

**propertymark**

**Mr Michael Green**

**Director,  
HMO (Management) Limited  
t/a Flax & Co**

**Disciplinary Tribunal Decision**

**May 2024**

# Disciplinary Tribunal Decision

<b>Member:</b>	Mr Michael Green, a suspended member of ARLA and NAEA
<b>Position:</b>	Director
<b>Company/Employer:</b>	HMO (Management) Limited t/a Flax & Co
<b>Address:</b>	509 Wilmslow Road, Manchester, M20 4BA
<b>Complainant:</b>	Propertymark
<b>Reference:</b>	Y0003214
<b>Date:</b>	16 May 2024

## A. INTRODUCTION

A Disciplinary Tribunal of Propertymark Limited was convened on 16 May 2024 to consider the case against Mr Michael Green.

The panel members were Mr Neville Pedersen MARLA (Honoured), FNAEA (Honoured) (member panellist acting as the Chairperson for the Tribunal); Mr Edward Johnson MARLA (member panellist); and Mr Steven Shaw (lay panellist).

The presenting Case Officer for Propertymark was Mr Ali Haider.

Mr Green 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 Green.

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

### **1.18. Record keeping (firms using a CASP; see also 1.3.2)**

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**.

## 10. Declarations

PPD members are required to make annual declarations in a format applicable to their relevant property business interests and with regard to the handling of Client Money. In any intervening period, PPD members are required to advise Propertymark if their firm commences handling Client Money. Additional declarations may also be required when Propertymark receives information that company responsibilities and/or business areas may have changed. All branches must be declared to Propertymark, with new branches and closures reported as and when necessary.

## 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 Green entered a plea admitting the alleged breaches of Rules 1.18. 1.19. 1.20. 1.23, 10, 13.1.2 and 23.

## C. DECISION

Rule 1.18 - Admitted

Rule 1.19 - Admitted

Rule 1.20	-	Admitted
Rule 1.23	-	Admitted
Rule 10	-	Admitted
Rule 13.1.2	-	Admitted
Rule 23	-	Admitted

## D. SANCTIONS

Rule 1.18, 1.19 and 1.20	-	£250
Rule 1.23	-	£750
Rule 10	-	Formal Warning
Rule 13.1.2	-	Formal Warning
Rule 23	-	£100

In addition, the costs of this Hearing of £559 were imposed against Mr Green in favour of Propertymark.

## E. PUBLICATION

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

## F. CLOSING STATEMENT

“We thank Mr Green for his attendance at today’s hearing via Zoom. We are grateful for your candour in the manner in which you have addressed the breaches, and we note the steps you have taken thus far. As commented during the hearing, running both a manual and a computer system alongside each other can cause significant problems, and with the number of properties and tenants involved, we strongly recommend going fully computerised. Failure to do so could see these issues repeating themselves.

Mr Green, your membership is currently suspended. The decision of this Tribunal is that it should continue until such time as a satisfactory compliance inspection is carried out at your cost, confirming that all matters have been addressed. This should be carried out before the 30<sup>th</sup> September 2024. In the event, that it is not carried out or continues to be unsatisfactory, your membership will be terminated”.