



# Enforcement Notice – Estate Agents

## Who we are

We are the [Committee of Advertising Practice](#) (CAP). We write the advertising rules, which are enforced by the Advertising Standards Authority (ASA), the UK's independent regulator. You can read about the UK advertising regulatory system [on the ASA website](#). For free and confidential advice about specific non-broadcast ads, please contact the [CAP Copy Advice team](#).

## Why are we contacting you?

We have noticed repeat problems with property sector advertising and wish to draw your attention to these issues with the following guidance. Please take immediate action to ensure your ads comply. If we see continued problems in this area, we will take targeted enforcement action in the property sector in 2018 to ensure a compliant level-playing-field in this market. This may include – where advertisers are unwilling or unable to comply – referral to our legal backstop, [Trading Standards](#).

## Guidance

### **Fees – make qualifications clear**

Remember to make clear any qualifications or exclusions to your advertised fees.

#### *Case study #1:*

The [ASA investigated](#) an ad that made claims to sell property for a flat fee of £495. The ad, however, did not make clear that consumers would have to pay an additional fee to use their own conveyancer or mortgage broker. In the absence of qualifying information that made clear the flat fee only applied to consumers who used the advertiser's own conveyancing service, the ASA found that the ad was misleading.

#### *Case study #2:*

Similarly, the [ASA upheld](#) against a marketer who quoted a 0.5% commission fee for the sale of homes without making clear that accompanied viewings were excluded from the advertised fee. The ASA considered this material information that should have been included in the ad. If accompanied viewings are not included within a fee structure, marketers should make clear they are excluded in their ads.

#### *Advice*

Significant limitations and qualifications, like those stated above, should be made clear in ads. Qualifications may clarify but must not contradict the claims they qualify (see [here](#)).

### **Fees – VAT**

We continue to see ads with VAT-exclusive fees, in breach of Rule 3.18 of the [CAP Code](#):

#### **3.18**

*Quoted prices must include non-optional taxes, duties, fees and charges that apply to all or most buyers. However, VAT-exclusive prices may be given if all those to whom the price claim is clearly addressed pay no VAT or can recover VAT. Such VAT-exclusive prices must be accompanied by a prominent statement of the amount or rate of VAT payable.*

#### *Case study:*

An [ASA ruling from 2014](#) considered an ad that offered a VAT-exclusive selling fee of "0.9% + VAT". The ASA concluded that the percentage fee should have included VAT.

#### *Advice:*

Your fees should be VAT-inclusive. This applies to both fees presented as numbers (e.g. "£1200" is ok; "£1000 + 20% VAT" is not) and as a percentage commission ("1.8%" is ok; "1.5% + VAT" is not). See [here](#) for more advice.

### **Property descriptions – don't stretch the facts**

The ASA continues to receive complaints about ads that inaccurately describe properties.

#### *Case study:*

In June 2017, an [ASA ruling](#) found that the advertiser had failed to provide evidence to substantiate claims that a property offered “private and secure parking” and “remote control gated access with CCTV”.

#### *Advice:*

It may seem obvious, but don't make claims about features of properties unless you can prove their accuracy with documentary evidence.

### **Comparative Savings Claims**

Ads which make comparisons must provide sufficient information about the services being compared to ensure consumers are not misled about either the advertised service or the competing service. You need to hold adequate evidence to substantiate the basis of comparative claims.

#### *Case study:*

In August 2017, a marketer made claims about average high street agent fees using the results of a customer survey, but [the ASA found](#) that the survey methodology was not robust or weighted for different areas of the country.

#### *Advice:*

Comparisons with identifiable competitors are allowed as long as they are based on objective criteria and are presented in a way that is unlikely to mislead. All comparisons must be [verifiable](#).

Remember: you must hold up-to-date substantiation to support all claims that consumers are likely to regard as objective and are capable of objective substantiation. Savings claims must be supported with comprehensive documentary evidence; a simple customer survey will not be sufficient.

### **Local experts**

Consider how consumers would interpret claims about your “local” expertise.

#### *Case study #1:*

The [ASA investigated](#) a press ad and website that provided phone numbers and email addresses for several offices in towns around Norwich. The ASA found that although there were centralised branches that covered the areas, the ads implied there were physical office branches in the areas, which was not the case.

#### *Case study #2:*

In October 2017, the [ASA investigated](#) a website for an online estate agent that referred to “local property experts”. The ASA considered that the claim would be understood to refer to the expertise of the experts and the area they served, not their physical location. The claim was found not to breach the rules because the advertiser could show that the “local property experts” had relevant knowledge and experience in the areas they served.

#### *Advice*

It is acceptable to refer to “local” property experts if you can prove that the expert has relevant knowledge and experience within the defined geographical area. But do not imply you have physical branches in locations if that is not the case.