**Decision of the First-tier Tribunal for Scotland Housing and Property Chamber issued under Section 19(1) of the Property Factors (Scotland) Act 2011 ("the Act") and The First-Tier Tribunal for Scotland Housing and Property Chamber (Procedure) Regulations 2016, in an application made to the Tribunal under Section 17 of the Act**

**Chamber reference: FTS/HPC/PF/18/0199**

**The Property: 3 Mitre Road, Broomhill, Glasgow G11 7EF ('the property')**

**The Parties:**

**Mrs Allison Tait, 20 Vancouver Road, Scotstoun, Glasgow G14 9HR, represented by Mr Joseph Parks, 3 Mitre Road, Broomhill, Glasgow G11 7EF ("the homeowner")**

**Life Property Management Limited, incorporated under the Companies Acts (SC253869) and having their Registered Office at 11 Somerset Place, Glasgow G3 7JT ("the property factors")**

**Tribunal Members - George Clark (Legal Member) and Elaine Munroe (Ordinary Member)**

**Decision by the Housing and Property Chamber of the First-tier Tribunal for Scotland in an application under section 17 of the Property Factors (Scotland) Act 2011('the Act')**

The Tribunal has jurisdiction to deal with the application.

**The property factors have not failed to comply with their duties under Section 14 of the Property Factors (Scotland) Act 2011 ("the Act") and have not failed to carry out the property factor's duties. Accordingly, the Tribunal does not propose making a Property Factor Enforcement Order.**

The Decision is unanimous.

## Introduction

In this decision, the Property Factors (Scotland) Act 2011 is referred to as "the Act"; the Property Factors (Scotland) Act 2011 Code of Conduct for Property Factors as "the Code of Conduct" or "the Code"; the First-tier Tribunal for Scotland Housing and Property Chamber (Procedure) Regulations 2017 as "the 2017 Regulations"; and the Housing and Property Chamber of the First-tier Tribunal for Scotland as "the Tribunal". The owners of the block of which the Property forms part are referred to as "the owners".

The property factors became a Registered Property Factor on 7 December 2012 and their duty under section 14(5) of the 2011 Act to comply with the Code arises from that date.

The Tribunal had available to it and gave consideration to: the application by the homeowner dated 18 January 2018, with supporting documentation, namely a 2-page summary of the complaint, copies of the property factors' Written Statement of Services, Customer Care Promise document, Financial Best Practice document, quotation from Hart Lifts Ltd, e-mail and other written correspondence between the parties and between the homeowner and HM Revenue and Customs and VAT Notice Number 742; to written representations from the homeowner, with 36 Productions, received on 8 March 2018 and to further written representations from the homeowner received by the Tribunal on 27 April 2018; and to the Written Representations made by the property factors by letter dated 6 March 2018, with 8 Appendices.

## Summary of Written Representations

### (a) By the homeowner

The following is a summary of the content of the homeowner's application to the Tribunal :-

In 2016, the homeowner had become aware of Vat Notice 742, Section 12.2. As major works to the building of which the Property forms part were planned, direct e-mail contact had been made with HM Revenue and Customs ("HMRC"). Their reply in November 2016 contained apparent confirmation that the VAT exemption in Notice 742 applied to the proposed works. This information had been passed on to the property factors at the Budget Meeting in January 2017. The property factors had expressed some scepticism, suggesting it did not apply because the work was being carried out by their management company. Further contact with HMRC asking about this had followed in February 2017 and at the AGM held that month, the property factors had been instructed to contact HMRC to clarify the situation and enquire how the exemption might be implemented and, in the meantime to inform contractors of the VAT exemption. The property factors had not followed that instruction. The

HMRC response to the second question had been received by the homeowner on the day of the AGM, confirming the exemption would apply even with the property managers' involvement. This response had been sent immediately by the homeowner to the property factor.

The owners of the block had then met with a lift maintenance company (referred to in this Statement of Decision as "HL") and a roofing contractor (referred to in this Statement of Decision as "CG") and had agreed with both companies that the proposed works would be billed exempt from VAT and that an amount equivalent to the VAT that would otherwise have been payable would be held in the owners' account pending final clarification from HMRC. The roofing contract had been invoiced without VAT, but, unbeknown to the owners, the lift contract had been invoiced with VAT, the VAT element being £5,112. Despite every opportunity to do so, the property factors had failed to mention this to the owners until several weeks later and had not done so voluntarily.

At the July 2017 Budget meeting, the property factors had again been instructed to contact HMRC to see how the exemption could be "actioned", but again they had not followed that instruction. In September 2017, they had issued a letter to all owners giving the impression that the advice they had received was that the VAT exemption could not apply. This was, the homeowner stated, completely ingenuous, as there was advice to the contrary. At a meeting with the accountant they had mentioned in their letter, the very same person had agreed that the exemption did apply. The property factors should have been instructing contractors of the exemption at the time that the letter was sent. The letter made no mention of the fact that the property factors were intending to pay over the VAT of £5,112. That had only come to light in a subsequent e-mail. Despite being aware of the agreement in place with the contractors and having been explicitly told not to pay the money, the property factors had transferred the £5,112 from the owners' account to HL.

In their response to the complaint, the property factors had said that it had been made clear from the outset that if the suppliers' accountant accepted that VAT was not payable, it would not be applied, but that if that was not the case, the cost would be applied by the supplier. This was categorically not the case and there was no evidence to support it. The fact was that the incorrect invoice had been raised and presented to the property factors two months prior to the response from HL's accountant, so the property factors should never have accepted the invoice.

Accordingly, the homeowner believed that the property factors had failed to perform their common law duty of care and as fiduciary to a reasonable professional standard. They had failed to keep the owners as their principals, informed about their actions as agents, had failed in their duty to act in their principals' best interests, had failed to carry out their principals' instructions and had failed in their duty to look after their principals' funds. They had also breached Sections 2.1 and 2.4 of the Code of Practice, in that, in e-mails, letters and comment, they had given the impression that

matters regarding the VAT exemption were resolved, but had made no comment on the fact that other opinions were at odds with those of their advisers, so the situation was far from resolved. They had failed to mention that, contrary to the agreement between the owners and HL, they were intending to pay over the £5,112 and did not disclose to owners that VAT had been added to an invoice when an agreement was in place that that would not happen. They had also stated in a letter that they would like to see owners benefit from lower VAT, but could not see how that could be achieved and yet they had stated in the same letter that the exemption exists.

The homeowner also contended that the property factors had overstepped their authority as set out in their Statement of Services when they handed over the £5,112 to HL and had breached the terms of their "Customer Care Promise" by not fully informing the owners of matters regarding the invoice from HL, by subsequently paying it and by not giving correct information or following instructions. They had also failed to follow their "Financial Best Practice" by putting the owners' money into their own account and had misled the owners by not informing them of this.

By e-mail dated 23 February 2018, the homeowner added Section 7.2 to the complaint, stating that, in the final decision letter on the complaint, the property factors had not informed the homeowner how to apply to the Tribunal, but had suggested remedy might be sought via the courts

The homeowner stated in the application, as thus amended, that the property factors had failed to comply with Sections 2.1, 2.4 and 7.2 of the Code of Conduct and that the complaint also related to a failure to carry out the Property Factor's Duties.

**(b) By the property factors**

The property factors' written representations were contained in a letter to the Tribunal dated 6 March 2018. They began by seeking clarification as to whether the Tribunal's jurisdiction extended to determining whether VAT was applicable or not on development accounts. They did not think that the application of VAT was a matter on which the Tribunal could make a decision.

The matter at issue had first been brought to the property factors' attention at a residents' meeting on 31 January 2017. This was an informal meeting prior to the 2017 AGM to discuss the year-end accounts for 2015-16. The property factors thought it beneficial to hold a meeting, as this was the first set of accounts the development had received from them. Following the meeting, Mr Parks (the representative of the homeowner, but referred to in this Statement of Decision as "the homeowner") had sent correspondence dated 1 February 2017 to the property factors' Finance Manager, raising concerns over VAT. Various communications by e-mail had then taken place and the property factors had then sought the advice of their accountant, following the homeowner's submission from HMRC.

At the AGM on 21 February 2017, there was discussion of the opinion from a VAT consultant regarding the VAT exemption. This opinion would have been seen by the homeowner on 17 February 2017. At the AGM, the homeowner rejected the comments of the VAT consultant and it was agreed that the property factors would look into the matter further with HMRC to see how it could be progressed/resolved.

The property factors had always stated that they did not disagree that the exemption exists, but they could not find a way of applying it. Two core services contractors had been approached initially in this regard. Both of them had confirmed that they could not waive VAT on any works and the property factors provided copies of e-mail correspondence showing their request to these contractors not to charge VAT.

The homeowners had wished to commence lift works and had requested that VAT was not applied. The lift contractors confirmed at a meeting that they would seek tax advice from their own accountant. A ballot of owners had been taken and, as a result a revised quotation from HL was accepted. The work was completed and the cost ex-VAT was paid. The contractor then reverted with their tax advice. This was discussed at a meeting with all the owners. The homeowner remained resolute that VAT could not be charged, but the property factors' view was that they had instructed the work on behalf of the owners and, as the work carried out was not in dispute, they had an obligation to pay the invoice. They had evidence in hand from HMRC, their own accountant and the supplier's accountant, versus the initial HMRC feedback and believed it was fair and reasonable to have the VAT element paid. The invoice ex-VAT was paid on 20 July 2017 and the VAT element was processed on the property factors' system on 19 October 2017. The property factors had since discovered that the onward payment to the supplier had not actually been made, due to an oversight or error by an employee, but reiterated that it had transparently been their intention to process the payment. The funds had been transferred from the Development Reserve Account to the Development Main Account, but had not been forwarded to the property factors' supplier clearing account. The property factors included, as an Appendix to their written representations, an e-mail to the homeowner of 17 January 2018, explaining the use of the clearing account and how funds moved from one account to the other.

In answer to the complaint relating to the property factors' fiduciary duties, the property factors repeated that the owners had agreed collectively at a meeting that work to the lift should be instructed by the factors and that the VAT position would be reviewed and appropriate action agreed, based on the suppliers' and accountants' tax advice. Consultation had taken place in its entirety before work was instructed and tax advice was provided. The property factors had consistently requested evidence from the homeowner in addition to the three VAT interpretations that the property factors had, but the homeowner was fully relying on the initial HMRC comments which, by October 2017, the property factors believed to be out of date, based on another HMRC update and the opinions of two accountants. In addition, the property factors understood that the homeowner had approached a no win-no

fee chartered accountant to request assistance. The property factors' accountant had contacted this company directly and they had now confirmed that they agreed with the stance taken by the property factors, given the latter's own business model approach.

The view of the property factors that the issue of VAT had been concluded had been intimated in a letter to the homeowner dated 20 September 2017. This was before the intended payment of the VAT element in October 2017.

The property factors had sought from the owners at the AGM in February 2018 a vote of confidence in their management of the development and the model being utilised of paying contractors VAT on the cost of services provided. The vote had been 18 in favour and 3 against, suggesting that the majority of owners were happy with the property factors' management.

The property factors suggested that on the basis of the evidence they had provided, this part of the complaint should be dismissed.

With regard to Section 2.1 of the Code of Conduct, the property factors pointed to their Written Statement of Services, which also detailed their authority to act and contract for the development, and to the development Deed of Conditions. They were unable to establish why they could be accused of being misleading. They had, in final communications, requested further clarity from the homeowner, but it had not been forthcoming.

In relation to Section 2.4 of the Code of Conduct (the allegation of acting without the consent of the principal), the property factors contended that it was apparent from the consultation detail and Minutes provided that they had consulted correctly with the owners.

Referring to Section 7.2 of the Code of Conduct, the property factors accepted that in the last communication from their Managing Director, they had not specifically stated the next course of action that the homeowner could take, but said that there were a number of reasons for this.

Firstly, the Managing Director had assisted the homeowner in relation to complaints against the previous factors and had provided at that time detailed information about the (then) Homeowner Housing Panel (now the Tribunal). In addition, the language used by the homeowner in the final e-mails suggested the homeowner's intentions to apply to the Tribunal and the Managing Director, perhaps wrongly, had assumed that the homeowner was well aware of the next course of action available. The homeowner was also aware of the property factors' complaints procedure, which made reference to and provided the address of the Tribunal and, in their final communications, the property factors had provided the homeowner with a copy of the Code of Conduct, further confirmation that there had never been any intent on

their part to avoid informing the homeowner of the avenues the homeowner could follow.

## THE HEARING

A hearing took place at the Teachers Building, 14 St Enoch Square, Glasgow G1 4DB on 9 May 2018. The homeowner's representative, Joseph Parker, was present at the hearing. The property factors were represented at the hearing by David Reid, their Managing Director, Jacqueline Borthwick, their Head of Finance and Alasdair Wallace, their Head of Estates.

### Summary of Oral Evidence

The chairman told the parties that they could assume that the Tribunal members had read and were completely familiar with all of the written submissions and the documents which accompanied them. He then invited the homeowner's representative ("the homeowner") to address the Tribunal with reference to the complaints under each Section of the Code of Conduct. The wording of the relevant portions of each Section of the Code included in the application is set out below, followed by a summary of the oral evidence given by the parties in respect of that Section.

The chairman also told the parties that the Tribunal did not have the authority to determine whether a VAT exemption applied to the arrangements with suppliers. Such matters were not within the Tribunal's jurisdiction.

### Section 2.1. "You must not provide information that is misleading or false."

The homeowner told the Tribunal that an instruction had been given to the property factors at the July 2017 Budget meeting to contact HMRC to see how the VAT exemption could be applied. The property factors' letter of 20 September 2017 implied that they had gone through that process and had obtained a decision. It was now clear that the property factors had not, by 20 September 2017, complied with the instruction given to them in July.

The property factors stated that they had advised prior to the July meeting that they did not know how the exemption could be applied and that it would require further communication between a VAT consultant and HMRC. They had never said the exemption did not exist, but they did not know how it could be applied to the property factoring industry or to their particular business model. They had to work out whether contractors would apply the exemption. One of their team had contacted HMRC, but the response was different to that given to the homeowner. This might have been

down to the actual question that was asked. The homeowner commented that the property factors' contact with HMRC came after their letter of 29 September 2017.

The property factors told the Tribunal that it had now reached a point where they were not qualified to progress the argument with HMRC any further.

**Section 2.4. "You must have a procedure to consult with the group of homeowners and seek their written approval before providing work or services which will incur charges or fees in addition to those relating to the core services."**

The homeowner told the Tribunal that the property factors should have come back to the owners before passing on the £5,112, as, in doing so, they were acting contrary to the instructions they had been given.

The property factors' response was that they had taken the matter to the owners and had obtained their authority to go ahead on the basis of the quote which stated that the figure was exclusive of VAT. This meant that the final invoice would have VAT added, not that the contractors had agreed the exemption applied. The property factors had agreed with the owners that the VAT equivalent would be held separately pending resolution of the VAT situation. The homeowner confirmed that this was to protect the contractor in case HMRC determined that the homeowner's view was wrong. The property factors continued that the contractors had offered to seek their own further advice on the VAT position. They submitted a VAT invoice and later came back with advice from their accountants that VAT could not be avoided and, at that point, the property factors intended to pay it.

The property factors added that the ballot papers had been sent by another owner in the development and they had had no input into the wording, which referred to the VAT position requiring to be clarified.

The homeowner stressed to the Tribunal that a ruling by HMRC was going to determine whether the invoice was VAT-able or not. It should have been issued without VAT and it would have been picked up by HMRC from the contractor's next VAT return. The property factor responded by saying that the supplier would have to agree to it in the first place. Initially, HL had agreed, but they changed their view when they received their own advice. In any event, it might well not have been picked up by HMRC at the VAT return stage, but only at a VAT audit, perhaps several years later. It was for contractors to decide whether or not to charge VAT. The driver for making the payment was that the property factors had advice from various sources, including slightly conflicting views from HMRC. The property factors felt that the investigation had gone as far as it could go and on that basis they had decided that they had to pay the VAT.

The homeowner said that the point he was making was that they had paid over the money before the owners had come back to them to say they had advice from the

accountants, Chiene and Tait, but the property factors pointed out that Chiene and Tait had subsequently said that, based on the property factors' business model, they agreed with the views of the property factors' accountants. That business model involved a development bank account for each development that they managed, from which all bills to contractors were paid directly. Each development was treated as its own business and all incoming payments and outgoing payments were to the development account. They never touched the property factors' account.

**Section 2.5. " You must respond to enquiries and complaints received by letter or email within prompt timescales."**

The homeowner accepted that his concerns in relation to this Section had been dealt with in the discussion relating to Section 2.4.

**Section 7.2. "When your in-house complaints procedure has been exhausted without resolving the complaint, the final decision should be confirmed with senior management before the homeowner is notified in writing. This letter should also provide details of how the homeowner may apply to [the Tribunal]."**

The homeowner told the Tribunal that he was not disputing the fact that he knew about the Tribunal, but the final letter from the property factors had failed to direct him to the Tribunal if he remained dissatisfied.

The property factors repeated what they had said in their written representations, namely that, by that time, the homeowner had made it clear that he was going down the Tribunal route.

**Failure to comply with the factor's duties**

The homeowner stated that, by not contacting HMRC to find out how the VAT exemption could be applied, the property factors had failed to follow instructions from the owners, failed in their duty to keep owners informed, their duty of loyalty and their duty to look after owners' funds and had failed to comply with their Customer Care Promise and their Financial Best Practice document. He referred the Tribunal to the Minutes of the AGM of 21 February 2017, which stated that the property factors were to refer further to HMRC to see if the development was exempt or not, and to an e-mail from the property factors' managing director dated 24 November 2017 as well as to the Minutes of the annual Budget meeting of 25 July 2017. It was clear that the property factors had been asked to enquire of HMRC how the exemption could be applied. The property factors had said in an e-mail of 11 July 2017 that the exemption had been put to each contractor utilised at the development, but that had not happened in the case of one of the roofing contractors. The contractors should have been advised that the exemption was in place.

The property factors said that they had, on a customer care basis, investigated the situation and had taken it as far as they could. They had then suggested the next

step was to appoint a VAT consultant to discuss the position with HMRC. They accepted that the owners might be able to find a factor who could do things the way the homeowner wanted, but they were not prepared to alter their business model for these 26 properties. As a result, they had sought and obtained a "vote of confidence" at the AGM of February 2018.

**Closing Remarks**

The parties were then invited to make any closing remarks. The parties confirmed that they had nothing further to add to the evidence they had already given.

The parties then left the hearing and the Tribunal members considered the evidence that they had heard, along with the written representations and other documentation before them.

The Tribunal makes the following findings of fact:

- The homeowner is the owner of the property.
- The property forms part of a block of flatted dwellinghouses.
- The property factors, in the course of their business, manage the common parts of the development (including the block) of which the Property forms part. The property factors, therefore, fall within the definition of "property factor" set out in Section 2 (1)(a) of the Property Factors (Scotland) Act 2011 ("the Act").
- The property factors were under a duty to comply with the Property Factors (Scotland) Act 2011 Code of Conduct for Property Factors from the date of their registration as a Property Factor.
- The date of Registration of the property factors was 7 December 2012.
- The homeowner has notified the property factors in writing as to why she considers that the property factors have failed to carry out their duties arising under section 14 of the Act.
- The homeowner made an application to the Housing and Property Chamber of the First-tier Tribunal for Scotland ("the Tribunal") dated 18 January 2018 and received on 20 January 2018 under Section 17(1) of the Act.
- The concerns set out in the application have not been addressed to the homeowner's satisfaction.
- On 19 February 2018, the Housing and Property Chamber intimated to the parties a decision by the President of the Chamber to refer the application to a tribunal for determination.

**Reasons for the Decision**

**The Tribunal did not uphold the homeowner's complaint that the property factors had failed to comply with Section 2.1 of the Code of Conduct.** In his evidence, the homeowner had said that the letter from the property factors of 20 September 2017 implied that they had gone through the process of contacting HMRC and had obtained a decision. The fact that they had not done so was false and misleading. The Tribunal considered carefully the terms of that letter, but, whilst it does refer to "further investigations to HMRC" as the next step, it does not state that there has been previous contact with HMRC by the property factors, as, in reviewing the steps taken thus far, it mentions only the advice of two independent VAT experts. Accordingly, the Tribunal did not uphold the complaint that the property factors had said anything that was false or misleading.

The Tribunal noted that both the homeowner and, on 23 August 2017, the property factors, had made contact with HMRC by means of an on-line enquiry. The reply to the property factors was not received until 28 September 2017. The Tribunal accepted the property factors' view that it is very important to ensure the correct question is being asked in an on-line enquiry and that, neither party being a tax expert, the best course of action would have been, as the property factors suggested in their letter of 20 September 2017, to engage the services of a VAT expert and ask him or her to formulate and make the enquiry on behalf of the owners.

**The Tribunal did not uphold the homeowner's complaint that the property factors had failed to comply with Section 2.4 of the Code of Conduct.** The homeowner's view had been that the property factors should have consulted with the owners as a group before paying the £5,112 to the lift contractors, but the Tribunal accepted the evidence of the property factors that they had sought and obtained the owners' authority to accept a quotation for the lift works. That quote clearly states that it is exclusive of VAT, which, in normal business invoicing, meant that VAT would be added, not that a VAT exemption applied.

The Tribunal also noted that, in the letter of 30 January 2018, sent by Chiene+Tait LLP on behalf of the owners, to the property factors, it was made clear that as it was a VAT exemption by concession that was being sought, there was no obligation on the supplier to apply it. The lift contractors had taken advice from their own accountants and had thereafter applied VAT to the invoice

**The Tribunal did not uphold the homeowner's complaint that the property factors had failed to comply with Section 7.2 of the Code of Conduct.** The Tribunal was unsure whether any of the correspondence from the property factors contained within the written representations could be regarded as the property factors' final decision letter in terms of their Complaints Procedure. The Tribunal noted the terms of the e-mail from the Managing Director of the property factors to the homeowner dated 24 November 2017. In that e-mail, the property factors were

the homeowner, also dated 12 January, of the Sections of the Code of Conduct which the homeowner considered had been breached. The Tribunal held that, on the basis of the evidence presented, it was the e-mail of 24 November 2017, not the property factors' e-mail of 12 January 2018, which formed the basis of the homeowner's request of 23 February 2018 to add a complaint under Section 7.2, but was not satisfied that the e-mail of 24 November represented the property factors' final decision. Accordingly, the Tribunal was unable to uphold the homeowner's complaint under Section 7.2 of the Code of Conduct. The Tribunal, for completeness, noted that the e-mail of 12 January 2018, sent by the property factors' Managing Director, was a response to the homeowner's confirmation on 16 January 2018 of the Sections of the Code of Conduct that allegedly had been breached (at that point Sections 2.1 and 2.4). The homeowner's e-mail stated that, as the parties held diametrically opposed views, the Tribunal was the place to determine the issue. The response of 12 January makes several references to the stated intention of the homeowner to submit an application to the Tribunal and indicates the view of the property factors that the homeowner was not willing to conclude the complaint, but intended to move directly to the Tribunal. This reinforced the view of the Tribunal that the e-mail of 24 November 2017 was not the final decision letter on the complaint, so did not require to contain information on how the homeowner might apply to the Tribunal. The Tribunal would nevertheless recommend that the property factors examine their final decision letter template in order to satisfy themselves that it complies with the Requirements of Section 7.2 of the Code of Conduct.

**The Tribunal did not uphold the homeowner's complaint that the property factors had failed to comply with the property factor's duties.** The Tribunal held that the property factors did contact HMRC and did make contractors aware of the existence of the VAT exemption. It was for contractors to take such advice as they thought fit and then to decide whether or not to apply the exemption. The property factors were not under any positive duty to assert to contractors that an exemption definitely applied.

In hindsight, it might have been prudent for the property factors to have advised the owners that HL had decided, after taking their own advice, that they had to apply VAT and that, accordingly, the property factors had been obliged to pay it, but they had the authority of the owners, in terms of their written Statement of Services, to pay bills and had, therefore, a responsibility to pay the VAT element if the contractor was not prepared to invoice on the basis that the exemption applied.

The homeowner had inferred that the property factors had failed in their duties by not putting the issue of VAT on the Agenda for the AGM of February 2017 and had stated that it was only put on when the owners requested it. The Tribunal did not regard that as constituting a failure on the part of the property factors. They had been asked to add an item to the Agenda and they had done so.

The homeowner had inferred that the property factors had failed in their duties by not putting the issue of VAT on the Agenda for the AGM of February 2017 and had stated that it was only put on when the owners requested it. The Tribunal did not regard that as constsituting a failure on the part of the property factors. They had been asked to add an item to the Agenda and they had done so.

The homeowner had also expressed concern about the Clearing Account which was run by the property factors and had asserted that they had misled the owners by not informing them of their practice of moving funds from development accounts to this Clearing Account, from which suppliers and contractors were paid. The Tribunal held that this was a matter of internal accounting for the property factors, who had stated their view that they regarded it as good practice to have separate development accounts with a Clearing Account, to allow bulk invoices to be paid to contractors working across a number of developments managed by the property factors, rather than having to make many, smaller, individual payments, which added to administrative cost. The Tribunal's view was that this process was a reasonable one to adopt.

**The Tribunal does not propose to make a Property Factor Enforcement Order.**

## Appeals

**In terms of section 46 of the Tribunals (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.**

George Clark

Signature of Legal Member/Chair ..... Date 5 June 2018