businesscompanion
trading standards law explained

Information for people who are working as an estate agent

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In this guide, the words 'must' or 'must not' are used where there is a legal requirement to do (or not do) something. The word 'should' is used where there is established legal guidance or best practice that is likely to help you avoid breaking the law.

Introduction

This advice document was produced by the National Trading Standards Estate Agency Team (NTSEAT). NTSEAT is hosted by Powys County Council; it is the UK's lead enforcement authority for the purposes of the Estate Agents Act 1979 (EAA).

The team is responsible for approving UK redress schemes (ombudsmen) under section 23A of the Act. These schemes provide a mechanism for the investigation and determination of complaints by someone independent of the estate agent.

Approved redress schemes

There are currently two approved redress schemes, which are operated by Property Redress and The Property Ombudsman.

Under the Estate Agents (Redress Scheme) Order 2008, it is a legal requirement for anyone engaging in estate agency work in the UK in relation to residential property to be a member of one of these approved schemes.

Estate agency work

Initially, you need to establish whether you are engaging in estate agency work. Section 1(1) of the Act defines the scope of 'estate agency work', and there are a number of exemptions provided under section 1(2).

Under section 1(1) of the EAA, you are legally an estate agent if you:

- Have a business that deals with people who buy or sell freehold, leasehold or commonhold properties in the UK, including commercial and agricultural properties
- Send out property details and arrange viewings
- Offer advice to potential sellers or buyers
- Get enquiries from potential sellers or buyers, which you pass on to clients
- Give clients a 'For Sale' board, or put one up outside their property, with your contact details
- Have a business that introduces buyers or investors to a 'property deal' (also known as 'property sourcing')

You are still legally an estate agent, even if you:

- Don't have physical premises
- Run your estate agency entirely online

Exceptions to the definition of estate agency work include:

- Surveys or valuations carried out independently of other estate agency work
- Work connected with planning applications or covered by planning legislation (see 'Key legislation' at the end of this document)
- Arranging rentals or property management for a client
- Estate agency work carried out outside of, and with no connection to, the UK
- Work done to arrange mortgages
- Publishing advertisements or putting information in a newspaper or similar publication, so that the seller and buyer can communicate directly with each other
- A solicitor, acting in the course of their profession

Once you have established that you are engaging in estate agency work, you will need to be a member of a redress scheme if you deal in residential property.

Section 23C(2) of the EAA defines residential property as:

"... any land that consists of or includes a building or part of a building:
(a) the whole or part of which is used as a dwelling or as more than one dwelling; or
(b) that is (or is to be) offered for sale on the basis that the whole or part of it is suitable for such use or is intended to be so suitable by the time the seller disposes of his interest in it."

Note: the reference to a building or part of a building, as it relates to paragraph (b) above, includes a reference to a building or part of a building that is being or is to be constructed.

Frequently asked questions

Q. I am an employee of an estate agency business. Do I need to join a redress scheme?
A. Section 23A(4) of the EAA states that the reference to persons who engage in 'relevant estate agency work' does not include persons who engage in that work in the course of their employment. Consequently, whilst the business needs to join a redress scheme, employees do not need individual membership.

Q. I deal only with commercial property, but occasionally some of the buildings have a caretaker's flat. Does this count as residential property?
A. Yes, that is covered by the definition of residential property, so you need to join a scheme.

Q. It appears that I am not required to join a redress scheme; however, I would like to become a member as I think it may be of benefit to me or to my customers. Can I do this?
A. Nothing prevents an approved redress scheme from offering membership to persons who are not subject to the legal duty to join; both schemes currently offer this facility.

Q. I am a letting agent and already belong to a redress scheme. If I do any sales work, do I also need to register for that?
A. Both of the approved redress schemes provide dual compliance membership for both letting and sales agents. However, you should check with your scheme provider to confirm the position and, if need be, extend the scope of your membership to include estate agency work.

Q. I deal with the sale of houseboat moorings. Are these classed as residential property?
A. If the mooring consists of land that includes a building (or part of a building), as described above, then it is classed as residential property. If the mooring consists merely of somewhere to tie up the houseboat, then it is not classed as residential property.

Q. My business is based in the UK, but I only sell properties abroad. Do I need to join?
A. If your business is located in the UK or trades from the UK, then you must join a redress scheme.

Q. My business is based outside the UK, but I have clients in the UK. Do I need to join?
A. If you are carrying out estate agency work in the UK (which you are if you have UK-based clients), you must join a UK scheme.

Trading Standards

For more information on the work of Trading Standards services and the possible consequences of not abiding by the law, please see 'Trading Standards: powers, enforcement and penalties'.

In this update

New guidance: June 2026

Key legislation

- Estate Agents Act 1979
- Planning (Hazardous Substances) Act 1990
- Planning (Listed Buildings and Conservation Areas) Act 1990
- Town and Country Planning Act 1990
- Planning (Northern Ireland) Order 1991
- Planning (Hazardous Substances) (Scotland) Act 1997
- Planning (Listed Buildings and Conservation Areas) (Scotland) Act 1997
- Town and Country Planning (Scotland) Act 1997
- Estate Agents (Redress Scheme) Order 2008
- Planning Act (Northern Ireland) 2011
- Historic Environment (Wales) Act 2023:
    - Parts 3 to 5

Please note

This information is intended for guidance; only the courts can give an authoritative interpretation of the law.

The guide's 'Key legislation' links go to the legislation.gov.uk website. The site usually updates the legislation to include any amendments made to it. However, this is not always the case. Information on all changes made to legislation can be found by following the above links and clicking on the 'More Resources' tab.

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