

Housing and Property Chamber

First-tier Tribunal for Scotland



Decision with Statement of Reasons of the First-tier Tribunal for Scotland (Housing and Property Chamber) in respect of an application under Section 17 of the Property Factors (Scotland) Act 2011 (“the PF Act”) and Rule 24 of The First-tier Tribunal for Scotland Housing and Property Chamber (Procedure) Regulations 2017 (“the Rules”)

Reference number: FTS/HPC/PF/25/1669

Re: Flat 8 303 Springburn Road, Glasgow, G21 1SE (“the Property”)

The Parties:

Mr Roman Harper, Flat 8, 303, Springburn Road, Glasgow, G21 1SE (“the Homeowner”)

Hacking and Paterson, 1, Newton Terrace, Charing Cross, Glasgow, G3 7PL (“the Property Factor”)

Tribunal Members

Karen Moore (Chairperson) and Mary Lyden (Ordinary Member)

Decision

The First-tier Tribunal for Scotland (Housing and Property Chamber) (“the Tribunal”) determined that the Property Factor has failed to comply with the Code at Section 5.8, only.

The Tribunal proposed to make a Property Factor Enforcement Order and gave intimation of this under separate notice.

Background

1. By application submitted on 17 April 2025 (“the Application”) , the Homeowner applied to the First-tier Tribunal for Scotland (Housing and Property Chamber) for a determination that the Property Factor had failed to comply with their duty in terms of Section 14 (5) of the PF Act to ensure compliance with the Property Factor Code of Conduct (“the Code”) and had failed to comply with their property factor duties. The Application comprised the tribunal chamber’s standard Form C2, written submissions, copy correspondence between the Parties.
2. In particular, the Application complained of breaches of the Code in respect of the Overarching Standards of Practice at 2, 3, 5 and 11, 1.1 of Section 1: Written Statement of Services; paragraphs 2.1, 2.3 ,2.6, 2.7 of Section 2: Communications and Consultation; paragraphs 3.1, 3.4, of Section 3: Financial Obligations; paragraph 4.11 of Section 4: Debt Recovery; paragraphs 5.5, 5.8, 5.9, 5.10 of Section 5: Insurance; paragraphs 6.1, 6.4, 6.6, 6.7, 6.9 & 6.10 of Section 6: Carrying Out Repairs and Maintenance and paragraph 7.1 of Section 7: Complaints Resolution of the Code of Conduct. The Application also complained of a failure to comply with property factor duties.

CMD

3. A Case Management Discussion (CMD) was held on 12 December 2025 at 10.00 by telephone conference call. The Homeowner, Mr, Harper, and Mr. Leitch and Mr. Kerr of the Property Factor took part. Prior to the CMD, both Parties lodged written submissions.
4. The outcome of the CMD, was that, as the Parties agreed that only Mr. Harper’s complaints relating to insurance remained unresolved, the CMD was adjourned to a Hearing of evidence and a Direction was issued in respect of

the scope of matters to be dealt with at the Hearing. Both Parties complied with the Direction.

Hearing

5. A Hearing of evidence took place on 11 August 2026 at 10.00 at the Glasgow Tribunal Centre, York Street, Glasgow. The Homeowner, Mr, Harper, and Mr. Kerr of the Property Factor took part.
6. Mr. Harper confirmed that his complaint was now restricted to the Property Factor's dealings with the block insurance policy and Code breaches at Overarching Standards of Practice at 2 and 3 and Section 5, Insurance, at 5.8 and 5.9 and a failure to comply with property factor duties.

Evidence not in dispute

7. The issue at the heart of the Application is the approach which the Property Factor takes in arranging the block insurance for the building of which the Property forms part.
8. Both the Homeowner and the Property Factor agreed the following:
 - a. The Property Factor has used the services of AON, an insurance broker, since at least 2011;
 - b. At that time, AON provided multiple quotes for the block policy;
 - c. AON has since stopped providing multiple quotes and provides only one recommendation for the block policy;
 - d. The Property Factor or their parent company receives 26% commission from AON as disclosed in the Property Factor's Written Statement of Services;
 - e. The title deeds for the development of which the Property forms part requires a block policy to be put in place.

Homeowner's Evidence.

9. Mr. Harper's evidence was a general statement which covered all parts of his complaint.
10. Mr. Harper's position was that, in spite of repeatedly asking the Property Factor to explain why neither they nor their brokers selected the block policy, which is in place, he has not received a satisfactory and concise answer. Mr. Harpers stated that the answers given have been generic and do not provide the necessary information. Mr. Harper's view is that is common knowledge that building insurance is handled by a small number of wealthy and powerful commercial organisations using processes which exclude the end-user clients. He pointed out that as the commission received by the Property Factor is 26%, the more the client pays, the better for the Property Factor.
11. With reference to the Property Factor's correspondence, Mr. Harper noted that the Property Factor say that they cannot instruct AON to provide comparative quotes for common building insurance and to include owners in the decision-making process. He pointed out that previously this did not seem to be an issue and three quotes were provided, with one of the quotes being recommended. He stated that there has not been a satisfactory explanation for this change in the process. Mr. Harper accepted that the Property Factor wrote to the broker asking them to clarify their renewal process in writing but did not accept that the response from AON provided an adequate answer to justify continuing to renew the building insurance with the same insurer. Mr. Harper stated that there was no direct evidence that AON tested the market and so owners cannot verify if the renewal is value for money and the best offer. He noted that the broker's correspondence is vague in wording and states that they "believe" it is the best deal. Mr. Harper stressed that, even though he has several letters of explanation from the Property Factor and attended a meeting at their offices, he has not been given clear information or any "black and white" evidence on which to base a decision on the insurance cover and be certain that the policy choice is in his best interests.

12. Mr. Harper told the Tribunal that he had carried out some research and market analysis and had spoken with a different broker and another reputable Glasgow Property Factor. Based on the building insurance in place with AON, he found that he could obtain the same level of cover at lower rates, which would bring each owner a significant saving.
13. Mr. Harper explained that, as the title deeds, required a block policy, and, as there were very many owners within the development, it was wholly impracticable that the owners themselves would be able to arrange a block policy. Therefore, the owners were bound to rely on the Property Factor.

Property Factor's Evidence.

14. For the Property Factor, Mr. Kerr did not disagree with Mr. Harper's evidence. His position was that the Property Factor had done as much as they could in providing Mr. Harper with explanations as to how and why the building's insurance was selected. His firm position was that ,regardless of Mr. Harper's evidence, the Property Factor was not in breach of the Code or the property factors duties and their actions were consistent with what was required both by the Code and the duties.
15. Mr. Kerr explained that he did not have direct involvement with the insurance part of the Property Factor's business as this was dealt with by the parent company. He was not aware of why the "multiple quotes" process had changed and stated that the broker was not able to explain further. His assumption was that this was a business decision for both by both the Property Factor and the broker.

Additional Evidence before the Tribunal.

16. In addition to the evidence at the Hearing, the Tribunal had the benefit of the written submissions lodged by the Parties and the various documents which

accompanied these submissions, including the Property Factor's Written Statement of Services.

Findings in Fact.

17. The Tribunal found the following facts established and that on the balance of probability:

1. The Parties are as set out in the Application;
2. The Property Factor arranges block buildings insurance for the development of which the Property forms part;
3. The Property Factor uses the services of an insurance broker, as disclosed in their Written Statement of Services.
4. Previously, the broker provided multiple quotes for the block policy;
5. In recent years, the broker has stopped providing multiple quotes and provides only one recommendation for the block policy;
6. The Property Factor receives 26% commission from building insurance activities as disclosed in their Written Statement of Services;
7. The title deeds for the development of which the Property forms part requires a block policy to be put in place.

Decision of the Tribunal and Reasons for the Decision

OSP2. *You must be honest, open, transparent and fair in your dealings with homeowners.*

18. The Tribunal had regard to the correspondence from the Property Factor and the insurance section in the Written Statement of Services. The Tribunal's view is that the correspondence sets out the facts of the way in which the insurance is arranged and mirrors the service as set out in the Written Statement of Services. The Written Statement of Services is clear that Property Factor benefits from a 26% commission and that the Property Factor instructs an insurance broker. These facts were further explained to Mr. Harper at a meeting. The Tribunal had no evidence that the Property Factor misrepresented their position and so there was no evidence that they were not "*honest, open, transparent and fair*" in their dealings with Mr. Harper.

Accordingly, the Tribunal found that there was no breach of this part of the Code.

OSP3. *You must provide information in a clear and easily accessible way.*

19. Again, the Tribunal had regard to the correspondence from the Property Factor and the insurance section in the Written Statement of Services. The Tribunal's view is that these documents are set out in a clear and easily accessible way. The Tribunal was not drawn to any wording which caused any element of confusion or misunderstanding. Accordingly, the Tribunal found that there was no breach of this part of the Code.

5.8 *On request, a property factor must be able to demonstrate how and why they appointed the insurance provider, including an explanation where the factor decided not to obtain multiple quotes.*

20. In this matter, the Tribunal accepted that it is not the Property Factor but their broker who appoints the insurance provider and it is not the Property Factor but their broker who decided not to obtain multiple quotes. However, the Tribunal took the view that the Property Factor, as the principal who instructs the broker as agent, is bound to comply with the Code regardless of this arrangement and is bound to ensure that the broker as agent is both aware of the terms of the Code and the requirement to comply with it.

21. The Tribunal noted that the Property Factor corresponded with the broker in respect of Mr. Harper's concerns in respect of the broker's approach and noted that, although the broker provided detailed explanation of how the provider was selected to the Property Factor, in particular in the broker's letter headed "*Buildings Insurance Renewal – 31 May 2025*", no specific explanation is given as to why multiple quotes were not obtained. Further, no specific explanation has been given to Mr. Harper as to why the Property Factor can no longer instruct the broker to obtain multiple quotes. As Mr. Kerr stated in evidence, these decisions may well be business decisions, but this does not answer Mr. Harper's questions and does not comply fully with this

part of the Code. Accordingly, the Tribunal found that there was a breach of this part of the Code to this extent.

5.9 *If applicable, documentation relating to any tendering or selection process (excluding any commercially sensitive information) must be made available to homeowners on request.*

22. Again, the Tribunal had regard to the correspondence from the Property Factor which includes the Property Factor's correspondence with their broker. The Tribunal was satisfied that Mr. Harper had been given all of the relevant information. The Tribunal accepts that he wished to have more detail and to have further explanations justifying the broker's process but the scope of this part of the Code is to have the "*documentation relating to any tendering or selection process*" made available. There is no requirement to go further. Therefore, the Tribunal had no evidence that the Property Factor did not comply with this part of the Code. As before, the evidence which the Tribunal had was that Mr. Harper was not happy with both the Property Factor's and the broker's approach. Accordingly, the Tribunal found that there was no breach of this part of the Code.

Property Factor's Duties

23. Mr Harper's position in respect of property factor duties was that the Property Factor failed, firstly, to achieve value for money or best value in the choice of both broker and insurance policy and, secondly, failed to involve the homeowners in the decision making process in selecting the block policy.

24. The Tribunal took the view that the first duty is one of agency, the agent being the Property Factor and the principal being Mr Harper as homeowner, and the second duty is one of contract in respect of the level of service offered in the Written Statement of Services.

25. With regard to the first duty, the general rule is that an agent should act in the best interests of the principal. The evidence before the Tribunal is that the Property Factor engaged a broker to arrange the block insurance policy and

that the broker negotiated improved policy details. Mr. Harper's evidence is the results of his inquiries with brokers, another property factor and online quotes which show that a less costly policy could be obtained. The Tribunal's opinion is that arranging buildings insurance policies does not just rely on price on but on the fine detail and small print of the policy and so the Tribunal placed little weight on Mr Harper's evidence in this respect. There was no evidence that employing a broker to carry out a specialist task is not acting in the best interests of the homeowner and no evidence, other than the policy premia, that the policy obtained did not achieve value for money or best value.

26. With regard to the second duty, the Property Factor's Written Statement of Services is clear in the scope of the building insurance service which they offer and there is no requirement on the Property Factor to consult with or to involve homeowners in the decision making process in selecting the block policy. The Tribunal had no other evidence, for example the title deeds, to show that the Property Factor has an obligation to involve the homeowners in this decision making process.

27. Accordingly, the Tribunal found that there was no failure to comply with the property factor duties.

Property Factor Enforcement Order (PFE0)

28. Having made a decision in terms of Section 19(1)(a) of the Act that the Property Factor has failed to comply with the Section 14 duty, the Tribunal then proceeded to consider Section 19(1) (b) of the Act which states *"(1)The First-tier Tribunal must, in relation to a homeowner's application referred to it ... decide ... whether to make a property factor enforcement order."*

29. The Tribunal's view is that the Property Factor's breach of the Code has caused the Homeowner, Mr. Harper, extreme frustration and took the view that a PFE0 should made.

30. The Tribunal's considers that the Property Factor ought to have pursued the broker further to find out why multiple quotes were not obtained and, given that Section 5.8 of the Code provides that a "*property factor must be able to demonstrate how and why they appointed the insurance provider, including an explanation where the factor decided not to obtain multiple quotes*", the Property Factor should explain to Mr. Harper why their contract with the broker does not now allow the Property Factor to instruct the broker to obtain multiple quotes and so should be ordered to do this now. The Tribunal considers also that Mr. Harper should be compensated for time, effort and frustration he has been caused and considers that £250.00 is a reasonable sum.

31. Section 19(2)(a) of the Act states that before making a PFEO, the Tribunal must give Notice to the Parties and must give the Parties an opportunity to make representations. Therefore, in accordance with Section 19(2)(a) of the Act, the Tribunal issues separate Notice to the Parties in this regard.

32. This decision is unanimous.

Right of Appeal

In terms of Section 46 of the Tribunal (Scotland) Act 2014, a party aggrieved by the decision of the Tribunal may appeal to the Upper Tribunal for Scotland on a point of law only. Before an appeal can be made to the Upper Tribunal, the party must first seek permission to appeal from the First-tier Tribunal. That party must seek permission to appeal within 30 days of the date the decision was sent to them.

Karen Moore - Chairperson of the Tribunal

14 September 2026