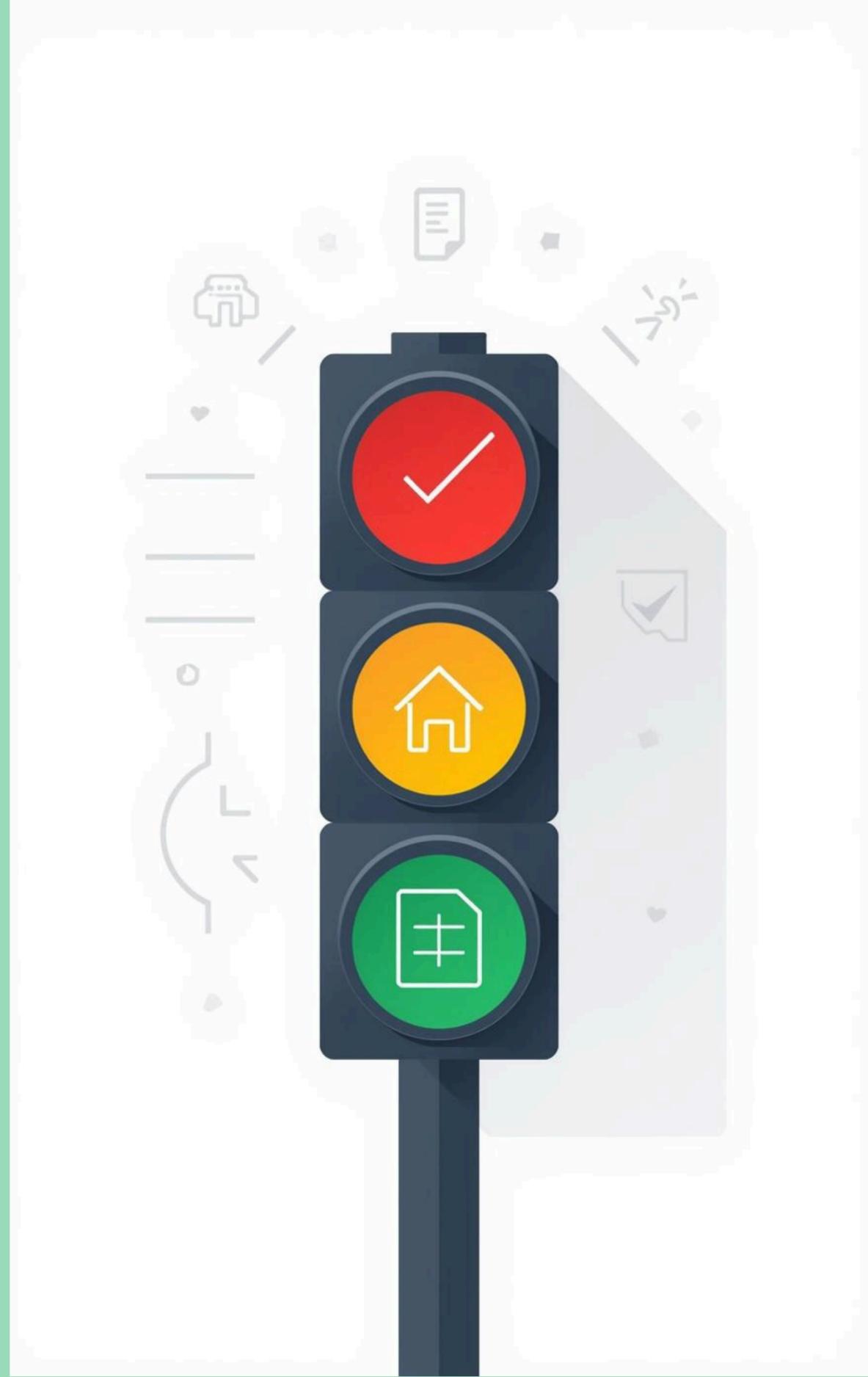


The Letting Agency

Traffic Light System



Compliance Challenges Ahead

A calm framework for clarity, control and Renters Rights readiness.

A Practical Readiness Check for 2026

Be compliant!
Be paid for the work you do!



The quiet risk most agencies miss:

- Not knowing where time and money leak from their businesses daily
- Staff do the right things - inconsistently
- Critical activity often invisible at management level
- Work is unpaid or untracked 'free work'.

With pre tax profit margins at 11.9% for the average Letting Agency can



you afford not to be compliant or charge for the work you do?



Compliance Criteria



A Simple Control Tool for Owners & Directors

Purpose:

To help letting agency owners and directors quickly assess whether day-to-day staff activity is:

- compliant,
- commercially justified, and
- defensible under increasing regulation.

This document is not about blame.

It is about **visibility**.



See work before it becomes a risk

HOW TO USE THIS DOCUMENT

Set aside 45–60 minutes.

Review each activity undertaken by staff and mark it:

GREEN

Amber

Red

Protected and under control

Partially controlled or inconsistent

**Exposed, undocumented, or
commercially unclear**

ESSENTIAL
PAID FOR
COMPLIANT
VALUE PROTECTED

NECESSARY
UNPAID OR OUTSIDE OF
SCOPE/TIME
FREE WORK

REACTIVE
RISKY
FREE WORK
EXPOSES THE AGENCY

BE HONEST. THIS IS FOR INTERNAL USE ONLY.



● GREEN – PROTECTED ACTIVITIES

These actions protect income, reduce risk, and are systemised.

Tick if TRUE:

- Statutory compliance actions are diarised, documented, and checked
 - Gas, EICR, EPC, smoke & CO alarms are monitored centrally
 - Prescribed information and tenancy documents are issued correctly and on time
 - Inspection routines are consistent and evidenced
 - Rent arrears are addressed early with documented steps
 - Complaints are logged, tracked, and reviewed
 - Staff know exactly what “must be done” and by when
 - These activities are costed into your fees or management structure

If most are ticked: You are operating defensively and professionally.



● AMBER – QUESTIONABLE ACTIVITIES

Being done, but at risk.

Tick if TRUE:

- Tasks rely on individual experience rather than systems
- Senior staff are doing routine work due to capacity gaps
- Some actions are done “because we always have”
- Records exist, but are inconsistent
- You assume compliance rather than verify it
- Staff spend time on tasks that clients do not see or pay for
- There is no clear owner for certain compliance steps

Amber areas erode profit quietly.

They deserve attention before enforcement tests them.



● RED – EXPOSED ACTIVITIES

High risk, low visibility, or no commercial justification.

Tick if TRUE:

- No written process exists for key compliance actions
 - Actions are remembered rather than diarised
 - Gaps are discovered only when something goes wrong
 - You would struggle to evidence compliance under challenge
 - Staff are unsure what is non-negotiable
- The business could not absorb a £7,000 CPN fine or multiples comfortably
- You don't know the true cost of delivering your service

Red does not mean failure.

It means unknown **exposure.**



FINAL REFLECTION

Ask yourself:

- Are we being paid for what we do?
- Are we protected if challenged?
- Are our systems strong enough for May 2026?

Prepared agencies do not wait for enforcement to reveal gaps.



Where agencies are surprised

- High volume of **AMBER** tasks are quietly absorbed
- **RED tasks** appear when things go wrong
- Untracked activity erodes margins and adds stress



The Oops factor

Small gaps = big risk

How many £7,000 fines could your profit margin absorb?

Local Housing Authorities have a duty to enforce the Renters Rights Act 2026.

The Government has detailed 31 opportunities for action to be taken against a letting agent/landlord.

Civil penalty Notices range from £3000 to £40,000 per offence/breach.



Missed task

The traffic light system provides a clear overview of compliance status, allowing directors to quickly identify areas needing attention.

Evidence not provided

By categorizing compliance issues, directors can make informed decisions swiftly, reducing the time spent on managing compliance risks.

Compliance deadlines missed

Maintaining compliance through this system can minimize regulatory penalties, ensuring the property agency operates within legal requirements effectively, and agencies are paid for the work they do.

Quiet confidence comes from systems



Start your first **Traffic Light compliance review TODAY**

Next step:

Ready to use Templates and instructions for Traffic Light system for staff and managers is available for download through the (ABC) Agency Confidence Blueprint Course.

This document works best when paired with a wider review of costs and profit margins by undertaking a 'price cost review', also part of the course.

[Find out more about the ABC Agency Confidence Blueprint Course here](#)

