Title: Mandating Client Money Protection scheme membership for property agents in the private rented sector handling client money **IA No:** N/A **RPC Reference No:** **N/A** **Lead department or agency:** Ministry of Housing, Communities and Local Governemnt **Other departments or agencies:**	Impact Assessment (IA) **Date:** 26/11/2017 **Stage:** Development/Options **Source of intervention:** Domestic **Type of measure:** Secondary legislation **Contact for enquiries:** Becky Perks rebecca.perks@communities.gsi.gov.uk

Summary: Intervention and Options

RPC Opinion: Not Applicable

Cost of Preferred (or more likely) Option				
Total Net Present Value	**Business Net Present Value**	**Net cost to business per year** (EANDCB in 2014 prices)	**One-In, Three-Out**	**Business Impact Target Status**
-30.45	-30.54	3.1	In scope	Non qualifying provision

What is the problem under consideration? Why is government intervention necessary?

Client Money Protection (CMP) ensures that landlords and tenants are reimbursed if a letting agent is fraudulent or goes bankrupt. If a letting agent is not covered by CMP, both the landlord and tenant could lose their money and there is no route for recompense. The industry estimates that letting agents currently hold approximately £2.7 billion in client funds. It is estimated that at least 44% of letting agents are members of a CMP scheme. Transparency requirements introduced in 2015 have not sufficiently increased the number of agents with CMP cover. Government intervention is needed to level the playing field and ensure that all consumers have the financial protection that they want and deserve when using an agent.

What are the policy objectives and the intended effects?

The primary objective is to ensure that all letting and managing agents that handle client money are members of a CMP scheme. This will ensure that landlords' and tenants' money is protected, as it already is in comparable industries such as travel agency. It is presumed those agents that have chosen not to join a CMP scheme are more likely to abscond with or abuse client money in their custody. Making CMP mandatory will ensure that all client money is adequately protected. As at least 44% of letting agents are already members of a CMP scheme, making it mandatory would "level the playing field" and help to tackle rogue practices.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

Policy Option 1: (Preferred option) Mandate CMP scheme membership only for those agents in the private rented sector that handle client money. This would achieve the stated policy objectives while minimising costs to the industry and allowing the option of agents, for example new entrants, to operate without handling client money, i.e. the tenant pays rent directly to the landlord.
Policy Option 2: Introduce legislation requiring all agents in the private rented sector to join a CMP scheme. This would achieve the stated policy objectives but would potentially restrict new entrants' access to the market and place unnecessary burdens on agents that wish to operate without handling client money.
Policy Option 3: Promote awareness of CMP and existing transparency requirements.
Even if awareness were increased substantially, agents would maintain their right to handle client money without protection, thereby leaving consumers' money at risk.

Will the policy be reviewed? It will not be reviewed. **If applicable, set review date:** Month/Year

Does implementation go beyond minimum EU requirements?	N/A			
Are any of these organisations in scope?	**Micro** Yes	**Small** Yes	**Medium** Yes	**Large** Yes
What is the CO_2 equivalent change in greenhouse gas emissions? (Million tonnes CO_2 equivalent)	**Traded:**	**Non-traded:**		

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Heather Wheeler

Signed by the responsible Minister: .... Date: 30/04/2018

Summary: Analysis & Evidence

Policy Option 1

Description:

FULL ECONOMIC ASSESSMENT

Price Base Year 2017	PV Base Year 2018	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: -55.32	**High:** -13.82	**Best Estimate:** -30.45

COSTS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low			1.6	**14.1**
High			6.5	**55.9**
Best Estimate			3.6	**30.7**

Description and scale of key monetised costs by 'main affected groups'

The annual cost to letting agents who handle client money of purchasing CMP cover and the one-off familiarisation cost to understand the policy and choose a CMP provider. In the central scenario, the number of property agents in the private rented sector is assumed to grow at 1% per annum, which is the main driver of costs after year 1. Familiarisation costs are not deemed a transition cost because they are incurred by new agents each year.

Other key non-monetised costs by 'main affected groups'

If CMP cover is made mandatory, some agents would be unable to obtain cover because of their risk profile (or in the case of start-ups; the lack of a profile) and would therefore be unable to trade as agents that handle client money. This would protect consumers from risky agents but may mean the possible withdrawal from the market of small to medium sized agents.

BENEFITS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low			0.1	**0.6**
High			0.0	**0.3**
Best Estimate			0.0	**0.3**

Description and scale of key monetised benefits by 'main affected groups'

Benefit to landlords and tenants of assurance that their money is protected when it is handled by an agent.

Other key non-monetised benefits by 'main affected groups'

Reputational benefit to the sector as a whole for applying higher standards, tackling rogue practices.

Key assumptions/sensitivities/risks — **Discount rate (%)** 3.5%

-In the central scenario it is assumed that 95% of agents not covered by CMP handle client money.
-On the benefits side, it is assumed that 50% of CMP claims are made by tenants and 50% by landlords. On average, we expect landlords would make more claims than tenants because letting agents usually transfer client money such as rent to them from tenants. Our conservative assumption likely underestimates the benefit to business (landlords).

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			Score for Business Impact Target (qualifying provisions only) £m:
Costs: 3.1	**Benefits:** 0.0	**Net:** -3.1	

Summary: Analysis & Evidence

Policy Option 2

Description:

FULL ECONOMIC ASSESSMENT

Price Base Year 2017	PV Base Year 2018	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: -55.32	**High:** -15.37	**Best Estimate:** -32.05

COSTS (£m)	**Total Transition** (Constant Price)	Years	**Average Annual** (excl. Transition) (Constant Price)	**Total Cost** (Present Value)
Low			1.8	**15.7**
High			6.5	**55.9**
Best Estimate			3.8	**32.3**

Description and scale of key monetised costs by 'main affected groups'

The annual cost to letting and managing agents of purchasing CMP and the one-off familiarisation cost to understand the policy and choose a CMP provider. In the central scenario, the number of agents is assumed to grow at 1% per annum, which is the main driver of costs after year 1. Familiarisation costs are not deemed a transition cost because they are incurred by new agents each year.

Other key non-monetised costs by 'main affected groups'

If membership of a CMP scheme is made mandatory, some agents would be unable to obtain cover because of their risk profile (or in the case of start-ups; the lack of a profile) and would therefore be unable to trade as agents that handle client money. This would protect consumers from risky agents but may mean the possible withdrawal from the market of small to medium sized agents.

BENEFITS (£m)	**Total Transition** (Constant Price)	Years	**Average Annual** (excl. Transition) (Constant Price)	**Total Benefit** (Present Value)
Low	Optional		0.1	**0.6**
High	Optional		0.0	**0.3**
Best Estimate			0.0	**0.3**

Description and scale of key monetised benefits by 'main affected groups'

Benefit to landlords and tenants of assurance that their money is protected when it is handled by an agent.

Other key non-monetised benefits by 'main affected groups'

Reputational benefit to the sector as a whole for applying higher standards, tackling rogue practices.

Key assumptions/sensitivities/risks **Discount rate (%)** 3.5

-In the central scenario it is assumed that 95% of agents not covered by CMP handle client money.
-On the benefits side, it is assumed that 50% of CMP claims are made by tenants and 50% by landlords. On average, we expect landlords would make more claims than tenants because property agents usually transfer client money such as rent to them from tenants. Our conservative assumption likely underestimates the benefit to business (landlords).

BUSINESS ASSESSMENT (Option 2)

Direct impact on business (Equivalent Annual) £m:			**Score for Business Impact Target**
Costs: 3.3	**Benefits:** 0.0	**Net:** -3.3	

Evidence Base

1. Problem under consideration

Client Money Protection (CMP) is an essential part of building confidence in the private rented sector and supporting landlords. The industry estimates that letting agents currently hold approximately £2.7 billion in client funds.[1] These monies are frequently landlords' rental payments but can also include monies held for repairs and maintenance to the property.

There are two main reasons why a landlord or tenant could lose their money that is held by an agent in the private rented sector. The first is that the agent is fraudulent; the second is that the agent has gone bankrupt. Client Money Protection ensures that landlords and tenants are reimbursed in such circumstances. If an agent is not a member of a CMP scheme, both the landlord and tenant could lose their money without compensation. CMP schemes give landlords and tenants confidence that their money is safe when it is being handled by an agent.

The Government encourages firms to join CMP schemes and encourages landlords and tenants to choose agents with CMP. Participation is voluntary. Based on evidence from existing scheme providers, it is estimated that at least 44% of agents already have CMP. Professional bodies require agents to provide CMP as part of their eligibility criteria.

Transparency requirements were introduced in the Consumer Rights Act 2015. They require agents to publicise a full tariff of their fees, whether or not they are a member of a client money protection scheme and of which redress scheme they are a member, in their offices and on their website. A fine of up to £5,000 can be levied by local authorities against agents who fail to comply. The transparency measures are intended to improve standards by enabling landlords and tenants to shop around and choose letting agents with CMP.

One paradox of the current transparency law is that Trading Standards can fine agents who do have CMP but fail to display it, but can take no action against an agent that does not have CMP despite both tenants and landlords being less well protected.

The review of Client Money Protection led by Baroness Hayter and Lord Palmer of Childs Hill, found that awareness of CMP is low. Tenants and landlords tend to trust their letting and management agents and assume that they are regulated by the law. Indeed, evidence presented to the CMP working group led by Baroness Hayter and Lord Palmer of Childs Hill suggests that tenants rarely give any thought to whether an agent has Client Money Protection (or even know what this meant). Tenants also often have no choice over which letting agent they use since this is chosen by the landlord. Tenants shop around for properties, not agents, and thus transparency measures have not had their intended impact to date on increasing the number of agents with CMP.

2. Rationale for intervention

The transparency requirements in the Consumer Rights Act 2015 have not had their desired impact in significantly driving up the number of agents with CMP. This was demonstrated through the Call for Evidence undertaken to support the Client Money Protection Review led by Baroness Hayter and Lord Palmer of Childs Hill. In response to the question 'Since transparency measures were introduced in April 2015, what increase or decrease has there

[1] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/603365/Client_Money_Protection_Working_Group_Report.pdf

been in the percentage of agents voluntarily offering CMP?' Respondents, including the existing scheme providers, said there had been little impact in terms of growth in the number of agents who are members of CMP schemes.

The Call for Evidence also indicated that tenant and landlord awareness of whether their agent had client money protection was low. Tenants also have a weak position in the market as they choose properties rather than an agent thus explaining why the transparency measures have not had the desired impact in driving up the number of agents with CMP cover. In the response to the Call for Evidence, the Property Ombudsman carried out a survey of her members to understand how many had joined a CMP scheme as a result of the transparency requirements. 20% said that they had done so.

It is presumed those agents that do not have CMP voluntarily are more likely to abscond with or abuse client money in their custody. Mandatory membership of a CMP scheme would help to improve standards across the sector and "level the playing field" so that those agents that have signed up to CMP voluntarily are not facing costs that competitors aren't.

During Baroness Hayter and Lord Palmer's review of CMP, landlord groups suggested that agents typically hold rent for 5-7 days before passing on to the landlord. However, there is evidence of rent monies being held for longer. Some tenants, for example foreign students, are asked to pay a year's worth of rent in advance, although this is not the norm. This suggests that a portion of the money held by agents in client funds is at risk for an extended period of time, certainly longer than clients perceive.

As found by the Call for Evidence on the need for mandatory client money protection, awareness that client money is in many cases not protected is low amongst consumers, who are unaware that by using an agent they are exposed to any risk. This potentially results in a greater number of consumers using agents than would do so under full information.

Compulsory CMP scheme membership will ensure that each and every agent was offering the same level of protection to boost consumer confidence. Those agents who are unable to pass the due diligence requirement to access CMP cover should not, by definition, be able to continue to handle client money, in order to protect consumers.

There is cross-sector support for making CMP mandatory. Written and oral evidence presented to a MHCLG-supported working group supports this view; 85% of respondents were in favour of mandatory CMP scheme membership for property agents.[2]

Further, the Government has committed to banning letting fees to tenants in England. Agents that have business models that overly rely on tenant fees and who do not adequately protect their client money may be at risk. Mandatory membership of client money protection schemes will ensure that consumers are protected and that client money is not lost in the instance of any agent going out of business.

3. Policy objective

The primary objective is to ensure that all letting and managing agents that handle client money are members of a CMP scheme. This will ensure that landlords' and tenants' money is protected, as it already is in comparable industries such as travel agents. It will give all consumers in the private rented sector the financial protection that they want and deserve when using a property agent.

[2] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/603365/Client_Money_Protection_Working_Group_Report.pdf

Making membership of a CMP scheme mandatory would "level the playing field" so that those agents that have signed up to CMP voluntarily are not facing costs that competitors aren't. Mandatory CMP scheme membership would therefore help to raise standards across the sector and operate as a tool to tackle rogue agents. It would ensure that each and every agent was offering the same minimum level of protection to boost consumer confidence and helping to professionalise the sector. Those agents that are unable to pass the due diligence requirement to access CMP cover should not be able to continue to handle client money in order to protect consumers.

4. Description of options considered (including status-quo)

1). Preferred Option: Mandate CMP scheme membership only for those agents that handle client money. This would achieve the stated policy objectives while minimising costs to the industry and allowing the option of agents to operate without handling client money, i.e. the tenant pays rent directly to the landlord.

The Government will ensure that such standards for CMP scheme providers are neither too high (to ensure that the majority of agents can get cover and not to deter new entrants) nor too low (which could lead to a race to the bottom). CMP scheme providers will need to demonstrate that they are meeting minimum standards and providing sufficient cover. Landlords need to have the confidence that their agent has not chosen a scheme due to a cheap fee only to find the protection is not there when needed or is lower than another scheme albeit at a higher fee. It will be important not to restrict new entrants to the market.

2). Introduce legislation requiring all agents in the private rented sector to join a CMP scheme. This would achieve the stated policy objectives but would potentially restrict new entrants' access to the market and place unnecessary burdens on agents that wish to operate without handling client money. As with option one, the Government will ensure that the conditions that must be met by CMP scheme providers strike the right balance between ensuring that agents can obtain cover whilst ensuring consumers have the financial protection that they want and deserve.

3). Promote awareness of CMP and existing transparency requirements (status quo).
Even if awareness were increased substantially, agents would maintain their right to handle client money without protection, thereby leaving consumers' money at risk. This option would not achieve the policy objective.

5. Monetised and non-monetised costs and benefits of each option (including administrative burden)

Number of letting agents affected

To consider the cost and benefits of our preferred policy option, we first need to identify the number of letting agents that will be affected by the policy proposal. The Property Ombudsman estimates that there are 16,000 letting agent branches in England.

From existing scheme provider data, we estimate that between 26% and 63% agents already have CMP cover. The Property Ombudsman estimate that in a worst case scenario 26% of agents have CMP cover while in a best case scenario 55% have cover based on responses received from regular compliance surveys. However, ARLA Propertymark estimates that at least

12,500 letting agents out of a total 20,000 agents in the UK have CMP cover. Assuming this proportion holds in England, this equates to 63% of agents having CMP cover.

This is a conservative range as it lower than evidence presented to the CMP review where estimates on the percentage of the market with CMP were between 60% and 80%. Our preferred policy option is to require agents to purchase CMP only if they handle client money. We do not have an estimate of how many do but through conversations with existing scheme providers and the professional bodies we understand that the vast majority of agents do handle client money. Therefore in our high scenario, all of them require CMP, in the central scenario 95% of them do, and in the low 90% require CMP. A lower proportion of agents that handle client money would lower the costs to business.

Given we have limited data on the number of letting and managing agents in the private rented sector, we do not have access to historical data on the number of agents in order to estimate a growth rate over time. We have therefore made assumptions that the number of letting agents grows by 0%, 1% or 2% in the low, central and high scenarios respectively. This assumption has been made in the context of the proposed ban on letting agents charging tenant fees may cause the market to consolidate to some degree compared to a counterfactual with no tenant fees ban.

Table 1: Assumptions summary

Scenario	Number of letting agents	% without CMP	Out of those without CMP, % requiring it	Letting Agent growth over time
High	16,000	74%	100%	2%
Low	16,000	37%	90%	0%
Central	16,000	56%	95%	1%

Costs

There are two costs resulting from this policy that have been monetised:

- Cost to letting agents of finding and choosing a CMP provider and familiarising themselves with the insurance terms. This is a one-off costs incurred in year 1.

- Cost to letting agents of purchasing CMP: Providers charge a yearly fee, therefore this is an on-going cost throughout the 10 year appraisal period.

Familiarisation costs

To monetise the cost to agents of finding and understanding the requirements of the legislation and CMP, we have assumed that it takes each letting agent 2 hours to understand the requirements and CMP. Using data from the Annual Survey of Hours and Earnings, the median wage for letting agents is £11.63[3] per hour. Uplifting that for pension costs to employers by 30%, the hourly wage cost per hour is £15.1.

In the central scenario, the cost in year 1 is: £15.1 * 2 * 16,000 * 56% * 95%= £256,237

The total cost over the 10 year period (undiscounted) is = £280,242, as it assumes a 1% growth rate in letting agents who will have to familiarise themselves with the requirements in the future

[3] https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/occupation4digitsoc2010ashetable14 Table 14, 2015 [accessed 04/04/2017]

CMP purchase costs

According to the CMP review, CMP fees are £300-£500 a year. These form the basis of our high and low scenarios, with a central estimate of £400 a year. Based on these estimates, the cost of purchasing CMP is estimated as:

Year 1 cost: £400 * 16,000 * 56% * 95%= £3,389,600

Cost over 10 years (undiscounted) = £35,462,716

Total costs

Total costs in year 1 are = £3,645,837

Total undiscounted costs over the 10 year appraisal period are = £35,742,958

There are no non-monetised costs. We do not expect letting agents to increase fees for landlords or tenants and pass the costs on to them. The annual CMP fees are likely to be already implicitly covered by the market landlord fee to agents. Additionally, the cost of CMP is very small relative to the number of clients held by a letting agent. As an example, the median annual rent in England in 16/17 was £8,100 (VOA) compared to a CMP cost of £400 per branch, which may look after, on average, 200 tenancies. There is no evidence that agents who already have CMP pass on the costs to either landlords or tenants.

Current annual fees for membership of a CMP scheme reflect the small number of claims in the market at present (as referenced in the previous section). The number of claims may disproportionately increase following the introduction of mandatory CMP scheme membership if riskier agents are covered, which could result in an increase in the cost of joining a CMP scheme. Although adverse selection in insurance would suggest that agents already covered are more likely to be riskier than those not covered.

Even if the newly covered agents are riskier, this is still unlikely to have an impact on rental levels since agents handle a large number of landlords and the cost per landlord will still be small. Scheme providers will also have the flexibility to vary the cost of membership to their scheme dependent on the level of financial risk posed by the agent. Landlords will have the flexibility to choose an agent dependent on the costs. It would take significant increases in the cost of CMP membership to substantially change the estimated annual net cost to business (EANCB). For example, considering our central scenario presented in full below, if the cost of CMP membership increased to £700 from £400 in Year 1 and remained so over the full 10 year appraisal period, the EANCB would increase to £5.5m from £3.1m. Such an increase in CMP membership fees would likely require a significant increase in the probability of new members generating claims, resulting in insurers significantly increasing premiums, a scenario we consider unlikely.

Benefits

The main benefit of this policy is to ensure that landlords and tenants have assurance that their money is protected when it is handled by a property agent in the private rented sector. There are two key data requirements: the number of claims made by landlords and/or tenants relating to agents mishandling client money, and the average value of client money claimed for per claim.

From stakeholder engagement we know existing CMP schemes have no more than 10 claims per year. As new letting agents purchase CMP, we could expect this figure to increase in line with the number of agents covered. In the low scenario, the number of future claims increases by 5 claims per year. In the high scenario it increases by 28 claims, and the central scenario is 12 extra claims.

In terms of the average value per claim of CMP, the CMP review estimated that landlord losses per claim made were £3,000-£4,000. The figure for tenants was £1,500-£2,000. The mid-points are £3,500 and £1,750 respectively. We do not have data on how many claims are made by tenants or landlords, or what percentage of the claim's value accrues to which party. We suspect most claims will be made by landlords, but have taken the conservative assumption of half of the claims made by each party.

The annual benefits in the central scenario:

Landlords = 12 * £3500 * 0.5 = £21,000
Tenants = 12 * £1750 * 0.5 = £10,500

The 10 year (undiscounted) benefits are:

Landlords = £209,456
Tenants = £104,728

Cost/Benefit Summary

Option 1: Central Scenario

10 year undiscounted cost	10 year undiscounted benefit	Net Benefit	Net Present Value	EANDCB
£36m	£0.3m	-£35m	-£31m	£3.1m

Option 2: Central Scenario

10 year undiscounted cost	10 year undiscounted benefit	Net Benefit	Net Present Value	EANDCB
£38m	£0.3m	-£37m	-£32m	£3.3m

Option 1 (preferred option), which requires all agents who handle client money to purchase CMP, is monetised following the same methodology as option 2. However, option 2 does not make an assumption on the number of agents handling client money since it applies to all agents. Option 3 is not monetised given the difficulty to place a value on the potential impact of increasing CMP awareness.

6. Rationale and evidence that justify the level of analysis used in the IA (proportionality approach)

The impact of the policy is monetised using data from reputable sources, such as the Annual Survey of Hours and Earnings or previous MHCLG studies. Data gaps have been filled or bridged with data/information from stakeholder engagement, market research on current CMP schemes and from the government's CMP review and call for evidence.

Where assumptions have been made, these are clearly stated, and different scenarios are presented to provide a range of impact (see summary sheets).

7. Risks

If CMP scheme membership is made mandatory, some agents would be unable to obtain cover because of their risk profile (or in the case of start-ups; the lack of a profile) and would therefore be unable to trade as agents that handle client money. This would protect consumers from risky agents but may mean the possible withdrawal from the market of small to medium sized agents. Under our preferred option, agents that are unable to obtain CMP cover would still be able to trade but would not be able to handle client money, for example the tenant would pay the rent directly to the landlord.

There is a risk that mandatory CMP could increase prices of CMP cover if the number of claims increases. Further, if CMP schemes have non-fixed fees that vary with an agent's risk profile, this could result in higher premiums for some agents. In this scenario, CMP could become more expensive for high risk agents.

8. Direct costs and benefits to business calculations (following BIT methodology)

The detailed cost/benefit explanation can be found in section 5. All costs and benefits presented are factored into the EANDCB and the BIT score, except for the benefits to tenants, which are not a business. Because of this they are not counted in these metrics, but do appear in the Net Present Value (NPV).

Costs/benefits are calculated over a 10 year period, following Green Book guidelines and using government's Impact Assessment Calculator. The price base year is 2017, with the PV base year being 2017.

9. Wider impacts (consider the impacts of your proposals, the questions on pages 16 to 18 of the IA Toolkit are useful prompts. Document any relevant impact here and by attaching any relevant specific impact analysis (e.g. SME and equalities) in the annexes to this template)

Why we are not excluding SMEs

Larger agents tend to be members of professional organisations which require CMP scheme membership as part of the membership package. We therefore assume that SMEs are less likely to have client money protection cover than the larger agents. In order to achieve the objective of protecting consumers' money and level the playing field, it is important to include SMEs in the mandatory requirement to join a CMP scheme. All consumers deserve to have their money protected regardless of the size of firm.

A number of small agents have raised the concern that they shouldn't have to pay the same fee for CMP membership as a large agent because their liability/turnover is much smaller. CMP providers tend to charge a cost per branch covered, and therefore larger, multi-office letting agents will have to pay more to cover each branch than smaller letting agents with less branches. Our preferred implementation approach allows CMP scheme providers to vary the cost of cover depending on the level of risk presented by the agent, this will be directly related to the total amount of client money held by the agent.

Many small agents have already voluntarily joined a CMP scheme, which means that they face costs that less conscientious agents avoid by not paying for CMP scheme membership. Therefore those small agents without CMP cover currently have an unfair competitive advantage. Making CMP scheme membership mandatory for all agents regardless of their size will help to level the playing field.