

Citizen Participation and Public Petitions Committee

17th Meeting, 2022 (Session 6), Wednesday 7 December 2022

PE1957: Home Reports – make surveyors more accountable

Petitioner	Catherine Donaghy
Petition summary	Calling on the Scottish Parliament to urge the Scottish Government to <ul style="list-style-type: none">• Ensure surveyors are legally responsible for the accuracy of information provided in the single survey; and• Increase the liability on surveyors to pay repair bills where a Home Report fails to highlight existing faults in the condition of the property.
Webpage	https://petitions.parliament.scot/petitions/PE1957

Introduction

1. This is a new petition that was lodged on 9 August 2022.
2. A full summary of this petition and its aims can be found at **Annexe A**.
3. A SPICe briefing has been prepared to inform the Committee's consideration of the petition and can be found at **Annexe B**.
4. While not a formal requirement, petitioners have the option to collect signatures on their petition. On this occasion, the petitioner elected to collect this information. 35 signatures have been received.
5. The Committee seeks views from the Scottish Government on all new petitions before they are formally considered. A response has been received from the Scottish Government and is included at **Annexe C** of this paper.
6. A submission has been provided by the petitioner. This is included at **Annexe D**.

Action

The Committee is invited to consider what action it wishes to take on this petition.

Clerk to the Committee

Annexe A

PE1957: Home Reports – make surveyors more accountable

Petitioner

Catherine Donaghy

Date lodged

9 August 2022

Petition summary

Calling on the Scottish Parliament to urge the Scottish Government to:

- ensure surveyors are legally responsible for the accuracy of information provided in the single survey; and
- increase the liability on surveyors to pay repair bills where a Home Report fails to highlight existing faults in the condition of the property.

Previous action

I have contacted my MSP, Christina McKelvie, and my MP, Dr Lisa Cameron.

I have also raised my experience of this issue directly with the surveyor's company who worked on my own house, and the Royal Institute of Chartered Surveyors.

Background information

I purchased a house on the basis that the Home Report Survey did not highlight any areas of the property requiring immediate remedial work. There were/are many faults in the property which were not stated in the home report. The main faults being the hole in the roof, the poor fit of the conservatory roof, and missing gutters/rainwater systems. The surveyor said that the rainwater systems should be checked when it rains, but failed to mention there were NO rainwater systems.

Annexe B

The logo for SPICe (The Information Centre) is a purple rounded rectangle. The text 'SPICe' is in white, with 'SPIC' in a larger font and 'e' in a smaller font. To the right of 'SPICe', the text 'The Information Centre' is in white, and 'An t-Ionad Fiosrachaidh' is in a smaller white font below it.

The Information Centre
An t-Ionad Fiosrachaidh

Briefing for the Citizen Participation and Public Petitions Committee on petition PE1957: Home Reports – make surveyors more accountable

Issues raised by the petition

The petition relates to the system of [Home Reports](#). It calls on the Scottish Parliament to urge the Scottish Government to:

- ensure surveyors are legally responsible for the accuracy of information provided in the single survey; and
- increase the liability on surveyors to pay repair bills where a Home Report fails to highlight existing faults in the condition of the property.

Home Reports

The Home Report system was introduced by Part 3 of the [Housing \(Scotland\) Act 2006](#) (2006 Act).

It requires the sellers of most homes¹ to provide three documents, together comprising the Home Report, to prospective buyers.

The documents, as set out in the [Housing \(Scotland\) Act 2006 \(Prescribed Documents\) \(Regulations\) 2008](#) (the Regulations), are:

- **The Single Survey** – this is an assessment by a surveyor of the condition of the home, a valuation and an accessibility audit

¹ There are limited exceptions in [the Regulations](#). For details see [the Scottish Government's guidance on Home Reports](#).

- **The Property Questionnaire** – this is completed by the seller of the home and includes information about the condition of the property
- **The Energy Report** - an assessment by a surveyor of the energy efficiency of the home and its environmental impact.²

The single survey and energy report have to be drawn up by a surveyor “registered with or authorised to practise by the Royal Institution of Chartered Surveyors” (Regulation 5(1) of the Regulations).

Single Survey

The main objective behind the 2006 Act was to improve the quality of private sector housing. One of the main aims behind the introduction of the single survey was to reduce the likelihood that buyers would purchase properties without any survey or that they would have to pay for a survey for each property which they bid on. The [Policy Memorandum to the Housing \(Scotland\) Bill](#) notes that:

“130. One underlying principle of the Bill is that owners should take responsibility for maintaining their property ... Most purchasers rely on a mortgage valuation, which provides limited information on the condition of the house. Purchasers may therefore find themselves owning houses requiring repairs and maintenance that they are unable to afford.

131. The traditional “blind bidding” system leads to the expectation that, in most cases, a survey will be carried out before making a bid. When more than one prospective purchaser is competing for the property, this usually leads to multiple surveys being commissioned on the same property. Where a survey is carried out and a bid put forward unsuccessfully, prospective purchasers have paid for a wasted survey ...”

The single survey is not the same as a structural survey which provides more detailed information on the structure and fabric of a property.

There is a narrative at the start of the prescribed form for the single survey which reflects this (see Schedule 1 of the Regulations). It explains that the single survey is based on a visual inspection only,

² For examples of the documents see [the Scottish Government's archived webpage on Home Reports](#).

without moving any obstructions or heavy furniture and without causing damage to the building or causing danger to the surveyor or the occupiers.

Liability of surveyors

Surveyors have various legal responsibilities for information in the single survey.

Under article 3 of the Housing (Scotland) Act 2006 (Consequential Provisions) Order 2008, if a buyer of a house has obtained a copy of the single survey and “suffered material loss” due to the single survey not meeting specified requirements, they have a right to damages against the surveyor.

The specified requirements are that the report is:

- based on an inspection of the house;
- has been prepared in a fair and unbiased way; and
- has been prepared with reasonable skill and care.

“Material loss” is defined as where the market value of the house at the date of the single survey is materially lower than the value given in the report and the buyer has paid more than the market value of the house.

Surveyors also have more general obligations under the law of delict for negligent or fraudulent misstatements causing loss (i.e. under the rules on professional negligence).

The Royal Institution of Chartered Surveyors (RICS) also requires the surveyors which it regulates to comply with various [professional standards](#).

Angus Evans
Senior Researcher
25 August 2022

The purpose of this briefing is to provide a brief overview of issues raised by the petition. SPICe research specialists are not able to discuss the content of petition briefings with petitioners or other members of the public. However, if you have any comments on any petition briefing you can email us at spice@parliament.scot

Every effort is made to ensure that the information contained in petition briefings is correct at the time of publication. Readers should be aware however that these briefings are not necessarily updated or otherwise amended to reflect subsequent changes.

Annexe C

Scottish Government submission of 6 September 2022

PE1957/A – Home reports – make surveyors more accountable

Thank you for your email of 9 August 2022 seeking the Scottish Government's views on the action called for in Petition PE1957.

The petition calls on the Scottish Parliament to urge the Scottish Government to ensure surveyors are legally responsible for the accuracy of information provided in the single survey, and to increase the liability on surveyors to pay repair bills where a Home Report fails to highlight existing faults in the condition of the property.

The view of the Scottish Government is that this would be inappropriate for the following reasons:

- The scope of the home report survey is outlined at the beginning of the report. It clearly identifies the limitations of the survey being carried out and the extent of the survey is clear. It is aimed at providing an assessment of all elements that can be accessed in the property at the time of inspection, based on a visual, non-invasive inspection/survey. The surveyor is not expected to move any obstructions within the property and externally is expected to carry out the inspection from ground level.
- Under the Housing (Scotland) Act 2006, only members of the Royal Institution of Chartered Surveyors (RICS) can carry out the single survey and valuation in the home report. A home report must be signed off by a fully qualified member of RICS who is also a registered valuer. To gain qualification to the RICS the valuer must have passed the appropriate examinations or hold an accredited degree and will have passed an Assessment of Professional Competence based on relevant work experience. Members of the RICS who carry out a home report must have in place a complaints handling procedure, offer independent 3rd party recourse to complaints, including Alternative Dispute Resolution by The Property Ombudsman (TPO), and carry professional indemnity insurance (PII).

Therefore, we do not support the petitioner.

Annexe D

Petitioner submission of 11 October 2022

PE1957/B: Home Reports – make surveyors more accountable

I am responding to the Scottish Government's view that the action called for in my petition "*would be inappropriate*".

While I agree that the scope of the home report survey is outlined at the beginning of the report and identifies the limitations, the home report categorises potential repairs and applies the following ratings:

1. no repair;
2. maintenance required;
3. urgent work required.

With this noted if a home report gives a '2' rating and indicates ongoing maintenance required, I would not expect to find a gaping hole in the roof! With this noted, all home reports should give an accurate grading, and where this fails then the surveyor should be liable to pay for the 'mis-reported' repairs.

All home reports should contain details of the surveyor's complaints process and contact details for the Centre for Effective Dispute Resolution (CEDR), as the Royal Institute of Chartered Surveyors (RICS) do not answer letters. I wrote to RICS on 3 occasions, sending full details of the failings and factual inaccuracies contained in the home report on which I based the purchase of my house. This included all photographic evidence, which was very costly to send by recorded delivery, and I never got any response from RICS. With this noted, full details of CEDR services should be included with home reports; reports which in my view are a waste of money.

The general public believe the reports are not worth the paper they are written on, so the Scottish Government really need to look at developing a fair system for the public.

The Policy Memorandum to the Housing (Scotland) Bill notes that:

"130. One underlying principle of the Bill is that owners should take responsibility for maintaining their property ... Most purchasers rely on a mortgage valuation, which provides limited information on the

condition of the house. Purchasers may therefore find themselves owning houses requiring repairs and maintenance that they are unable to afford.”

This is exactly what is happening now with misleading home reports. In my experience, surveyors & the RCIS really are not interested in dealing with complaints. This is why clearer information on CEDR needs to be made available to the public.

I understand that the home report system was set up to replace the need to potentially have to pay for multiple surveys, but the system is failing buyers. Perhaps a valuation service would be fairer as potential purchasers would know how much a property is valued at. A buyer could then place a bid subject to a survey being carried out if the bid is successful. If the survey then finds expensive repairs are required, the buyer would be in the position of having all FACTS before making an informed decision. Surely this is better than bidding on a house which is reported to be category 1s, only to find there are numerous, unreported, category 3 expensive repairs required? How can this be fair?