

31 July 2023

Andrew Griffith MP
City Minister
H M Treasury
1 Horse Guards Road
Westminster
London
United Kingdom
SW1A 2HQ

Dear Minister

I am writing on behalf of **safeagent**, a not for profit accreditation scheme for lettings and management agents operating UK wide in the Private Rented Sector and a Government approved Client Money Protection Scheme operator.

We have read with interest the Treasury's recent announcement of reforms designed to give banks' customers greater protections against having their accounts closed. We urge you to extend these reforms beyond personal accounts to encompass business accounts and, in particular, client accounts.

Safeagent has experience of lettings and management agents being faced with the unexpected closure of their client account(s) by banks without explanation.

These accounts hold landlords' rent and tenants' deposits which agents have placed in a ringfenced client account as is legally required. The agents operate professionally to industry standards and it is a threat to the operation of their business to have their accounts closed in this way. Clearly this has implications for both landlords and tenants as well as agents.

Agents are then faced with trying to open an account with another bank where further obstacles are placed in their way.

The criteria set by the banks to open a new client account is often unachievable e.g registration with HMRC for anti-money laundering is required by banks. This is not a legal requirement for agents unless they reach a certain threshold on rental income. HMRC will not accept agents' application for AML if they do not meet this threshold. This leaves the agent, particularly small businesses, in an impossible position and potentially puts their business in jeopardy.

The system is failing them. If the Government's avowed aim is to raise standards in the PRS is to be achieved, then this needs to be urgently addressed.

We would be happy to provide you with further examples of difficulties agents face in relation to the banks and I look forward to hearing from you.

A copy of this letter goes to Matt Abbott, Head of Private Rented Sector Policy, DLUHC.

Yours sincerely



Isobel Thomson
Chief Executive