



Threshold is a charitable organisation founded in 1978 by Father Donal O'Mahoney OFM (Cap) as a peace and justice project, working in the area of housing and homelessness. In 1994 nearly 12,000 people in housing difficulties came to Threshold for help. Threshold offers a wide range of services and support ranging from



practical advice, information and education to research, lobbying and campaigning. Threshold is run by a board of directors, assisted by local committees and a research/policy committee. Threshold is staffed by a team of professional advice workers and administrators with additional services being provided by volunteer workers.



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VETTING the LETTING

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EXECUTIVE SUMMARY

A recent innovation in the Irish property market, is the emergence of accommodation agencies which charge potential tenants a fee in return for information about premises to let. These agencies operate under different names and represent a new style of practice compared with that of traditional auctioneers and estate agents.

This report is not concerned with traditional auctioneers and estate agents but with the recent innovation and the legal framework regulating its operation.

For the purpose of this report the phrase "accommodation agency" means an agency which charges potential tenants a fee before granting access to the agency's list of accommodation to let.

Threshold is concerned about the quality of service and value for money being provided to consumers by some accommodation agencies. Last year the organisation received many complaints about the role of accommodation agencies. The main thrust of these complaints was that tenants felt that they paid a registration fee and received little or no service. Others complained of wrong information being given out and accommodation found not being suitable. **Threshold** then examined the practices of such agencies. As a result, **Threshold** is very concerned at the apparent lack of legal regulation of the activities of accommodation agencies.

The growth of accommodation agencies is a relatively recent development. Due to the shortage of good quality, reasonably priced accommodation in the private rented sector, many individuals are finding it increasingly difficult to obtain information about

premises "to let" through the traditional methods such as the evening papers, local advertisements and word of mouth. In 1994 over 1,200 people approached **Threshold** for advice and assistance with finding private rented accommodation.

The services offered by accommodation agencies are very attractive to prospective tenants as they offer a means of avoiding the often exhausting "leg-work" involved in finding suitable rented accommodation. There is, therefore, a definite opening in the market for the services provided by accommodation agencies. However, **Threshold** offices in both Dublin and Cork in the past three years have dealt with many complaints and people have suffered at the hands of particular agencies in both cities. This has received considerable media attention⁽¹⁾. **Threshold** now calls on the Government to ensure that the activities of accommodation agencies are effectively regulated and monitored with a view to ensuring that the interests of both landlords and tenants, as consumers, are adequately protected.

This report on accommodation agencies gives an account of the problems often encountered by consumers using accommodation agencies. It examines the system currently in place for regulating the activities of accommodation agencies, and highlights the shortcomings in this regulatory system.

Finally, it suggests how the current regulatory system could be improved and made more effective, and explains the rights and remedies available to consumers using accommodation agencies. The case studies appended give particular examples of the difficulties encountered by tenants.

1. "Give us back our deposits say flat seekers", Evening Echo, 26 February, 1993;
 "Students fraud claim investigated", Irish Times, 5 October, 1994
 "Letting Agent vanishes", Business and Finance, 13 October, 1994

WHAT ARE ACCOMMODATION AGENCIES?

It is important to define at the outset what we mean by the term "accommodation agency". A distinction must be made between accommodation agencies on the one hand, and auctioneers and estate agents who act for landlords in residential lettings, on the other.

● AUCTIONEERS AND ESTATE AGENTS

As agents for landlords, auctioneers/estate agents charge landlords a letting fee. In most cases potential tenants will have access to auctioneers'/estate agents' lists without having to pay a fee.

Auctioneers and estate agents are required by law to be licensed and bonded. Many will also be members of professional institutes (2) who require their members to adhere to a Code of Practice. In such cases a tenant will have a means of redress where they are dissatisfied with the quality of service they receive.

Threshold is anxious to point out that the vast majority of auctioneers/estate agents provide an excellent and professional service to both landlords and tenants. **Threshold** receives a comparatively small number of complaints concerning auctioneers'/estate agents. Such complaints concern the lines of responsibility between landlord and auctioneer / estate agent. On the other hand, complaints concerning accommodation agencies will usually involve the consumer claiming that they received little or no service in return for the fee paid. This issue is the main focus of this report.

● ACCOMMODATION AGENCIES

In the context of this report an accommodation agency is an agency which charges potential tenants a fee simply for registering with the agency. Access to the agency's lists of accommodation "to let" is dependent on payment of a fee.

One must distinguish agencies which operate a system whereby access to agency lists is free of charge but when a prospective tenant wishes to view the premises a fee becomes payable. The agencies who operate this system explain that they ask for this fee to ensure that tenants are serious about viewing the accommodation in question and to ensure that the tenant will turn up for the appointment made to view the premises.

Again, **Threshold** wishes to point that there are a number of professional, licensed accommodation agencies operating in both Dublin and Cork who offer an excellent service to their clients. This report is specifically concerned with unlicensed agencies which charge potential tenants registration fees before granting access to lists of accommodation.

Last year, **Threshold** found that there were a number of agencies operating in the Dublin area which were not licensed or bonded, nor were their staff members of the professional institutes. This raises the question of what means of redress a tenant will have when s/he feels aggrieved by the quality of service provided by an accommodation agency.

2 The Irish Auctioneers and Valuers Institute (I.A.V.I.) and the Institute of Professional Auctioneers and Valuers (I.P.A.V.).

ACCOMMODATION AGENCIES - HOW THEY OPERATE

Agencies make their money by charging accommodation seekers a fee. In the Dublin area this fee varies from £5 to £45. Generally, this fee is not refundable.

In return for the fee an agency will usually undertake to offer the following services:

- ▼ *search for suitable accommodation for the tenant*
- ▼ *advertise tenants' requirements to landlords*
- ▼ *arrange appointments for potential tenants with landlords*
- ▼ *a phone-in service to up-date tenants on new vacancies*
- ▼ *advice on renting accommodation.*

On payment of the registration fee the agency takes details of the potential tenant's accommodation requirements i.e. price range, preferred location etc. The agency then typically undertakes to look for suitable accommodation and to work with the tenant until s/he is accommodated. Some agencies see themselves as "Accommodation Information Bureaux". By drawing on their data bases they endeavour to match prospective tenants with landlords. Once they have achieved this, the agency claims to have fulfilled their contractual duty, whether or not a tenancy³ occurs as a result.

The onus is usually on the tenant to contact the agency in order to be advised of new vacancies. The agency does not contact the tenant. In addition to the phone-in service the tenant is also shown lists of premises "to let" currently on the agency's books. Some agencies do not give any warranty as to the condition or suitability of the accommodation on any listing. The agency often agrees to arrange appointments for tenants with potential landlords. Agencies may also arrange for tenants to view the premises.

THE PROBLEMS ENCOUNTERED BY PROSPECTIVE TENANTS

Tenants who are claiming a rent supplement find that some landlords are unwilling to complete the Health Board application form. A 1993 **Threshold** survey found that 70% of landlords who advertised in the Evening Echo in Cork City would not accept rent supplement (3). Families with young children also face difficulties in their search for rented accommodation. These are the categories of accommodation seekers who are most likely to approach an accommodation agency - according to a discussion paper produced by the the National Consumer Council in Britain (4). These are the people who can also ill-afford high agency fees. In 1987 the Shelter (UK) magazine, "Roof", concluded that many groups who are in particular need of help in finding rented accommodation were being excluded from the services of accommodation agencies because of high fees.

● THE ONUS ON THE TENANT

Most callers to **Threshold** claimed that accommodation agencies led them to believe that suitable accommodation would be found for them with little or no delay. The assumption was that the agency would contact the potential tenant. The caller would then claim that after 1 - 2 months they had received no calls from the agency, unaware that the onus was on them to contact the agency through the phone-in service. Many tenants were annoyed that after paying a fee it was left to them to make contact if they wanted to be informed of new vacancies.

● ACCOMMODATION LISTS OUT OF DATE, INACCURATE AND NOT COMPREHENSIVE

Common complaints included claims that lists of accommodation were out of date or that a number of the addresses on the lists had either been let already

3. Claiming Rent Supplement, Theory and Practice in Cork City, 1993, (Threshold, Cork, 1994).

4. Accommodation Agencies, A National Consumer Council Discussion Paper, Unpublished, November, 1988.

or had never been available for rent at all. Some potential tenants were told that the landlord had never heard of the accommodation agency in question or that the dwelling place in question was a private residence which had never been on the rental market. Another complaint was that the accommodation agencies had simply lifted names and addresses of premises from the newspapers. Tenants felt that they could have taken this information from the newspapers themselves without paying an agency fee. When this allegation was put to one particular agency the response was that "scanning" newspapers was part of the service offered in return for the registration fee.

● TENANTS' SPECIFICATIONS IGNORED

Some tenants found that they were sent to view premises that did not meet their requirements at all, despite having specified their requirements to an agency.

● LISTS OF LANDLORDS WILLING TO ACCEPT RENT SUPPLEMENT

Some agencies claimed that they had lists of landlords willing to accept rent supplement. This enticed unemployed tenants to pay the fee in the hope of saving themselves some "leg work" and rejection by successive landlords because they were not willing to accept rent supplement. In **Threshold's** experience, *"it is quite evident that the letting agencies do not have many landlords on their books who will accept rent supplement."* (5)

● VETTED AND APPROVED ACCOMMODATION

It was a common perception amongst prospective tenants that agencies would have seen and approved the accommodation offered. However, in some cases agencies disclaimed responsibility for the condition of premises on their lists. Tenants were sometimes dissatisfied with the accommodation procured for

them by an agency. Tenants often complained that they had not noticed the exclusion clause in the contract or that the agency had never told them that there would be no warranty as to the condition of the premises.

● VAGUE TERMS OF CONTRACT

In many cases the precise terms of the arrangement or contract between accommodation agencies and their clients were unclear. Some agreements were written contracts, others were not. Tenants were confused about:

- ▼ *refundable registration fees in the event of no suitable accommodation being found*
- ▼ *the exact service being offered*
- ▼ *the onus on the tenant to make contact with the agency*
- ▼ *the responsibility of the agency once accommodation was accepted*
- ▼ *their position after paying a deposit and then changing their minds.*

● FINANCIAL LIABILITIES

In **Threshold's** experience tenants often were not made aware that they risked forfeiting their deposit or that certain deductions e.g. agency administrative costs might be made, where they changed their minds about renting particular premises.

The most common complaint was that the consumer believed that they had not received a quality service or value for money in return for the registration fee paid. When consumers approached the agency and demanded the return of their registration fee they were often met with the argument that the fee was not refundable.

Some tenants claimed that they were promised a refund (or part refund) by an agency and that the cheque failed to arrive in the post. In some cases a

refund was forthcoming after **Threshold** intervened.

As the fee involved was small, tenants who felt aggrieved and wished to pursue the return of their fee "in principle" were understandably put off by the cost and delay involved in instituting civil proceedings in

the District Court. With the expansion of the Small Claims Procedure, however, aggrieved consumers now have access to an inexpensive and speedy remedy where they believe that an agency is in breach of contract.

THE CURRENT LEGISLATIVE FRAMEWORK IN IRELAND

● AUCTIONEERS AND HOUSE AGENTS ACTS 1947-1973

This legislation provides for the licensing of auctioneers and house agents. An individual who is convicted of carrying on, or representing himself as carrying on the business of an auctioneer or house agent without a licence may be liable for a fine of up to £500.

Both Auctioneers and House Agents are therefore required to obtain licences on an annual basis from the Revenue Commissioners before they are entitled to carry on business. Every application must be accompanied by a certificate of qualification, a certificate showing that the applicant has lodged a deposit (currently £10,000) in the High Court, the excise duty payable, and a tax clearance certificate.

The Certificate of Qualification may be obtained by applying to a judge of the District Court. The 1947 Act specifies a number of grounds on which a certificate may be refused. For example where the applicant is not a "fit and proper person" to hold a certificate, or the applicant is an undischarged bankrupt or is under the age of 21.

No professional qualification is required in order to practise as an auctioneer/estate agent.

● POOR ENFORCEMENT OF THE LICENSING REQUIREMENT

There appears to be a general consensus among auctioneers and estate agents that the licensing requirement is not being effectively enforced, particularly in Dublin. Threshold was informed by the Revenue Commissioners that if a member of the public becomes aware of an individual trading without a licence they can report the matter to the Revenue Commissioners who will investigate the complaint.

● STATUTORY DEFINITION

Having set out the law we must now see if accommodation agencies can be described as "house agents" within the meaning of the legislation. The definition of House Agent is given in the Act of 1947 as *"a person who, as agent for another person and for or in expectation of reward, purchases, sells, lets, or offers for sale or letting, or invites offers to purchase or take a letting of, or negotiates for the purchase, sale or letting of a house otherwise than by auction or attempts to effect such purchase, sale or letting."*

At first glance accommodation agencies would appear to fall within the terms of the definition. They act for landlords (although some would also appear to be acting for tenants), they charge a fee, thereby acting for or in expectation of reward, they let or offer for let or negotiate for the purposes of letting, and they attempt to arrange lettings between landlords and tenants.

However, some of the accommodation agencies **Threshold** contacted argued that they were merely "Information Bureaux" and were not performing the function of estate agents. They contended that they were not actually effecting lettings but were simply putting landlords in contact with potential tenants and were therefore not subject to the legal regulations and controls which apply to auctioneers and estate agents.

The legal position is not clear. The position is further confused in that different accommodation agencies seem to provide different services in return for their fee. It is arguable that agencies which only provide information on lettings may not be trading as house agents within the meaning of the 1947 Act. However, it is difficult to see how agencies who do

actually effect lettings between landlords and tenants can argue that they are not trading as house agents since they are providing the same service as estate agents.

Threshold is informed by the Revenue Commissioners, Customs and Excise Branch, that the statutory definition covers most activities and would seem to suggest that a licence is required by accommodation agencies. However, the Revenue Commissioners will examine any complaint they receive on a case by case basis, taking into account the nature of the business being carried on. The Revenue Commissioners may also seek legal advice before taking a definite decision in respect of the need for a license

LEGAL REDRESS THROUGH CONSUMER LEGISLATION

● THE CONSUMER INFORMATION ACT 1978

Under this Act it is an offence for a person to knowingly or recklessly make a false statement as to any service provided, whether the statement is made orally or otherwise, and where the service is provided in connection with a trade, business or profession.

The Act also makes it an offence to publish any advertisement which is likely to mislead and thereby cause loss, damage or injury to members of the public to a material degree. The 1978 Act is, in the main, part of the criminal law. Breach of obligations under the Act may render an individual liable to prosecution. With some exceptions it does not confer rights directly on the consumer but seeks to protect the consumer by prohibiting certain false or misleading practices.

The Act established the office of the Director of Consumer Affairs. The Director has the power to prosecute certain offences under the Act.

● SALE OF GOODS AND SUPPLY OF SERVICES ACT 1980

This Act provides that certain terms are implied in every contract for the supply of a service where the supplier is acting in the course of business. The relevant implied terms in this context are:

- ▼ *that the supplier has the necessary skill to provide the service*
- ▼ *that s/he will supply the service with due skill, care and diligence*

If any of these terms are broken, the consumer is likely to have the right to a full refund or the right to some measure of compensation. This Act also charges the Director of Consumer Affairs with monitoring the working of the 1980 Act. However, the Director's powers are aimed towards improving the position of consumers generally and not towards dealing with individual complaints of unsatisfactory services except in the case of false or misleading descriptions.

● THE SMALL CLAIMS PROCEDURE

The Small Claims Procedure was introduced on a pilot basis in December 1991 in Dublin, Cork and Sligo. In effect, the Small Claims Procedure is a special mechanism for dealing with small claims within the District Court structure. The primary purpose is to provide a speedy informal and low cost remedy for consumer complaints.

The procedure was extended nationwide in December 1993. The scope of the procedure was also broadened to include rental deposit disputes. The Small Claims Procedure can be used to deal with consumer claims in relation to any goods or service purchased, in which the amount of the claim does not exceed £500. It therefore offers a potential remedy for consumers who feel aggrieved by the quality of service they have received from accommodation agencies

THE LEGISLATIVE FRAMEWORK IN ENGLAND

In England there is legislation which deals specifically with accommodation agencies. It is interesting to examine this legislation since it aims to prevent the very practices which consumers have been bringing to the attention of Threshold and which have been curtailed in England since 1953. The Accommodation Agencies Act, 1953, was enacted in an attempt to prevent abuse of prospective tenants by accommodation agencies. The relevant section of the 1953 Act is as follows:

Any person who:

- (i) demands or accepts payment of any sum of money in consideration of registering, or undertaking to register, the name or requirements of any person seeking the tenancy of a house ; or

- (ii) demands or accepts payment of any sum of money in consideration of supplying, or undertaking to supply, to any person, addresses or other particulars of houses to let; or

- (iii) issues any advertisement, list or other document describing any house as being let without the authority of the owner of the house or his agent

shall be guilty of an offence.

● EXEMPTIONS

Not surprisingly, the Act of 1953 exempts any person who demands a fee for displaying in a shop or publishing in a newspaper, any advertisement or notice of premises to let. The display or publication of an advertisement or notice in the ordinary course of business is also exempt. The latter exemption would cover advertising by auctioneers and estate agents. It is not an offence for an agency to charge a landlord a fee in return for the agency acting as the agent of the landlord. Similarly solicitors acting as agents for landlords in this context would not be guilty of an offence where they charge landlords a fee for their services.

The English House of Lords, in **Saunders v Soper**, (6) ruled that it was lawful for an agency to charge tenants a fee **once** suitable accommodation had been found for them.

Consequently, an agency can charge a fee from people seeking accommodation but this fee only becomes payable when suitable accommodation has been found for the prospective tenants. If the prospective tenants fail to find satisfactory accommodation the agency cannot charge. Manchester Law Centre suggests that where a tenant accepts accommodation "the agency can only charge for work they have done which is more than

the provision of addresses or contacts, for example: taking people round to see premises, drawing up agreements etc.

Any sum demanded other than in these specific circumstances may be reclaimed. If the agency demands the sum afterwards, the tenant can refuse to pay.”(7)

● **ENFORCEMENT OF THE ENGLISH 1953 ACCOMMODATION AGENCIES ACT, 1953**

There is clearly a problem with the enforcement of this Act. No specific body is made responsible for

enforcement. Local authorities are empowered but not obliged to bring prosecutions for contravention of the Act. There are legal loopholes in the Act which enable agencies to publish accommodation information in a “journal” circulated to landlords. Despite the intentions of the 1953 Act, there have been considerable difficulties faced by private tenants seeking accommodation using accommodation agencies in England and there has been media coverage of accommodation agency fraud.

The 1953 Act remains in force despite Government attempts to repeal it. However, there are no current proposals to tighten protective measures.

RECOMMENDATIONS FOR CHANGE

The recommendations here are not intended to be definitive. Threshold would like to encourage discussion among interested parties. Informed discussion, it is hoped, will result in the establishment of an effective regulatory framework which will be of benefit to accommodation agencies, landlords and tenants. Our recommendations also take account of some of the difficulties which have emerged in the operation of the Accommodation Agencies Act, 1953 in England.

1. AMEND THE DEFINITION OF HOUSE AGENT IN THE AUCTIONEERS AND HOUSE AGENTS ACT, 1947

The position of the accommodation agent needs to be clarified. We recommend that the definition of house agent in 1947 Act should be amended and extended. The new definition should make it clear that accommodation agencies are trading as house agents within the meaning of the Act.

2. BAN FEES FOR REGISTRATION

Accommodation agencies should only be permitted to charge where suitable accommodation is found for a tenant. Prospective tenants should be notified of agency charges in advance. Any individual or company which charges a fee simply for registering the accommodation requirements of prospective tenants should be guilty of an offence

3. STIFF PENALTIES FOR OFFENCES

The new offence proposed above should carry a penalty of up to £1,000 on summary conviction. Penalties should be assessed and reviewed at regular intervals. The maximum penalty for unlicensed trading should be

increased from £500 to a £5,000 fine. Consideration should also be given to introducing an additional penalty, such as debarring an individual convicted of unlicensed trading from holding a house agent's license for a maximum period of 5 years. The prospect of such a fine and/or of being debarred may serve to deter unlicensed trading.

4. BETTER ENFORCEMENT AND MORE RESOURCES

Enforcement is the responsibility of the Revenue Commissioners and the Gardaí. Adequate resources and personnel must be made available for enforcement purposes. The public must be made aware of the licensing requirement and of their right to make a complaint to the Revenue Commissioners where they believe an agency is engaged in unlicensed trading. Consideration should be given as to who should enforce the law: local authorities, the Director of Consumer Affairs, the Revenue Commissioners. Threshold believes at this stage that the Revenue Commissioners are likely to be the best option, given adequate resources.

5. POWERS OF ENTRY AND INSPECTION

The body charged with the enforcement of the proposed legislation should be given considerable powers of entry and inspection. Threshold would recommend powers of entry and inspection along the line of those vested in authorised officers under the Employment Agency legislation. See Appendix 3.

6. GENERAL REGULATIONS

Threshold recommends that general regulations for controlling and supervising the business of accommodation agencies should be enacted. The present legislative framework regarding the running of employment agencies provides a useful model for reform. Like employment agencies, accommodation agencies should keep detailed records showing:

- ▼ *the numbers of persons applying for accommodation and the type of accommodation sought*
- ▼ *the number of persons accommodated and the type of accommodation in which they are placed*
- ▼ *the fees charged in respect of each person placed in accommodation in the course of business*
- ▼ *any charges in respect of expenses for services rendered*

Accommodation agencies should be obliged to display a current licence in their business premises.

7. MORE INFORMATION FOR CONSUMERS

A public education and awareness campaign should be launched to inform consumers of their rights and remedies. People should be advised to deal with licensed traders only. The Small Claims Procedure should be more widely publicised. Newspapers should be asked to co-operate by including a general statement about consumer rights and the licensing requirements on the page containing the "to let" columns. Information about how to complain when dissatisfied could also be included.

8. RENTAL DEPOSIT BOARD

The advantages of the Australian Rental Deposit Board system should be publicised. Under this system deposits are lodged with the Board which then acts as an independent stakeholder returning the deposit as appropriate and mediating in the event of a dispute. Deposit Boards are self-financing and return a profit on the investment of monies in their charge. Profits are used to finance other housing services, including advice, information, and some housing provision.

(See *"Resolving Landlord / Tenant Disputes: Are Rental Deposit Boards the Answer?"* Threshold, 1993.)

CONCLUSION

Threshold believes that the law governing the activities of accommodation agencies is in urgent need of reform. The interests of both landlords and tenants are not adequately protected. The definition of house agent should be extended to include accommodation agencies. The licensing system must be effectively enforced. Adequate resources should be made available. Consumers should be informed of their rights and the remedies that are available to them when they are dissatisfied with the service they receive. A new offence should be created to prevent the exploitation of tenants seeking accommodation. It is essential that in the interests of landlords, tenants, professional licensed agencies and people seeking accommodation, any rogue agencies that are engaging in bad practice are detected and prosecuted.

APPENDIX 1

CASE STUDY A

Ann-Marie registered with an accommodation agency and paid a registration fee of £35. Ann-Marie claimed that the agency sent her to view premises at an address which did not exist. She further claimed that every time she contacted the agency in question she believed that she was "getting the run around" and was left "on hold" for what she considered unreasonable periods of time. Months later the agency had not found suitable accommodation for her. She demanded that her registration fee be returned. When the agency refused, Ann-Marie contacted **Threshold** for advice. **Threshold** advised that the only means of recovering the registration fee was to bring a small claims action against the agency.

CASE STUDY B

Grainne registered with an accommodation agency, paid a fee of £35 and specified that she was looking for an unfurnished flat. The agency's advertisement stated that the agency dealt with both furnished and unfurnished accommodation. The agency showed Grainne lists of the accommodation on their books but nothing suited her requirements. Grainne then claimed that the agency proceeded to tell her that the agency did not deal in unfurnished accommodation. **Threshold** checked this out and there is no doubt that the advertisement to which Grainne replied stated clearly that the agency dealt with both furnished and unfurnished accommodation.

Threshold contacted the agency. The agency claimed that Grainne kept changing her mind about the type of premises she wished to rent and that this made it very difficult for the agency to find her suitable premises. The agency offered to either keep searching for accommodation for Grainne or to return her registration fee. Grainne opted for a refund of the fee.

CASE STUDY C

Sean registered with an accommodation agency and paid a fee of £35. Sean claimed that the agency led him to believe that he would remain a client of the agency until suitable accommodation was found for him. Sean understood that the agency would contact him. When they failed to do so he took the initiative and telephoned the agency. He claimed that he was shown various premises, none of which met his requirements. Sean also claimed that when he spoke to the landlords of the various premises he viewed, the landlords claimed that they had advertised through the local papers and not through the agency.

Sean was away on holiday for over a month and on his return he contacted the agency again. He claimed that the agency demanded a further £35 for 'current' membership. Eventually, after speaking to a number of agency employees, he claimed that he was told that he could register again for £17.50.

Sean contacted **Threshold** for advice. **Threshold** contacted the agency on Sean's behalf and the agency agreed to look for accommodation for Sean without further fee.

APPENDIX 2

Accommodation Agencies in Cork City

By 1988 there was an acute shortage of private rented accommodation in Cork City. By virtue of the laws of supply and demand, rents rose and it became increasingly difficult for people on low incomes to secure private rented accommodation. The shortage of accommodation also created an opening in the market for the services provided by accommodation agencies.

In the period 1989 - 1990 a typical registration fee was in the region of £4 - £5. However, if a tenant agreed to accept the accommodation procured for them by an agency a further fee became payable. This fee would vary from between a week to a month's rent. Some agencies also charged landlords a letting fee.

Towards the end of 1992 complaints concerning the activities of accommodation agencies were made to **Threshold**. Callers claimed that addresses of premises "to let" were simply being lifted from newspapers. Other complaints related to non-passing of deposits to landlords and refusal to return registration fees in such cases.

In Cork, the Southern Health Board administers the Supplementary Welfare Allowance Scheme under which rent supplement and assistance towards deposits are paid to tenants in certain circumstances. The Southern Health Board reviewed its practice of paying agency fees on behalf of clients and has discontinued this practice.

APPENDIX 3

Employment Agency Act, 1971.

Section 9

9 - (3) An authorised officer may at all reasonable times

- a) enter and inspect any premises in which the business of an employment agency is being carried on...,
- b) inspect such books and records relating to the business of an employment agency as are required to be kept under this Act and where he has reasonable grounds for believing that this Act is being or has been contravened, take copies of any entries in such books or records,
- c) require any person carrying on the business of an employment agency or proposing to do so to furnish him with such information as he may reasonably require in order to ascertain whether or not the agency is being or is likely to be conducted in accordance with this Act.



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