (lay panellist).

The presenting Case Officer for Propertymark was Mr Ali Haider.

Mr Grant Lowes attended the Hearing online via Zoom.

The Hearing took place in private and was recorded.

## B. ALLEGATIONS

The Tribunal considered the allegations set out in the case summary sent to Mr Lowes.

It was alleged that Mr Lowes had acted in contravention of the requirements of the following Propertymark Conduct and Membership Rules.

### 1.6. Key Elements

- 1.6.1. The relevant membership division requires its members to comply with these rules in respect of their Client Accounts to ensure that Clients' Money is protected. The key basic elements that must apply to Clients' Money entrusted to a PPD member's firm are as follows:

- (a) Each transaction must be properly recorded in the PPD member's firm's books/ledgers of account (paper, electronic or otherwise) so that it is clearly identifiable to an individual Client.
- (b) Monies must be paid into a specifically designated Client (Bank) account with a recognised bank or building society and thus kept separate from the member's firm's own money.
- (c) All transactions must be monitored and reconciled on a regular basis.

1.6.2. Client (Bank) Accounts must be properly designated (see clause 1.9 below), easily identifiable and the individual beneficial owners of any money contained therein should be attributable, without difficulty, for the following main reasons:

- (a) To prevent a bank or building society offsetting a credit balance in one account against a debit or charge incurred by another.
- (b) To enable a receiver or liquidator or other investigator to identify money that does not belong to the member or their business.
- (c) To allow such accounts to easily be monitored and reconciled both internally and externally to demonstrate the financial integrity.

### **1.12 Interest on Clients' Money**

1.12.1 A member's firm may enter into an arrangement, which must be in writing (for example via terms of business, tenancy agreement, letter of engagement, pre-tenancy application documents or similar), with a Client (landlord or tenant) that allows the member's firm to retain interest earned on money held on a Client's behalf. (Such written arrangements/documents shall constitute part of the records as defined in this Rule.) Where no such arrangement exists, any interest earned belongs to the relevant Client.

1.12.2 Subject to clause 1.12.1 above, where interest is credited to Client Bank Accounts of a member's firm, the Client Account(s) should be organised in such a way that the member's firm is able to account to each individual Client for the amount of interest earned or due to them.

1.12.3 A member's firm holding Clients' Money (in this context, tenancy deposit bonds) as stakeholder during a tenancy, is entitled to retain any interest that may accrue to such money (*Potters vs. Loppert 1973*), providing this entitlement is made known to the relevant Client(s), in writing, from commencement, i.e., in line with clause 1.12.1 of this 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.

### **1.18. Record Keeping**

Each member's firm must keep detailed accounting records, using a bookkeeping system that is adequately designed and operated. Such records need to record:

1.18.1. All Clients' Money received, held, or paid out by the firm.

1.18.2. The amounts, dates, names, property addresses, reference numbers and other relevant details to identify individual transactions.

1.18.3. Any other money dealt with through a Client bank account, attributable to individual Clients.

1.18.4. An individual Client's balance of monies held, and a balance of all Clients' Money held.

### **1.19. Books of Record**

All dealings referred to in clauses **1.18.1** to **1.18.4** above shall be recorded as appropriate, either:

1.19.1. In a Clients' cash book, or in a Client's column of a cash book; or

1.19.2. In a journal recording transfers from the ledger account of one Client to that of another.

1.19.3. And, in either case, additionally in a Clients' ledger or in a Client's column of a ledger.

### **1.20. Supporting Documentation**

Records must include a list of all persons for whom a member's firm is or has been holding Clients' Money, reconciliation documents, and a list of all the bank and building society account(s) in which the money is held and must include counterfoils or duplicate copies of all receipts issued in respect of Clients' Money received, which shall contain the particulars required to be shown in the accounts.

### **1.23. Reconciliation(s) – Format and Frequency**

1.23.1. Every member's firm shall:

(a) Ensure all monies due to member firm are removed prior to final reconciliations being undertaken.

(b) 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

(c) 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 conducted 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**.

### **13. General Duty to Uphold High Standards of Ethical and Professional Behaviour**

13.1. No member shall do any act (whether in business or otherwise) which:

13.1.1. Involves dishonesty, deceitful behaviour, misrepresentation; and/or

13.1.2. Involves other unprofessional practice or practice that is unfair to members of the public; and/or

13.1.3. In any other way brings Propertymark or any of its divisions or subsidiaries into disrepute.

### **23. Continuing Professional Development (CPD)**

23.1. CPD is mandatory for all ARLA, ARLA Inventories, NAEA, NAEA Commercial and NAVA members except for Affiliate, Deferred, Retired grade members.

23.2. Members are required to undertake at least twelve hours' CPD activity per year. At least four of the twelve hours must be obtained by attendance at relevant educational events and up to eight hours by relevant private study (except for those studying for Propertymark Qualifications relevant to their specialism). All CPD should be relevant to the membership specialism and/or relevant to business needs.

23.3. The CPD year runs from 1 January to 31 December and the twelve hours should be submitted by 31 January of the following year, listing the learning outcomes.

23.4. CPD must be provided annually for membership to continue.

23.5. If members belong to more than one division, they are required to submit twelve hours' CPD for each division demonstrating a relevant learning outcome.

Mr Lowes entered a plea accepting the alleged breaches of Rules 1.6.1(b), 1.12, 1.13, 1.18, 1.19, 1.20, 1.23, 13.1.2 and 23.

## C. DECISION

Rule 1.6.1(b)	-	Admitted
Rule 1.12	-	Admitted
Rule 1.13	-	Admitted
Rule 1.18	-	Admitted
Rule 1.19	-	Admitted
Rule 1.20	-	Admitted
Rule 1.23	-	Admitted
Rule 13.1.2	-	Admitted
Rule 23	-	Admitted

## D. SANCTIONS

Rules 1.6.1(b), 1.12 and 1.13	-	£200
Rules 1.18, 1.19, 1.20 and 1.23	-	£100
Rule 13.1.2	-	Caution
Rule 23	-	£50

In addition, the costs of this Hearing of £462 were imposed against Mr Lowes in favour of Propertymark.

## E. PUBLICATION

The outcome of the case fell within the Propertymark publication policy.

## F. CLOSING STATEMENT

“The tribunal thanks Mr Lowes for his attendance at today’s Hearing and his ready acceptance to admitting the breaches. Correct handling of client money is a core principle of membership of Propertymark, which we believe that Mr Lowes accepts. We are sure that Mr Lowes will take this opportunity to review his terms of business and to ensure that all client monies are paid into the appropriate client account, with associated record-keeping, as well as the reconciliations”.