

# Your right to choose

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## Emma Vigus offers advice on avoiding litigious clients

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In June, the [Bank of England](#) asked other banks to find an extra ?11.4bn to guard against the risk of bad loans; concurrently, the bank's [Financial Policy Committee](#) acted to prevent lenders circumventing affordability tests. Commentators suggested the measures were introduced as some lenders had not learnt from past mistakes.

In light of these concerns and continued economic uncertainty, surveying firms would be justified in being more selective about their choice of client. This should not just apply to higher-risk instructions; client selection is vital to an effective risk management policy.

You must comply with relevant regulatory requirements, such as those regarding anti-money laundering. If a potential client cannot meet the requirements or renders you unable to comply, do not work for them: there are severe penalties for non-compliance.

## Sources of work

An increasing number of websites claim to generate introductions for surveyors. The costs of using these can vary significantly, so ensure you understand exactly what you will pay. They can be an effective way of winning business and they reduce the pressure on firms to carry out marketing. However, they also increase the distance between the surveyor and the end client, so may lead to a misunderstanding about what is being commissioned. Additionally, they can encourage price cutting, because without any contact with the client, price may become the key differentiator between one provider and another.

A low fee is no justification for doing a bad job, so if you think the fee is light, do not take on the work ? unless you intend to use it as a loss leader. Remember that you will pay for professional indemnity insurance (PII) relating to the work for 6 years and rates rose significantly between 2008 and 2013.

## Why me?

If you are surprised to receive a new enquiry, it could be because nobody else wants it. Check the opportunity against the points listed in this article and if alarm bells sound, you may find everyone else has turned the work down.

*You offer a valuable service, so do not devalue it by taking on work that exploits your expertise, brings into question your professional standing or threatens to enhance your firm's risk profile*

You may have been chosen by a client who is intending to commit a crime. Recent property fraud cases (see the previous isurv feature [Residential property fraud: money laundering](#) ) suggest criminals are actively appointing firms that may be less diligent in their procedures.

## Research the client

This is not always possible on smaller jobs, but you can use your gut instinct to make a decision. Is the prospect unpleasant, overly pushy, constantly trying to 'cut a deal' or asking you to meet unreasonably high standards?

On bigger contracts, you should have time to do more research. Ask yourself the following questions. What fees are being offered? What are the contractual terms? Is the client financially stable? How is the client's business run? What are the payment terms? What other contractors are they working with? Share information with your peers and make the most of market intelligence. It is not, for example, difficult to identify those lenders who may be less than diligent in their processes.

## What are you being asked to do?

Is the client requesting something that is unachievable, unreasonable or outside your competencies? Does the party commissioning a [HomeBuyer Report](#) seem to expect a full structural survey? Are you being asked to do a drive-by when you think a full inspection is required?

Ensure your client understands exactly what they are commissioning. Manage their expectations from the outset and do not agree to unachievable timelines. If your client or potential client is being unreasonable, explain your concerns in writing and keep records of all communications. Be sure you understand the contract terms and the uninsurable risks ? there are always some. If you are uncertain, seek legal advice.

## Insurance expectations

Are your insurance arrangements in line with client requirements? If not, what are they asking you to enhance? Be wary about agreeing to increases in the limit of indemnity for a handful of instructions. Top-up layers of insurance are currently competitively priced, but that will not always be the case. Remember that you should maintain any increased PII for at least 6 years. Is the higher cost worth it?

## Value your service

You have a right to choose who you work for. Exercising that right could pay dividends if there is a recession. You offer a valuable service, so do not devalue it by taking on work that exploits your expertise, brings into question your professional standing or threatens to enhance your firm's risk profile. Your PII provider will thank you for your approach.

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## Further information

- Related competencies include: [Business planning](#)
- This feature was taken from the [RICS Property journal](#) (October/November 2017)
- Related categories include: [Residential](#)

