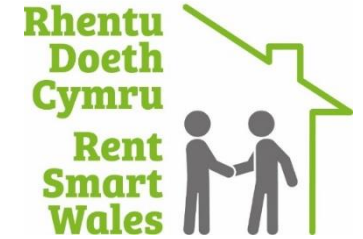


Agent Licence Conditions

Business Safeguards



All licences granted by Rent Smart Wales are issued with a set of licence conditions that the licensee will need to adhere to throughout the term of the licence.

The standard sets of licence conditions that are used as a framework to determine which licence conditions should be added to each licence can be found [on the resources page of the Rent Smart Wales website](#)

All licences issued to agents will have the 'Business Safeguard' licence condition unless an exemption has been granted by Rent Smart Wales.

The 'Business Safeguard' licence condition is a requirement that ALL agents licensed with Rent Smart Wales will need to obtain and maintain throughout the period of their licence:

- **Client Money Protection (where client money is handled),**
- **Professional Indemnity Insurance (the level of cover based on portfolio size), and**
- **Membership to an Independent Letting and Management Redress Scheme (as accepted by Rent Smart Wales).**

There are a number of exemptions to this requirement that can be applied for, which are detailed on the following page.

Please contact Rent Smart Wales if you think you are entitled to apply for an exemption.

Please be aware that exemptions and requirements may have changed since your last licence application.

Rent Smart Wales reserve the right to refuse an application for an exemption of the business safeguard licence condition at any time before, during or on renewal of the licence term. Any exemption granted will be reviewed upon any change of circumstances, which may result in the requirement to obtain the business safeguards being re- instated.

It is an offence to provide information to Rent Smart Wales (the single licensing authority) that is false or misleading and which you know is false or misleading or *you are reckless as to whether it is false or misleading.*

Agent Licence Conditions

Business Safeguard Exemptions

The 'Business Safeguard' licence condition exemptions that can be applied for are listed in the 3 tables below and will only be granted after Rent Smart Wales have undertaken a risk assessment and deem the risk to the client landlord(s) and tenants to be low.

Agent Exemption Circumstance	Requirement
Exemption for Client Money Only	
<p>The agent does not handle ANY client monies.</p> <p><i>Client money includes any money received, or held, for or from a client which is not immediately payable to the agent. Examples of client money can include rent, deposits, additional fees, service charges etc.</i></p>	<p>The agent will be required to sign a declaration to confirm that they do not handle client money.</p> <p>If this exemption is applied for and granted, the requirement to obtain professional indemnity insurance and membership of a redress scheme will remain.</p>
Temporary Exemption for a Start-up Business	
<p>The agent is not currently letting and managing any properties in Wales for a landlord (start-up business).</p> <p><i>Exemption only until the agent commences letting and management activities.</i></p>	<p>The agent will be required to sign a declaration to confirm that they do not currently manage properties for others.</p> <p>The agent will be required to obtain the business safeguards within 6 weeks of their letting and management activities commencing, and the agent will also be required to notify Rent Smart Wales immediately upon commencement.</p>
Exemption - 2 or Less Properties for 1 Unrelated Landlord	
<p>The agent manages 2 or less properties for one unrelated landlord arrangement.</p> <p><i>A 'landlord arrangement' can mean either an individual registration or one joint registration.</i></p>	<p>The agent will be required to sign a declaration to confirm that:</p> <ul style="list-style-type: none"> ○ they will not take on any additional properties, and ○ all the client landlords (<i>named in the registration</i>) will need to sign a declaration to confirm that they consent to waiving the requirement for the agent to obtain the business safeguards.

Agent Licence Conditions

Business Safeguard Exemptions

The 'Business Safeguard' licence condition exemptions will only be granted after Rent Smart Wales have undertaken a risk assessment and deem the risk to the client landlord(s) and tenants to be low.

Agent Exemption Circumstance	Requirement
Exemption - Family	
<p>The individual agent manages properties:</p> <ul style="list-style-type: none"> ○ for family members only (family as defined under Section 258, Housing Act 2004), and ○ the total number of properties is less than 5 and the total number of tenancies per property is less than 5. 	<p>The agent will be required to confirm family relationship to all client landlords.</p>
Exemption – Individual Agent -Sole Company Director	
<p>The individual agent manages properties for properties for up to 2 landlord companies, where:</p> <ul style="list-style-type: none"> ○ the agent is the sole director of the landlord company(s), and ○ the total number of properties is less than 5 and the total number of tenancies per property is less than 5. 	<p>Checks will be completed to ensure that the individual agent is the sole director of the landlord company.</p>
Exemption – Individual Agent - Sole Company Director - PII only	
<p>Exemption for Professional Indemnity Insurance Only</p> <p>The individual agent manages properties for a landlord company where:</p> <ul style="list-style-type: none"> ○ the agent is the sole director, and ○ the landlord companies have an adequate building insurance policy or other such insurance policy containing third party liability cover in the minimum sum of £1 million to cover every rental property. 	<p>The agent will be required to provide evidence of the landlord company's insurance which proves the type and amount of cover is sufficient.</p> <p>Evidence may include policy documents, schedule and certificate of cover.</p>

Agent Licence Conditions

Business Safeguard Exemptions

The 'Business Safeguard' licence condition exemptions will only be granted after Rent Smart Wales have undertaken a risk assessment and deem the risk to the client landlord(s) and tenants to be low.

Agent Exemption Circumstance	Requirement
Exemption – Company Agent – Sole Company Director	
<p>The company agent manages properties for an individual landlord where:</p> <ul style="list-style-type: none">○ the individual landlord is the sole director of the agent company, and total number of properties is less than 5 and○ the total number of tenancies per property is less than 5.	<p>Checks will be completed to ensure that the landlords of the properties managed are directors of the agent company.</p>
Exemption – Company Agent – Sole Company Director – PII only	
<p>The company agent manages properties for an individual landlord where:</p> <ul style="list-style-type: none">○ the landlord is the sole director of the company, and○ the individual landlord has an adequate building insurance policy or other such insurance policy containing third party liability cover in the minimum sum of £1 million to cover every rental property.	<p>The agent will be required to provide evidence of the landlord's insurance which proves the type and amount of cover is sufficient.</p> <p>Evidence may include policy documents, schedule and certificate of cover.</p>

Agent Licence Conditions

Business Safeguard Descriptions and Requirements

Business Safeguard	Description	Rent Smart Wales Requirements
<p>Client Money Protection</p>	<p>This is a form of insurance that protects a client (usually the landlord and the tenant) if the company holding the money was to either go bust or misappropriate the money.</p> <p>Client money in this circumstance includes rent, deposits or other funds (whether in the form of cash, cheque, draft or electronic transfer) which an agent holds or receives, for or from a client, and which is not immediately due and payable on demand to the agent for its own account.</p>	<p>Agent is required to obtain and maintain throughout the period of their licence client money protection.</p> <p>Agent to supply evidence to Rent Smart Wales on application or within 6 weeks of a licence being granted, and annually thereafter, which proves the agent licensee specifically has client money protection.</p> <p>Sufficient evidence may include policy documents, schedule or certificate of cover. However, evidence must specify the licensee's name and be in date.</p> <p>Agent to display evidence of their current and valid certification at all premises where the licensee completes letting and / or management activities, on their website and provide it to any person on request.</p> <p>Agent to add the name and details of their client money protection provider to their published list of fees.</p> <p>Agent can upload their client money protection details onto their Rent Smart Wales agent account so that it is displayed on the Rent Smart Wales Public Register.</p>

<p>Professional Indemnity Insurance</p>	<p>This insurance gives cover for the legal costs and expenses in defending a claim against an agent, as well as compensation payable to a client, tenant and / or third party to rectify the mistake should the agent breach a professional duty of contract (e.g., by giving incorrect information) which the client, tenant and / or third party feels aggrieved against.</p> <p>Professional Indemnity Insurance is widely available in the private sector.</p>	<p>Agent is required to obtain and maintain throughout the period of their licence professional indemnity insurance.</p> <p>Agent to supply evidence to Rent Smart Wales on application or within 6 weeks of a licence being granted, and annually thereafter, which proves the agent licensee has professional indemnity insurance cover.</p> <p>Sufficient evidence may include policy documents, schedule or certificate of cover. However, evidence must specify the licensee's name, letting and management activities, the amount of cover and be in date.</p> <p>The professional indemnity insurance must cover the letting and management activities the agent completes. For example, if the policy only specifies <i>estate agency work, surveyor, etc.</i> it will not be sufficient.</p> <p>The minimum level of cover required is based upon an agent's combined portfolio of let and managed properties:</p> <ul style="list-style-type: none"> ○ 100 properties or less - £100,000 ○ 101 properties or more - £500,000 <p>Agent to display evidence of their current and valid certification at all premises where the licensee completes letting and / or management activities, on their website and provide it to any person on request.</p> <p>Agent can upload their professional indemnity insurance details onto their Rent Smart Wales agent account so that it is displayed on the Rent Smart Wales Public Register.</p>
---	---	---

<p>Membership to an Independent Letting and Management Redress Scheme (as accepted by Rent Smart Wales)</p>	<p>Redress schemes provide an impartial and independent redress service to resolve disputes with the agent's service users which includes prospective tenants, tenants and landlords.</p>	<p>Agent is required to obtain and maintain throughout the period of their licence membership to an independent letting and management redress scheme (as approved by Rent Smart Wales).</p> <p>Agent to supply evidence to Rent Smart Wales on application or within 6 weeks of a licence being granted, and annually thereafter, which proves the agent licensee has membership to an independent letting and management redress scheme.</p> <p>Sufficient evidence may include policy documents, schedule or certificate of cover. However, evidence must specify the licensee's name, residential lettings activities and the branches covered.</p> <p>The membership must be for residential lettings activities and must cover every branch from which the agent completes letting and management activities.</p> <p>Agent to display evidence of their current and valid certification at all premises where the licensee completes letting and / or management activities, on their website and provide it to any person on request.</p> <p>Agent to add a statement to their published list of fees which indicates that the agent is a member of a redress scheme and gives the name of the scheme.</p> <p>Agent can upload their details of membership to an independent letting and management redress scheme onto their Rent Smart Wales agent account so that it is displayed on the Rent Smart Wales Public Register.</p>
---	---	---

Agent Licence Conditions

Business Safeguard Providers

The following tables should assist you to obtain the business safeguards of:

- **Client Money Protection**
- **Professional Indemnity Insurance**
- **Membership to an Independent Letting and Management Redress Scheme (as accepted by Rent Smart Wales)**

The information in the tables is not considered to be exhaustive and Rent Smart Wales is not recommending specifically the companies listed, it is simply provided to assist you in your research to find the best provider of the business safeguards for you.

Professional Body Membership

The following professional bodies can assist with obtaining the business safeguards of client money protection, professional indemnity insurance and membership of a redress scheme.

Letting and Managing Agent Professional Bodies
ARLA Propertymark
UKALA – The UK Association of Letting Agents
Safeagent – (Formerly The National Approved Letting Scheme)
RICS - The Royal Institution of Chartered Surveyors
NAEA Propertymark

Please note: if you have regulated membership of any of the above professional bodies, you may already have the business safeguards, we would advise that you check with the professional body you are a member of, to determine if you already have these business safeguards and whether they meet Rent Smart Wales' requirements. Members still have to provide evidence that they have each of the three safeguards in place.

Agent Licence Conditions

Business Safeguard Providers

The information in the tables is not considered to be exhaustive and Rent Smart Wales is not recommending specifically the companies listed, it is simply provided to assist you in your research to find the best provider of the business safeguards for you.

Business Safeguard	Provider Details
Client Money Protection	<ul style="list-style-type: none">○ Client Money Protect○ Propertymark○ UKALA○ Safeagent○ RICS○ Mint Insurance Brokers Ltd○ Money Shield <p><i>Please note that providers of client money protection will have their own requirements that an applicant must meet before they are willing to provide client money protection, for example, having proof of segregated client account(s) for rents and deposits.</i></p>
Professional Indemnity Insurance	Professional Indemnity Insurance is widely available in the private sector.
Independent Letting and Management Redress Schemes accepted by Rent Smart Wales	<ul style="list-style-type: none">○ The Property Ombudsman Scheme○ The Property Redress Scheme