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Research Briefing

Consumers and the Estate Agent / House-Purchase Market in Scotland

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Background

This briefing reports on the findings of a Consumer Focus Scotland survey into consumer experiences of buying estate agent/house-purchase services. In total, 500 consumers in Scotland who had recent experience of using estate agent/house-purchase services were interviewed.

There was a significant development in the home-buying market in Scotland in December 2008 when the home report was introduced. However, given the relatively short length of time between the implementation of the home report and the research, it is unlikely to have had a significant impact on the results.

Key findings

- The market for estate agents/house-purchase services continues to be ranked amongst the bottom ten markets in the UK in terms of consumer confidence. However, the level of consumer confidence in Scotland was higher than for the UK as a whole.
- There were a lower number of consumers with complaints about estate agents/house-purchase services in Scotland than for the UK as a whole.
- Those with a longstanding illness, disability or infirmity were more likely to report that they had cause to complain about estate agents.

About the survey

In March 2009, Ipsos MORI conducted telephone interviews with consumers to explore their experiences of 45 different markets across the UK. In addition to a UK-wide survey, we wanted to explore eight poorly performing Scottish markets: energy; telecoms; internet service providers; home-maintenance services; hire purchase, loans and credit; petrol, diesel and oil; estate agents/house-purchase services; and professional services. These markets were selected as they were identified in the previous 2008 consumer conditions survey as performing poorly.

The survey is representative of the Scottish population and to a large extent reflects the socio-demographics of the consumers active in this market. Compared to other markets, consumers of estate agent/house purchase services are less likely to be in social classes DE and more likely to use the internet, be on a high income (over £30,000 a year), be working full time and be female.

The full 2009 survey can be downloaded from www.consumerfocus.org.uk.

The Consumer Confidence Index

1. The Consumer Confidence Index (CCI) summarises how consumers rate each market on a scale of 0 (very negative rating) to 10 (very positive rating). The CCI for each market has been calculated by taking the average of the mean scores achieved on all the six key performance indicators (quality, price, choice, expectations, consumer rights and advertising). The results are presented as 'scores out of 100'.

2. The survey also asked consumers about their overall satisfaction with the market. To calculate consumer satisfaction, consumers were asked 'thinking about your experience in this market taken as a whole, how would you rate your overall experience in this market?'

Table 1: Overall and component scores for the CCI for estate agent/house purchase services

	Scottish Score for estate agent/ house purchase services (500 consumers)	UK Score for estate agent/ house purchase services (500 consumers)	Overall UK Score for all markets (5,862 consumers)
How easy or difficult it is to compare the quality of goods and services	67	62	72
How easy or difficult it is to compare the prices	69	70	72
How much choice consumers feel there is	70	68	78
Whether what consumers purchased lived up to expectations	71	64	77
Whether consumers have confidence that their rights are protected	60	57	67
Whether consumers have confidence that goods and services in each market are advertised and marketed in a trustworthy manner	61	56	66
Overall Consumer Confidence Index	67	63	72
Consumer satisfaction	70	62	75

3. The overall CCI for estate agents/house-purchase services is higher in Scotland than for the UK as a whole (67 compared to 63). This difference is due to the lower scores for comparing quality, trustworthy advertising and living up to expectations in the UK than for the Scotland. This echoes the findings of research conducted by the Scottish Consumer Council (SSC), one of our predecessor organisations, which published a report in 2000 examining the experiences of house buyers in Scotland. The research found that recent buyers generally had a favourable view of the system for buying and selling a house in Scotland, compared to those in England and Wales¹.

4. Consumers aged between 35-54 years old were more likely to rate the choice of estate agents/house-purchase services as good compared to all other age categories (68% compared to 58% of those aged 16-24, 60% of 25-34 year-olds and 58% of 55 years and over).

5. Those who did not have access to the internet at work, home or elsewhere, were more likely to rate the way in which estate agents/house-purchase services were advertised as good (62% compared to 43% of those with access to the internet). However, they were also more likely to have had cause to complain about estate agents (17% compared to 12% without access).

Complaints

6. Consumers were asked whether or not in the past year or two, they had had any *cause to complain* in any of the markets they were questioned about and whether they *actually made a complaint*.

7. When assessing the findings regarding the level of complaints, it should be borne in mind that responses may be affected by other factors such as:

- the ease, or difficulty, of making a complaint in a particular market;
- the consumers' ability to understand the technical or financial complexities of goods and services, where consumers may feel they need to be more knowledgeable or need more technical support; and
- whether or not the consumer believes a complaint will achieve a satisfactory outcome or have any effect, or be worth the 'bother' or is 'out of one's hands'.

Table 2: Cause for complaint and actual complaints made about estate agent/ house purchase services

	Scottish percentage for estate agent/ house purchase services (500 consumers)	UK percentage for estate agent/ house purchase services (500 consumers)	Overall UK percentage for all markets (5,862 consumers)
Cause for complaint	16%	23%	14%
Actually made a complaint	9%	14%	10%

8. As expected from the difference in CCI, there was a lower number of consumers with complaints about estate agents and house purchase services in Scotland than for the rest of the UK.

9. Overall, six out of ten consumers who reported having cause to complain actually went on to make a complaint about estate agents/house-purchase services. The same ratio applies to consumers across the UK in the market for estate agents/house-purchase services. This is slightly lower than the UK figure for all services (where the ratio of cause to actual complaint is seven out of ten). This suggests that people find it slightly more difficult to make complaints about estate agents/house-purchase services than other goods and services. The survey did not ask whether these complaints were resolved.

10. Further analysis of the findings show that those with a longstanding illness, disability or infirmity are more likely to report that they had cause to complain about estate agents (29% compared to 15% of those who do not have a longstanding illness, disability or infirmity).

About Consumer Focus Scotland

Consumer Focus Scotland started work on 1 October 2008. Consumer Focus Scotland was formed through the merger of three organisations – the Scottish Consumer Council, energywatch Scotland, and Postwatch Scotland.

Consumer Focus Scotland works to secure a fair deal for consumers in both private markets and public services, by promoting fairer markets, greater value for money, and improved customer service. While producers of goods and services are usually well-organised and articulate when protecting their own interests, individual consumers very often are not. The people whose interests we represent are consumers of all kinds: they may be patients, tenants, parents, solicitors' clients, public transport users, or shoppers in a supermarket.

We have a commitment to work on behalf of vulnerable consumers, particularly in the energy and post sectors, and a duty to work on issues of sustainable development.

¹ Scottish Consumer Council (2000) *Home Truths* (available from www.consumerfocus-scotland.org.uk)