



## **Primary Authority Partnership**

### **Warwickshire County Council Trading Standards**

Old Budbrooke Road, Warwick, CV35 7DP

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### **Propertymark**

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

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### **The Property Ombudsman**

Milford House, 43 - 55 Milford Street, Salisbury, Wiltshire, SP1 2BP

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Primary Authority Advice Reference WTS/PM/TPO/26

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This Primary Authority Advice has been produced by Warwickshire County Council Trading Standards Service, in partnership with The Property Ombudsman and Propertymark, for use by member businesses as an aid to complying with the law. If you follow this advice correctly, your local Trading Standards Service should respect this and not ask you to comply with the law in a different way. If you are contacted by a local authority enforcement body, please inform them that you are a member of the scheme.

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#### **Advice requested:**

1. Can property particulars and portal websites advertise properties at asking prices lower than those agreed with vendors?
2. If a property's price is variable dependent on the length of lease, can this be advertised at the lowest possible amount?
3. If a property is available as part of 'Help to buy', at what price can it be advertised?

#### **Legislation considered:**

Consumer Protection from Unfair Trading Regulations 2008 (as amended) ("CPRs")

#### **Other Material considered:**

National Trading Standards Estate and Letting Agency Team Guidance on Property Sales and Lettings, September 2015, Reviewed August 2020 ("*NTS Guidance*")

#### **Assured Advice Issued:**

- 1) No. The agent would need permission from the vendor to market the property at a reduced rate; otherwise there could be a breach of contract on the part of the agent.

2) If an agent is advertising a property, then the default price at which the property is advertised, should be the actual selling price agreed with the vendor. If the property is available at a reduced price - dependent on circumstances such as buyer's age and method of purchase, then this would need to be made clear in the particulars.

A transactional decision made by a consumer would include clicking through to a property's details page following an internet search, listing properties and prices. That means the price indicated should be the actual listed selling price for the property, to avoid the risk of consumers being misled as to the price they might pay.

The actual selling price of the property should be given as the headline price. Any reduced price, which is dependent on purchasing the property via a leasehold scheme, may also be indicated, but the purchase criteria must be made clear next to the reduced price. For example:

**'£310,000** or £249,000 with typical lifetime lease'.

There should be clear information at the beginning of the property details explaining how the reduced price is determined, what individual criteria are required to achieve it and what conditions apply.

If the property is only offered on a reduced lifetime price, the typical price can appear as the headline price, but the headline description should state 'for lifetime lease'.

The typical price should be an average price and not the lowest achievable. There should be a clear explanation of what criteria determined how the price would be achieved.

3) Where the property is available to be purchased outright, then the price advertised should be the actual selling price. However, if 'Help to Buy shared ownership' or a similar shared ownership scheme applies to the property then the reduced price can be displayed alongside a clear explanation of the shared scheme. This reduced price should be the actual price payable under the scheme. An explanation of this scheme should appear in the particulars.

If a property can only be purchased as part of a shared ownership scheme, then the reduced price can appear as the head line price, providing that it is clearly marked as a shared ownership property. An explanation of the scheme should appear in the particulars.

Where prospective buyers may be eligible for an approved loan scheme, for example a Help to Buy equity loan, the headline price should still be the full selling price. This is because the property can still be purchased outright, without assistance, so potential buyers must be shown an accurate price.

**Date Advice is Effective from (issue date):** 12 10 2017

**Last Review Date:** 13 01 21

**Next Review Date:** 12 01 22

**Primary Authority:** Warwickshire County Council Trading Standards Service

**Co-ordinators:** The Property Ombudsman and Propertymark

**Supporting Regulator:** Not applicable

**For Publication on the Primary Authority Register:** Yes

**Geographic Applicability:** This advice applies in throughout the United Kingdom.

**Scope:** This advice is applicable to all member businesses.

**How to obtain up to date copies of this advice:** Current copies of this advice may be obtained via the member organisations' websites:

[www.tpos.co.uk/members/assured-advice/assured-advice-information](http://www.tpos.co.uk/members/assured-advice/assured-advice-information)

and

[www.propertymark.co.uk/working-in-the-industry/primary-authority-advice/](http://www.propertymark.co.uk/working-in-the-industry/primary-authority-advice/).