



Leasehold and Freehold Reform Act 2024

2024 CHAPTER 22

PART 6

LEASEHOLD AND ESTATE MANAGEMENT: REDRESS SCHEMES

PROSPECTIVE

Redress schemes: general

100 Leasehold and estate management: redress schemes

- (1) The Secretary of State may by regulations require a person that carries out estate management in respect of a dwelling in England in a relevant capacity to be a member of a redress scheme.
- (2) A person carries out estate management in a “relevant capacity” if they do so—
 - (a) as a relevant landlord of the dwelling, or
 - (b) as an estate manager.
- (3) But a person may not be required to be a member of a redress scheme under this section if they carry out estate management only—
 - (a) as a tenant, or
 - (b) as an agent.
- (4) A “redress scheme” is a scheme—
 - (a) which provides for a complaint against a member of the scheme made by or on behalf of a current or former owner of a dwelling in relation to which estate management is carried out to be independently investigated and determined by an independent individual, and
 - (b) which is—
 - (i) approved by the lead enforcement authority for the purposes of regulations under subsection (1), or

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- (ii) administered by or on behalf of the lead enforcement authority and designated by the lead enforcement authority for those purposes.
- (5) Regulations under subsection (1) may require a person to remain a member of a redress scheme after ceasing to be a person mentioned in that subsection, for a period specified in the regulations.
- (6) Before making regulations under subsection (1), the Secretary of State must be satisfied that all persons who are to be required to be a member of a redress scheme will be eligible to join such a scheme before being so required (subject to any provision in the scheme about expulsion, as to which see section 103(3)(1)).
- (7) For potential consequences of breaching regulations under subsection (1), see—
 - (a) section 24(2)(ad) of the LTA 1987 and section 92(3)(e) of this Act (appointment of manager by tribunal);
 - (b) section 105 of this Act (financial penalties by enforcement authorities).
- (8) In this Part—
 - “estate management” means—
 - (a) the provision of services,
 - (b) the carrying out of maintenance, repairs or improvements,
 - (c) the effecting of insurance, or
 - (d) the making of payments,
 for the benefit of one or more dwellings;
 - “estate manager” means a body of persons (whether incorporated or not)—
 - (a) which carries out, or is required to carry out, estate management, and
 - (b) which recovers the costs of carrying out estate management by means of relevant obligations;
 - “the lead enforcement authority” means either—
 - (a) the Secretary of State, or
 - (b) another person designated by the Secretary of State as the lead enforcement authority,
 and see section 108 for further provision about the lead enforcement authority;
 - “relevant landlord”, in relation to a dwelling, means a landlord under a long lease of the dwelling;
 - “relevant obligation”, in relation to a dwelling, means each of the following—
 - (a) a rentcharge which—
 - (i) is charged on or issues out of the land which comprises the dwelling or a building of which the dwelling forms part, and
 - (ii) is an estate rentcharge by virtue of section 2(4)(b) and (5) of the RA 1977;
 - (b) an obligation under a long lease of the dwelling;
 - (c) any other obligation that—
 - (i) runs with the land which comprises the dwelling or a building of which the dwelling forms part, or
 - (ii) otherwise (whether in law or in equity) binds the owner for the time being of the land which comprises the dwelling;
 - (d) any other obligation—

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- (i) to which the owner of the dwelling is subject, and
 - (ii) to which any immediate successor in title of that owner will become subject, if an arrangement to which a relevant landlord or an estate manager and that owner are parties is performed.
- (9) The arrangements that are within paragraph (d) of the definition of “relevant obligation” include an arrangement under which the owner is required (in particular by a limitation on transfer of title to the dwelling or on registration of a transfer of title) to ensure that any immediate successor in title to the owner enters into an obligation.
- (10) The Secretary of State may by regulations make provision (including provision amending this Act) for the purpose of changing the meaning of “relevant capacity”, “relevant landlord” or “relevant obligation”.
- (11) A statutory instrument containing regulations under this section (whether alone or with other provision) is subject to the affirmative procedure.

Commencement Information

- II** S. 100 not in force at Royal Assent, see [s. 124\(3\)](#)

101 Redress schemes: voluntary jurisdiction

- (1) Nothing in this Part prevents a redress scheme from providing (subject to regulations under section 103)—
- (a) for membership to be open to persons who wish to join as voluntary members;
 - (b) for the investigation or determination of any complaints under a voluntary jurisdiction (including complaints by persons who are not current or former owners of dwellings in relation to which estate management is carried out);
 - (c) for voluntary mediation services;
 - (d) for the exclusion from investigation and determination under the scheme of any complaint in such cases or circumstances as may be specified in or determined under the scheme.

- (2) In this Part—

“complaints under a voluntary jurisdiction” means complaints in relation to which there is no duty to be a member of a redress scheme, where the members against which the complaints are made have voluntarily accepted the jurisdiction of the scheme over those complaints;

“voluntary mediation services” means mediation, conciliation or similar processes provided at the request of a member in relation to complaints made—

- (a) against the member, or
- (b) by the member against another person;

“voluntary members”, in relation to a scheme, means members who are not subject to a duty to be a member of a redress scheme.

Commencement Information

- I2** S. 101 not in force at Royal Assent, see [s. 124\(3\)](#)

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102 Financial assistance for establishment or maintenance of redress schemes

The Secretary of State may give financial assistance (by way of grant, loan, or guarantee, or in any other form) or make other payments to a person for the establishment or maintenance of—

- (a) a redress scheme, or
- (b) a scheme that would be a redress scheme if it were approved or designated under section 100(4)(b).

Commencement Information

- I3** S. 102 not in force at Royal Assent, see [s. 124\(3\)](#)

103 Approval and designation of redress schemes

- (1) This section applies where the Secretary of State makes regulations under section 100(1).
- (2) The Secretary of State must by regulations set out conditions which are to be satisfied before a scheme is approved or designated under section 100(4)(b).
- (3) The conditions must include conditions requiring the scheme to include provision in accordance with the regulations—
 - (a) for the appointment of an individual to be responsible for overseeing and monitoring the investigation and determination of complaints under the scheme;
 - (b) about the terms and conditions of that individual and the termination of their appointment;
 - (c) about the complaints that may be made under the scheme, which must include provision enabling the making of complaints about non-compliance with any codes of practice that are issued or approved by the Secretary of State;
 - (d) about the time to be allowed for scheme members to resolve matters before a complaint is accepted under the scheme in relation to those matters;
 - (e) about the circumstances in which a complaint may be rejected;
 - (f) about co-operation (which may include the joint exercise of functions) of an individual who is investigating or determining a complaint with persons who have functions in relation to other kinds of complaint and with enforcement authorities;
 - (g) about the provision of information to the persons mentioned in paragraph (f);
 - (h) if members are required to pay fees in respect of compulsory aspects of the scheme, about the level of those fees;
 - (i) if there are voluntary aspects of the scheme—
 - (i) for fees to be payable in respect of those aspects of the scheme, and
 - (ii) for the fees to be set at a level that, taking one year with another, is sufficient to meet the costs incurred in the administration of, and the investigation and determination of complaints under, those aspects of the scheme;
 - (j) for the individual determining a complaint to be able to require members to provide redress of the following types to the complainant—
 - (i) providing an apology or explanation,

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- (ii) paying compensation, and
 - (iii) taking such other actions in the interests of the complainant as the individual determining the complaint may specify;
 - (k) about the enforcement of the scheme and decisions made under the scheme;
 - (l) for a person to be expelled from the scheme only—
 - (i) in circumstances specified in the regulations,
 - (ii) once steps to secure compliance that are specified in the regulations have been taken, and
 - (iii) once the decision to expel the person has been reviewed by an independent person in accordance with the regulations;
 - (m) for an expulsion to be revoked in circumstances specified in the regulations;
 - (n) prohibiting a person from joining the scheme when the person has been expelled from another redress scheme and the expulsion has not been revoked;
 - (o) for circumstances in which the administration of the scheme is to be transferred to a different administrator;
 - (p) about the closure of the scheme by an administrator of the scheme.
- (4) Conditions set out in regulations under subsection (3)—
 - (a) may include conditions requiring an administrator or proposed administrator of a scheme to undertake to do things—
 - (i) on an ongoing basis following approval or designation;
 - (ii) after ceasing to be an administrator of the scheme;
 - (b) in the case of conditions set out in regulations by virtue of subsection (3)(e), may require a scheme to reject complaints by a current or former owner of a dwelling where that owner is of a description specified in the regulations;
 - (c) in the case of conditions set out in regulations by virtue of subsection (3)(o), may—
 - (i) require an approved scheme to provide for the administration of that scheme to be transferred to the lead enforcement authority or a person acting on behalf of the lead enforcement authority in circumstances specified in the regulations, and
 - (ii) where they so require, provide for a scheme whose administration is transferred to be treated as a designated scheme instead of an approved one.
- (5) Subsections (3) and (4) do not limit the conditions that may be set out in regulations under subsection (2).
- (6) The Secretary of State may by regulations make further provision about the approval or designation of redress schemes under section 100(4)(b), including provision—
 - (a) about the number of redress schemes that may be approved or designated (which may be one or more);
 - (b) about the making of applications for approval;
 - (c) about the period for which an approval or designation is valid;
 - (d) about the withdrawal of approval or revocation of designation;
 - (e) authorising the approval or designation of a scheme which provides for fees payable by a compulsory member to be calculated by reference to the total of the costs incurred, or to be incurred, in the administration of the compulsory aspects of the scheme and the investigation and determination of complaints

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under those aspects of the scheme (including costs unconnected with the member in question).

- (7) Regulations under this section may—
- (a) confer functions (including functions involving the exercise of discretion) on the lead enforcement authority, or authorise or require a scheme to do so;
 - (b) provide for the delegation of such functions by the lead enforcement authority, or authorise or require a scheme to provide for that.
- (8) In this section—
- “compulsory aspects”, in relation to a scheme, means aspects of the scheme relating to complaints in relation to which there is a duty to be a member of a redress scheme;
- “compulsory member”, in relation to a scheme, means a member of the scheme who is subject to a duty to be a member of a redress scheme;
- “voluntary aspects”, in relation to a scheme, means aspects of the scheme that relate to—
- (a) complaints under a voluntary jurisdiction,
 - (b) voluntary mediation services, or
 - (c) voluntary members.
- (9) A statutory instrument containing regulations under this section (whether alone or with other provision) is subject to the affirmative procedure.

Commencement Information

I4 S. 103 not in force at Royal Assent, see [s. 124\(3\)](#)

104 Redress schemes: no Crown status

A person exercising functions under a redress scheme (other than the Secretary of State) is not to be regarded as the servant or agent of the Crown or as enjoying any status, privilege or immunity of the Crown or as exempt from any tax, duty, rate, levy or other charge whatsoever, whether general or local, and any property held by such a person is not to be regarded as property of, or held on behalf of, the Crown.

Commencement Information

I5 S. 104 not in force at Royal Assent, see [s. 124\(3\)](#)

Status:

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