

# HOUSING ACT 2004

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## EXPLANATORY NOTES

### COMMENTARY ON SECTIONS

#### **Part 5 - Home Information Packs**

##### *Section 173: Approval of redress schemes*

389. This section provides that the Secretary of State may approve a redress scheme established by another body or establish one himself.
390. Subsection (2) requires the Secretary of State, when determining whether a scheme is satisfactory for these purposes, to consider the provisions of the scheme, the way in which it appears it will be operated and the interests of buyers and sellers and those of members of the scheme.
391. Subsection (3) provides that the Secretary of State can only approve a scheme that makes satisfactory provision on the following issues:
- The matters about which complaints may be made. These may include complaints that an estate agent failed to observe a code of practice.
  - The ombudsman's powers and duties with regard to complaints, including any circumstances in which he would not investigate or determine a complaint.
  - How the ombudsman will deal with providing information to other redress schemes (this could cover, for instance, the case of an agent switching schemes while a complaint was under investigation or immediately after the matter being complained of occurred).
  - How the ombudsman will deal with providing information to the Secretary of State or others who regulate the activities of estate agents (for example, the Office of Fair Trading).
392. Subsection (4) allows the Secretary of State to require that applications for approval of a scheme must be made in a particular way and subsection (5) requires the administrator of an approved scheme to notify the Secretary of State of any changes made to the scheme as soon as practicable.