

## **BOX MX LIMITED**

### **UNDERTAKING TO THE OFFICE OF FAIR TRADING**

In this undertaking the following definitions will be used:

**Quick House Sale ("QHS"):** The service where a business, as a distinctive feature of that service, claims to be able to buy a property or find a third-party buyer very quickly, offering a faster sale than the seller might achieve on the open market. In return, the seller must accept (usually) a below market value price for their property.

**"Broker":** A business whose activity involves introducing sellers to potential buyers and, if an introduction is made, any steps taken to progress a sale.

**Box MX Limited (company number 04636129) 3<sup>rd</sup> Floor Linen House, 162-168 Regent Street, London W1B 5TD ("the Business")** has agreed to provide an undertaking to the Office of Fair Trading ("OFT") in respect of its future conduct.

The undertaking will apply to the actions of the Business (whether by its officers, employees, agents, associates, franchisees or otherwise) and the actions of any firm or company which the Business owns or controls or with which it has a special relationship of the kind referred to (in particular) in section 222(3) of the Enterprise Act 2002("EA02").

The Business undertakes to the OFT that:

#### **1. Marketing claims and initial contact**

- (a) In its QHS marketing materials (including web pages), the Business will set out clearly, accurately and prominently the key information and risks relating to the sales process it conducts, to allow consumers to take an informed decision as to whether to contact the Business. This information will include (but is not limited to):
- (i) what sort of service(s) the Business provides, in particular, whether it buys property direct from consumers, or acts as Broker in the sale to a third party, or may do either;
  - (ii) the likely timescales of the typical sales process, representative of typical timescales for sales conducted by the Business;

- (iii) the basis and status of any valuations or conditional offers including the likelihood of them being the final offer price;
  - (iv) any fees or costs payable by the consumer.
- (b) In its representations (written or oral) to consumers about QHS, at initial contact, and before the consumer incurs any obligation or enters into any agreement with the Business, the Business will set out clearly, accurately and prominently all key information and risks relating to the sales process, to allow consumers to take an informed decision as to whether, how and on what terms to instruct the Business. This information will include (but is not limited to):
- (i) the likely timescales of the sales process;
  - (ii) factors that may cause the valuation or conditional offer to be reduced or slow the speed of sale;
  - (iii) whether or not a sale can be completed to a specific timescale requested by the consumer;
  - (iv) whether the Business intends to buy the consumer's property, act as Broker in the sale to a third party buyer, or has yet to decide whether to buy or act as Broker;
  - (v) how the purchase will be paid for; for example whether the buyer will need to obtain a loan or has cash available;
  - (vi) the basis and status of the initial valuation or conditional offer including the likelihood of them being the final offer price;
  - (vii) the conditions attached to any offers or valuations, for example whether it is 'subject to survey and contract', 'subject to finding a buyer', 'subject to obtaining mortgage approval';
  - (viii) the price that the Business, or a third party, is/may be prepared to pay for the consumer's property, including the level of discount applied to the estimated market value of the property;
  - (ix) any fees or other costs payable by the consumer.

## **2. Valuations**

- (a) The Business will conduct all valuations that form the basis for a QHS conditional offer in a professional manner, fairly and in good faith and in such a way that it can show that valuations are credible and justifiable. For example, the Business will not make a valuation based solely on a consumer's estimate of the property's market value.

## **3. QHS Offers**

- (a) The Business will promptly share relevant information relating to the progress of a QHS transaction it conducts including: any factors that might affect the final offer price, the reasons for any reduced final offer price (such as the findings of any valuation/survey) and/or the reasons for any delay and revised timings for completion of the sale;
- (b) The Business will not reduce conditional or final offer prices without a valid reason that is outside the control of the Business which must be promptly communicated to the consumer;
- (c) The Business will, in writing, confirm the initial offer/make an irrevocable final offer within three days of receipt of formal survey or valuation and/or other information that materially affects the value of the property. This may include receipt of mortgage offer, land registry searches, local authority and other relevant searches. Where the survey or searches indicate that further investigation or a further specialist assessment is required, the Business will notify the consumer of the delay and the reasons for the delay within 24 hours. Where a new offer is made, the consumer will be given the right to withdraw from the QHS transaction without penalty and any associated agreement be cancelled in writing.

#### **4. Lock-in, option and exclusivity agreements**

- (a) The Business will not rely on standard contract terms that fail to meet the test of fairness contained in the Unfair Terms in Consumer Contracts Regulations 1999 ("UTCCRs"). With a view to ensuring compliance with the UTCCRs, the Business will:
  - (i) not use, attempt to enforce or rely on lock-in, option or exclusivity agreements of a duration exceeding 60 days in a QHS transaction;
  - (ii) not impose penalty charges on consumers who breach terms, but will only ask for fair and genuine compensation for losses actually incurred;
  - (iii) where the Business has a right to cancel/withdraw from the agreement without penalty, give the consumer an identical right;
  - (iv) not use terms allowing assignment of its obligations under the agreement to a company outside its corporate group without the consumer's consent and without giving consumer the right to withdraw from the agreement without penalty; and

- (v) not reserve sole discretion on determining compliance with the agreement or the interpretation of any term.
  
- (b) Where the Business relies or seeks to rely on the registration of a notice or restriction at HM Land Registry, Registers of Scotland or Northern Ireland's Land and Property Services as part of a QHS transaction, it will proactively and prominently bring to the consumer's attention in writing and in good time before they are asked to any agreement:
  - (i) the existence of the notice or restriction;
  - (ii) the circumstances and point in the transaction where the notice or restriction would be registered at the appropriate registry;
  - (iii) the effect of the notice or restriction (including any interest in land that it creates in favour of the Business) and, in particular, its effect on the consumer's ability to deal with their property.
  
- (c) Where the Business has registered a notice or restriction at HM Land Registry, Registers of Scotland or Northern Ireland's Land and Property Services as part of a QHS transaction, it will apply to the appropriate registry promptly after the withdrawal, cancellation or expiration of the protected lock-in, option or exclusivity agreement to have the notice or restriction removed. The Business will ensure that the notice or restriction has been successfully removed and inform the consumer in writing when this has been done.
  
- 5. **Where the Business acts as Broker in sales between a seller and a purchaser and is carrying on 'estate agency work' (as defined by the Estate Agents Act 1979)**
  - (a) The Business will register with an officially-approved estate agents redress scheme (if its estate agency work involves residential sales)
  - (b) The Business will register with an appropriate body (the OFT until 31 March 2014; HMRC thereafter) for anti-money laundering purposes.

**BY SIGNING THESE UNDERTAKINGS THE BUSINESS IS AGREEING TO BE BOUND BY THEM.**

**In signing this undertaking the Business makes no admission of liability in relation to its conduct to date.**

**Should the Business subsequently breach the underlying consumer protection law (including, for the avoidance of doubt, estate agency legislation), we reserve the right to take such action as we consider necessary to stop the offending conduct, including, where appropriate taking steps to secure an enforcement order under the EA02 or other applicable legislation.**

**Signed**.....

**Director (for and on behalf of the Business)**

**Dated**.....13.12.13.....

**Signed**.....

**Director (for and on behalf of the Business)**

**Dated**.....13 - 12 - 13.....