



# CONSUMER GUIDE TO **ARMA-Q**

Big changes are coming  
to the way your managing  
agent is regulated



# ARMA-Q: QUALITY STANDARDS FOR LEASEHOLD PROPERTY MANAGEMENT



## Who are we?

ARMA is the leading trade association for managing agents in the residential leasehold sector. Since 1991 we have been providing advice, training and guidance to our managing agent members and leaseholders.

## What is ARMA-Q?

ARMA-Q is the new self-regulatory regime for ARMA members. It aims to raise standards across the sector and places consumers at its heart. It features:

- An independent Regulatory Panel
- A Consumer Charter
- Standards which are specific to managing agents

## What difference will it make?

We're boosting the standards that apply to ARMA members. For the first time managing agents who belong to ARMA will have to comply with a Consumer Charter and bespoke Standards overseen by an independent Regulatory Panel. So by choosing an ARMA agent you get higher standards, greater confidence and more openness.

## When is this going to happen?

ARMA-Q will take effect from January 2015. That may sound like a long way off but our members will be preparing for accreditation from now.

**This guide summarises what you can expect from your ARMA managing agent once ARMA-Q comes into force.**

# CONSUMER CHARTER

At the heart of ARMA-Q is a new Consumer Charter. Whether you are a leaseholder, Resident Management Company Director, freeholder, developer or landlord, this sets out how ARMA-Q members must deal with their clients and the standard of customer service that you can expect. Any member who falls short of the Charter may be subject to disciplinary action.

ARMA members will adopt the Charter and must:

Be honest, fair, open and transparent and provide a timely and professional service with access to the information needed.

Act with skill, care, diligence and without discrimination.

Make sure that all their staff are appropriately trained and knowledgeable.

Have written terms of business.

Provide their Complaints Handling Procedure specifying the Ombudsman Scheme to which they subscribe.

Comply with all relevant legal requirements and relevant codes of practice.

Avoid conflicts of interest.

Maintain clear, accurate and up-to-date financial records.

Ensure that any client money is held separately from the managing agent's other monies.

Hold appropriate Professional Indemnity Insurance.

# HIGH STANDARDS

The Standards enshrined in ARMA-Q have been developed specifically for managing agents. There are over 160 ARMA-Q Standards. They are designed to promote honesty, fairness, openness and timeliness in all areas of residential leasehold management. They tackle the issues that are important to consumers from service charges, to insurance premiums and customer service.

The Standards cover six key areas:

## ● INSTRUCTING A MANAGING AGENT

These standards cover how ARMA managing agents conduct themselves when tendering for new business and entering into management contracts. They address management fees and the declaration of all income received from insurance fees, interest, Associated Companies and in-house service providers. The management of new

developments is also covered here.

## ● CLIENT MATTERS

These standards cover working relationships with Residents' Associations. They address assignments, alterations and improvements and how members deal with breaches of lease covenants and forfeiture proceedings. Lease extensions, variations and enfranchisement work are also covered.

## ● FINANCE

These standards deal with the operation of client bank accounts. They address service charge budgeting, accounting and collection as well as how reserve funds are managed. Disclosure of administration charges; arranging and dealing with insurance; and handling of debt recovery are also covered.

## ● MANAGEMENT

These standards relate to how ARMA members go about appointing

contractors. They deal with maintenance, repairs and improvements to property; how consultations are carried out; and what information needs to be provided on pre-sales enquiries.

## ● LEGAL COMPLIANCE

These standards detail all relevant legislation with which ARMA members must comply.

## ● DISPUTES & TERMINATIONS

These standards deal with complaints handling, management handovers and the way that ARMA members go about ending management contract terms.

For a full copy of the ARMA-Q Standards go to [www.arma.org.uk](http://www.arma.org.uk)

or get in touch with ARMA directly on 0207 978 2607

# CONSUMER CONFIDENCE

The regulation of ARMA members is now completely independent and no longer undertaken by ARMA itself. That means greater confidence for consumers in the accreditation of ARMA members and independent handling of complaints.

## Independent Regulatory Panel

ARMA agents are regulated by an independent panel of ten lay members, each with relevant professional expertise. No-one on the Panel is connected with ARMA or its members and, importantly, leaseholders themselves are represented.

## **i** WHAT THEY DO

The role of the Panel is to:

- Determine the outcome of unresolved complaints against ARMA members
- Oversee the accreditation of new and existing members
- Regulate all members under ARMA-Q's Consumer Charter and Standards
- Follow up adverse audits of members
- Review the implications of LVT and ombudsman decisions against members
- Review the operation of ARMA-Q and report on its effectiveness to ARMA's Council.

## THE PANEL

**Rt Hon Keith Hill, Chair:**  
Former Minister for  
Housing and Planning

**Claire Andrews:** Barrister

**Carolyn Carter:**  
Chartered Accountant

**David Dalby:** Former  
Residential Director  
at RICS

**Judith Goulden:** Solicitor

**Paul Jackson:** Former  
Senior Civil Servant and  
Lay member of the Bar  
Standards Board

**Alun Jones:** Barrister

**Alan Redden:**  
Chartered Accountant

**Alan Walker:** RMC  
Director and leaseholder

**Steve Winfield:**  
Company Director

**Membership of ARMA is voluntary so if your managing agent is signed up to ARMA-Q, they are showing a clear commitment to offering the best customer service when managing your property. If you appoint an ARMA member, you can be confident they will be managing to the highest possible standards.**

## ARMA-Q takes effect in January 2015

ARMA-Q will be fully operational from January 2015. From that date all members must meet the ARMA-Q Standards and Charter.

## Why is this not happening sooner?

We are allowing a transitional period to process ARMA-Q applications and for current members to adjust their procedures to meet the new requirements.

# WHAT DOES IT ALL MEAN?

## What happens in the meantime?

The Regulatory Panel will regulate ARMA members under the current membership requirements until the end of 2014. In its simplest form this means compliance with the RICS Service Charge Residential Management Code and ARMA's Bye-Laws. Full details including our complaints procedure can be found on our website at [www.arma.org.uk](http://www.arma.org.uk)

## How will ARMA-Q affect you?

ARMA-Q is a milestone for consumer protection in the residential leasehold sector. It's been designed to protect consumers in all areas of leasehold management. You will be able to measure the performance of your managing agent against prescribed Standards.

So for example, if you're not happy with the way that your service charge

money is being handled or with the level of service you are receiving, you will be able to call your managing agent to account against the appropriate ARMA-Q Standard.

## How will complaints be handled?

Cases brought before the Regulatory Panel will be investigated independently and thoroughly. Any disciplinary action will be made public so anyone employing an ARMA managing agent will be able to check their record. And, in keeping with their independence, the Panel's decisions will be final and not subject to ratification by ARMA.



## SIX THINGS YOU SHOULD KNOW ABOUT ARMA

- We have over 40 free advice guides on our website
- We run a wide range of training courses on residential leasehold management
- We thoroughly vet all our members before they join
- Every ARMA member has to have been trading for at least two years, be signed up to an independent ombudsman scheme and demonstrate they are holding service charge money in trust
- We have over 300 members ranging from small family-run firms to large national companies
- We lobby government on issues that affect the leasehold sector and campaign for action to improve standards for leaseholders.

Want to know more about ARMA and what we do?

**Talk to us**  
020 7978 2607

**Email us**  
[info@arma.org.uk](mailto:info@arma.org.uk)

**Meet us**  
[www.arma.org.uk](http://www.arma.org.uk)

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