

Information for Landlords and Tenants

CM Protect is a Client Money Protection scheme that protects the money of landlords and tenants against theft or misappropriation by the owners of a member letting agent whilst it is in their custody or control. These monies are typically tenant's deposits and landlord's rental payments but can also include funds held for the payment of contractors in respect of repairs and maintenance to the property.

This leaflet explains how CM Protect protects this money and how you can make a claim for the return of your money.



What is a Client Money Protection Scheme?

It is common and good practice for letting agents to join a Client Money Protection Scheme for the benefit of their clients, typically tenants and landlords, in order to safeguard money they hold on their clients' behalf. In the event of the owners of the business steal or misappropriate any of this money there is a route of redress against the letting agent by contacting the Scheme and claiming against the Scheme. If a genuine claim is accepted by the Scheme, the Scheme will recompense the landlord or tenant and seek recovery from the letting agent or its owners.

A Client Money Protection scheme does not act on behalf of the letting agent. It is an independent membership body that provides the protection of client money whilst held by its members and the Scheme insures its liability for the payment of any claims.

A more recognisable Client Money Protection scheme is operated by the travel industry. All travel agents in the UK are required by law to be a member of an independent client money protection scheme, typically ABTA or ATOL. When you pay for your holiday or travel arrangements to the travel agent it is protected against the agent going bust or stealing the money. You claim against ABTA or ATOL rather than the travel agent. CM Protect works in exactly the same way.

Who are CM Protect?

CM Protect is the over-arching Membership Body that provides the Client Money Protection to its member firms.

CM Protect is a wholly owned subsidiary of HFIS plc t/a Hamilton Fraser who are authorised and regulated by the Financial Conduct Authority (Reference Number: 306513). Hamilton Fraser has been providing specialist insurance services to the private rented sector since 1996 and are the scheme administrators of the government authorised tenancy deposit protection scheme myldeposits, who operate in England, Wales, Scotland and Northern Ireland.

Hamilton Fraser also administer one of the three government authorised letting agent complaint ombudsman schemes for the private rented sector, the Property Redress Scheme, which all letting agents in England must be a member of by law.



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How do I know if a letting agent is a member of your Scheme?

All our members are issued with an annual membership certificate to display in their office and we recommend that they display CM Protect logo on all their literature. Alternatively, you can check to see if your letting agent is member of CM Protect by visiting our website and using our Member Checker facility. CM Protect is just one of a number of Client Money Protection schemes that operate in the UK. If your letting agent is not a member of CM Protect then they may be a member of one of the other schemes. You should ask your agent which scheme they have joined.



It is currently not a legal requirement for a letting agent to be a member of a Client Money Protection Scheme. If your agent is not a member of a scheme then you should ask them how they are protecting your money. If they cannot tell you or you are not happy with their response, you should look for an alternative agent or request that they do not hold your money under any circumstance.

What can I claim for?

You can claim for a maximum of £25,000 for stolen or misappropriated monies held by your letting agent. CM Protect will pay a maximum of £500,000 to all landlords and tenants affected by the incident



Some important points to remember.

- 1. If you are a landlord, and your letting agent has gone into liquidation, we strongly recommend that you seek legal advice to ensure that any further rental payments from your tenants are paid directly to you.
- 2. If your claim for compensation relates to a stolen security deposit you should immediately contact the authorised tenancy deposit protection scheme to resolve the matter. We will only deal with a claim if the deposit scheme cannot help you.
- 3. CM Protect cannot accept a claim for compensation if the letting agent is still trading but you have been advised that your money has been stolen by an employee of the business. You should contact your agent immediately for compensation.

How do I make a claim?

If you have any concerns about the security of your money and have unable to establish contact with your letting agent or settle the matter with them, you should contact us and follow our compensation procedures.

- You will need to report the incident to your local police station and obtain a Crime Reference Number.
- You will need to submit our Compensation Form and enclose any supporting evidence in relation to your claim

Once we receive your complaint, CM Protect will investigate the circumstances and ascertain whether your letting agent has indeed taken your money. Until we have undertaken this investigation we cannot release any compensation to you.



Your evidence will need to include bank statements to show that you gave money to your letting agent e.g. the security deposit or maintenance money, correspondence showing that you have asked for the return of your money, copy tenancy agreements and any terms of business literature you received from your letting agent.



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What am I not allowed to claim for?

CM Protect cannot accept claims for the following issues:

- Any complaint in relation to client money disputes where those monies continue to be held securely by the member.
- Any complaint that does not relate to theft of your money.
- Any complaint that relates to theft of your money by employees of your letting agent, unless the letting agent is no longer trading. You should settle this matter directly with your letting agent.
- Any complaint in relation to a security deposit held by your letting agent. You should contact the authorised tenancy deposit protection scheme that protects your deposit.

What if I am unhappy with the outcome of my claim?

We aim to provide an exemplary level of service. However, if you are not happy with the outcome of your complaint or if we fall short in any way, please put your concerns in writing to **complaints@cmprotect.co.uk**



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