

Frequently Asked Questions

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I haven't been informed about paying for a factor - why is this?

Your solicitor should provide full details of any factoring arrangements during the purchase process. Once you've moved in, your appointed property factor will typically get in touch to introduce themselves.

Factoring responsibilities are outlined in your Title Deeds or Deed of Conditions, which form part of your property's legal documentation. These outline the factor's role in managing and maintaining shared areas.

Factoring charges generally cover services such as maintenance, repairs, and the administration of these activities. Where a common buildings insurance policy is in place, your factor may also charge a fee for arranging and administering it. It's important to inform your mortgage lender or any other insurer about this requirement.

What are the Property Factors (Scotland) Act 2011 and the Code of Conduct?

This legislation sets out the obligations of property factors in Scotland. It requires all factors to register with the Scottish Government and adhere to a statutory Code of Conduct. The Act also enables homeowners to raise concerns via the First-Tier Tribunal (Housing and Property Chamber).

What is a Title Deed or Deed of conditions?

These are legal documents that accompany your property title. They set out your responsibilities as a homeowner, including your share of maintenance for communal areas and the way costs are divided among co-owners.

What is a float, and why do I need to pay it?

A float is a financial contribution made at the outset of ownership to help the factor manage day-to-day services without delay. This is often stipulated in your Deed of Conditions or Written Statement of Services. It enables your factor to cover costs upfront, with charges subsequently invoiced in arrears. For larger works, separate funding may be required.

I already have buildings insurance, why do I need to pay for the factor?

In many cases, your Title Deed or Deed of Condition will require you to arrange a Common Buildings Insurance Policy through the factor. In these situations, private buildings insurance is not necessary. You may be able to receive a premium refund from your personal insurer once you inform them of your responsibilities as a homeowner in a building with shared areas.

Why do we have a common insurance policy instead of individual ones?

A common insurance policy offers significant benefits, especially when it comes to simplifying the claims process in the event of a major incident. With just one insurer involved, large-scale losses like fires, storms, or serious burst pipes can be managed more efficiently by a single loss adjuster overseeing the entire claim. This ensures the building is restored as quickly as possible. Additionally, there's usually only one excess payment, rather than multiple individual excesses from different policies.

Does the Factor receive commission from the insurance provider?

In some cases, factors receive a commission for the work involved in arranging the insurance, handling claims, liaising with homeowners and insurers, and ensuring compliance with FCA regulations is maintained. Any commission must be fully disclosed.

Are contractors employed by or subsidiaries of the factor?

Most maintenance contractors employed by Member Firms are independent businesses with no connection to the firm. Your factor will ensure, to the best of their ability, that contractors are competent and have the appropriate insurance coverage in place.

However, some companies may directly employ or have subsidiaries that employ contractors. In these cases, all arrangements must comply with the requirements set out in the Property Factors Act and the Code of Conduct.

Do you receive commission from contractors?

No, we do not receive commission or incentives from contractors employed on your behalf.

How do we change the factor?

Refer to your Title Deeds or Deed of Conditions for guidance. Changing your factor may require a majority decision from property owners or a formal meeting. It's advisable to secure a new provider before ending your current arrangement.

Can you help me with my noisy neighbours?

Matters involving noise or anti-social behaviour fall outside a factor's remit. We recommend contacting your local authority or police for support.

My neighbour has erected their own satellite dish - can the factor have this removed?

There are two key considerations here:

1. Did your neighbour obtain the necessary planning consent from the local authority?
2. Has the aerial or dish been installed in a way that violates the Deed of Conditions?

While the factor can't remove the dish, we can assist by advising on the appropriate steps to take to address the issue and potentially have the satellite dish removed.

Why do my bills vary?

Costs may fluctuate depending on the services provided in a given period. To manage payments more easily, you may be able to set up a monthly payment plan such as a Direct Debit.

Why am I being asked to pay an advanced charge?

Some Title Deeds or Deeds of Condition specify that, instead of holding a float, clients must make an advanced payment invoiced as an advanced payment.

This is allocated towards expenditures incurred between accounting periods, which are typically annual or half-yearly as specified in the Title.

At the end of the invoicing period, the advanced charge is credited to your account. Any credit balance is carried over to the next period, while any debit balance must be paid.

I rent out my flat - can the Tenant pay the factor's bill?

No. Our contract is with the joint Owners, please ensure you inform your factor of an alternative address for correspondence, aside from the tenanted address.

A leak from a neighbouring flat damaged my home - why should I have to pay the insurance excess charge?

Under the terms of the policy, the excess is typically the responsibility of the claimant, regardless of the cause of the incident.

In a block of flats, the claimant is considered "The Co-Owners," not necessarily an individual.

Your factor may have a specific policy in place, agreed with the block owners in advance of the management contract, on how to handle excess charges. This could be treated as a common expense or charged individually to the owners.

The owners' association made a decision at the recent meeting that I do not agree with. Am I bound by it?

The Deed of Conditions outlines how different type of decisions should be made. However, if the decision was properly made at a valid meeting with a quorum (the required number of owners present to make the meeting valid), and in line with the

terms of the Deeds, you are bound by it and liable for your share of any agreed expenditure.

There is an item on my account for legal expenses for pursuing an owner who had not paid their bill. Shouldn't this be the factor's cost?

Not necessarily. Owners are liable for the costs incurred in managing the common property and in the case of modern developments a Deed of Condition may make provisions that expenses incurred in pursuing non-payment of bad debtors can be legitimately recharged to other Owners if the debt is unrecoverable. However, you should review your title or ask your factor to provide evidence that this can be legitimately charged to owners.

Can my neighbour legally let out their flat?

As long as there is no restriction on letting in the Deed of Conditions or the Title Deeds, an owner is allowed to let their property. However, tenants must still follow the rules outlined in the Deeds, such as restrictions on noise or pets, and it's the owner's responsibility to ensure they comply.

What if there is a prohibition in Title against letting?

If there is a prohibition against letting in the Title, an owner, or a group of owners, has the right to raise a civil action against the offending owner.

A friend of mine is a contractor. Can we use them?

Yes, provided the owners agree and the contractor meets the factor's approval criteria, and hold the necessary liability insurance and health and safety policies.

What does 'Factors are regulated' mean?

Factors must act within the law, and the Property Factors (Scotland) Act 2011 details their obligations. These responsibilities are further detailed in the associated Code of Conduct.

- [Property Factors \(Scotland\) Act 2011 Code of Conduct for Property Factors](#)
- [Property Factors \(Scotland\) Act 2011](#)

What is Apportionment when selling a property in a co-owned development?

Apportionment involves dividing costs such as maintenance and insurance between buyer and seller. Your factor may charge an administrative fee for processing this, as it sits outside standard services and may involve bespoke calculations or communication with solicitors.

Does my Factor need to be FCA-registered to arrange buildings insurance for my block / development?

Not necessarily. If the Factor instructs a broker and the disclosed principals are the homeowners, then the Factor, acting as an agent of the homeowners, may simply be collecting the premiums.

In this case, where the Insurance Broker takes on the role of insurance intermediary and the Factor is not the controlling body (as there is no borrowing, there is no credit being extended and the Factor does not control their client's insurance payments, instead acting in a 'post-box' capacity), the Factor may decide that FCA registration is not required.