

Home survey standard, 1st edition, UK RICS professional statement

Terms of engagement

This document is guidance only and is not a full client engagement letter, or intended to be suitable for every client or every service provided. It should not be relied upon as a precedent or as legal advice.

It sets out the minimum requirements for information that should be included in your terms of engagement and/or client letter, as well as some suggested paragraphs in line with the current edition of the [Home survey standard](#) RICS professional statement. The onus is on the user to adapt this guidance to their specific circumstances and business requirements. There is no 'one size fits all' template, and in every case RICS members will need to work out what is appropriate for the particular client, taking into account their particular needs and circumstances.

Wording in italics is included to act as guidance for RICS members to show how clauses may be adapted and refined for their specific business purposes, and not as a precedent. The content and nature of the paragraphs will change over time, and RICS members and regulated firms must ensure the terms of engagement match current legal requirements in all respects.

RICS members are advised to seek independent legal advice when developing their own terms of client engagement.

Minimum requirements for all terms of engagement in accordance with Appendix D of the Home survey standard RICS professional statement

A. Confirmation of appointment

This is to confirm that this firm (referred to as 'we' and 'us' from here on) has been appointed by [name of client] (referred to as 'you' from here on) to [set out brief details of instructions, nature and intended use of property, and client objectives]. This letter [and our enclosed terms of business] [sets/set] out the terms upon which we shall deliver the service to you.

B. The service

We shall provide the [name of service] service, which shall be delivered in accordance with the current edition of the Home survey standard RICS professional statement and shall be equivalent to level [insert level].

In addition, this service has the following particular features:

- [insert any variations from the level defined by the professional statement, one per bullet point]*

These are in accordance with client requirements and specific instructions in writing.

Firms should consider whether any extra service will require the client to enter into separate terms of engagement with the individual surveyor or the same terms and conditions will apply to extra services.

Some examples from the professional statement of services for different survey levels are given below:

- Windows
 - (Level 1 survey): We will attempt to open only a limited sample of the windows. This might typically include one on each elevation.
 - (Level 2 survey): We will attempt to open a sample of the windows. For example, this might include one on each side of the dwelling and one of each type of window where there is a variety.
 - (Level 3 survey): We will attempt to open all windows on all elevations and assess the surfaces, frames and ironmongery for any signs of defect or deficiency where apparent.
- Floors
 - (Level 1 survey): We will closely inspect the surfaces of exposed floors but will not lift carpets, floor coverings or floorboards. We will not lift hatches or look below the floor.
 - (Level 2 survey): In addition to that described for Level 1, where floors have unfixed access hatches/panels or floorboards, we will inspect subfloor areas by an inverted 'head and shoulders' inspection where appropriate and safe to do so. We will not enter the subfloor area.
 - (Level 3 survey): In addition to that described for Levels 1 and 2, we will inspect the surfaces of exposed floors and will lift the corners of any loose and unfitted carpets or other floor coverings where practicable. We will assess all floors for excessive deflection by a 'heel-drop' test.
- Grounds
 - (Level 1 survey): We will carry out a visual inspection of the grounds from within the boundaries of the subject property and, where necessary, from adjoining public property.
 - (Level 2 survey): We will visually inspect the garden/grounds during a general walk around and, where necessary and appropriate, from adjoining public property.
 - (Level 3 survey): We will carry out a thorough visual inspection of the grounds and, where necessary and appropriate, from adjoining public property. Our assessment will include such external features as retaining walls, gardens, drives, paths, terraces, patios, steps, hard-standings, dropped kerbs, gates, trees, boundary walls, fences, non-permanent outbuildings and so on.

Services will vary according to the level of survey undertaken, and should be described in an accessible and easily understandable way (i.e. plain English).

C. The surveyor

The service will be provided by an AssocRICS, MRICS or FRICS member of the Royal Institution of Chartered Surveyors (RICS) who has the skills, knowledge and experience to survey and report on the property. Where the surveyor is also providing a valuation of the property, they have the skills, knowledge and experience to provide such a valuation and are a member of the RICS Valuer Registration Scheme.

The surveyor's contact information is set out in the Appendix.

D. The inspection

Before the inspection, you should tell us if there is already an agreed or proposed price for the property, and if you have any particular concerns about the property (such as a crack noted above the bathroom window or any plans for extension).

[Surveyor to add inspection-specific details if needed]

E. The report

We will provide a property-specific report for the service in accordance with the current edition of the Home survey standard RICS professional statement.

The nature and content of the report will vary between the different levels of service.

[Surveyor to add report-specific details if needed]

F. Exclusions

The terms should set out what is excluded from the service. This is intended to cover (though not be limited to) a situation where a surveyor is not undertaking tasks that might normally be expected to form part of the service.

Examples of exclusions will include, but are not limited to, detailing that no asbestos inspection is carried out and that the surveyor does not act as an asbestos inspector when delivering a service that may fall within the scope of *The Control of Asbestos Regulations 2012*. See section 2.6 of the current edition of the *Home survey standard* RICS professional statement for further guidance.

G. Charges and terms of payment

You agree to pay our fee and any other charges agreed in writing as set out in the Appendix, or as further agreed between you and us in writing.

Consider payment arrangements (e.g. any upfront payment) and period, and the applicable level benchmarked against. Any estimates or extras that fall outside the scope of the final costs should be clearly marked as such.

RICS members should also consider the requirements of RICS' [Client Money Protection Scheme](#) and make clear to clients that any fees taken in advance do not constitute client money, and therefore such a payment is not subject to the scheme rules.

H. Complaints handling procedure

If there is any aspect of our service with which you are not happy (including complaints about our bills), please contact our complaints handling partner, [name of partner]. [Our complaints procedure is as follows: [include complaints procedure] or A copy of our complaints procedure is enclosed].

Additional RICS guidance on complaints handling can be found in the current edition of the [Complaints handling](#) RICS guidance note.

I. Retention of documents

We will retain all files and documents for a reasonable period, which will in any event be not less than 6 years after completion or termination of the service(s). These will be securely stored and available for future inspection, if required, for up to a maximum of 15 years.

Once the service has been completed and post-report-delivery discussions with the client concluded, the RICS member should make sure the project file is properly closed. Although this will depend on the RICS member's own quality assurance procedures, it will usually involve assembling and updating all the relevant information and communications (hard copy and/or digital) and archiving in accordance with current practice. These should be securely stored and made available for future inspection if required. A legal liability may extend up to a maximum of 15 years in England and Wales but this may vary in Scotland and Northern Ireland.

J. Audit of files

As an RICS regulated firm, external organisations may conduct audit or quality assurance reviews on our practice. Your file may be subject to monitoring and review, and we will need to provide this to RICS on request in accordance with RICS Rules of Conduct for Members and/or RICS Rules of Conduct for Firms.

K. Referral fees

RICS members and regulated firms must provide clients or prospective clients with a written statement (which should be included in the terms of engagement) stating one of the following, depending on which applies:

- that the RICS member or regulated firm does not pay a referral fee or equivalent to any party who may have recommended them or
- that a payment has been or may be made, either individually or as part of a third-party commercial relationship.

L. Execution or acceptance of the terms

RICS members should ensure there is evidence that the client has confirmed acceptance of the terms and conditions, as required by Appendix D of the current edition of the *Home survey standard* RICS professional statement.

Ideally, this should be addressed by the surveyor sending to the client a digital or paper copy of the terms of engagement, for the client to sign and return to the surveyor before the surveyor undertakes the services, which contains a line at the bottom confirming that the client has read and agrees to the terms of engagement (and any terms of business appearing in a separate document sent with the terms of engagement letter).

RICS members should seek independent legal advice in relation to the drafting of the following paragraphs for inclusion in their own terms of business or client engagement letters.

M. Cancellation

You should seek advice on your obligations under The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 ('the Regulations') and/or the Consumer Rights Act 2015 in accordance with section 2.6 of the current edition of the Home survey standard RICS professional statement. In particular, once we have provided you with our report, you will lose your right to cancel during the 14-day 'cooling off' period provided by the Regulations.

RICS members should add reference to any further contractual provisions concerning the client's rights and obligations in the event of cancellation, for example if they will not provide any refund should the client cancel after a certain deadline, and should ensure that this is reflected consistently in the sample given in the Appendix.

N. Liability

RICS members should ensure that they discuss with the client any limits of liability that the firm wishes to include in the terms and conditions, preferably both by speaking to the client and by explaining the impact of any limit of liability in a letter or email to the client.

RICS members should also consider including a proportionate liability clause and a personal liability exclusion. Examples of these clauses can be found in the current edition of the [Risk, liability and insurance in valuation work](#) RICS guidance note, along with suggestions on how best to limit liability to the client.

Where possible, a disclaimer should be included in both the terms and conditions and the report, relating to any errors or omissions in the report caused solely by any inability to inspect relevant areas.

O. Client liaison

RICS members must take all reasonable steps to ensure that clients understand the differences between the levels of service and are advised on the range of options the surveyor can offer. If possible, they should include information on the services offered before any contract is drawn up. Where the RICS member finds the instruction not suitable, reasons should be given and the client should be advised on the appropriate level of service.

RICS members should keep under review the level of survey required for the particular property and advise the client if they consider the level of survey should change for any reason. Members should keep clear notes on any advice provided regarding the level of survey and any changes to that advice, and make clear any limitations to the advice given.

P. Insurance

RICS members must ensure that any limit of liability agreed upon is less than the value of their professional indemnity insurance.

Q. Health and safety

RICS members must be able to safely undertake the tasks required to deliver the service. They should be familiar with the current edition of the [Surveying safely](#) RICS guidance note and must follow the latest government advice on physical inspections post-COVID-19.

R. Money Laundering Regulations

RICS members must be mindful of their obligations in relation to *The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017* ('the Money Laundering Regulations'), and should ensure they undertake all necessary checks – and keep evidence of those checks – to ensure they can demonstrate compliance.

S. Data protection

All information collected and stored must conform to current data protection legislation and regulations (e.g. GDPR).

T. Confidentiality

RICS members must protect confidential information and only use or disclose it for the purposes for which it was provided, where they have the necessary consent to do so, or where required or permitted by law.

Other comments

RICS members should include a version date on the document before issuing it.

Appendix

This information must be included in firms' client engagement letters or terms of engagement, in accordance with Appendix D of the current edition of the *Home survey standard* RICS professional statement. The format set out below is not a mandatory requirement, and firms should consider how the information is to be incorporated into their client documentation.

Client's details			
Name			
Address			
Telephone		Email	

Firm's or surveyor's details			
Name			
RICS designation and membership number			
Address			
Telephone		Email	

Subject property address (including postcode)	
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The service	
Scope	<p>Include details of the following items:</p> <ul style="list-style-type: none"> the nature and type of service required the applicable level the details of any special instructions and/or additional services the likely inspection date (if known) and the anticipated date the report will be published the delivery format and style of the report any restrictions. <p>Include details of exclusions, disclaimers and limitations of liability if not addressed elsewhere in the terms.</p>
Fees	<p>Include information on the following items:</p> <ul style="list-style-type: none"> the agreed fee and the fees for any additional work (including VAT) details of any referral fees, inducements and potential conflicts of interest the payment arrangements and payment period.

<p>Client acceptance of terms of engagement</p>	<p>Members/firms may want to include a checklist to obtain client agreement to the terms. The following is an example:</p> <p><input type="checkbox"/> I have read, understand and accept the [name of service] service, the terms set out above and the conditions below.</p> <ul style="list-style-type: none"> ✓ I authorise [surveyor's details] to immediately commence work on the report, and I accept that once the report has been provided to me I will lose my right to cancel during the 14-day 'cooling off' period (as provided by <i>The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013</i>). ✓ I accept that if I exercise my right to cancel after [surveyor's firm] has commenced work on the report, but before the report has been completed, I may be entitled to a partial reduction or refund. I understand that no refund would be payable if the cancellation was received after 3pm on the day preceding the appointment to inspect (as provided by <i>The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013</i>). ✓ I accept that [surveyor's name] may, in some instances, pay or receive a referral fee from a third party in connection with this transaction. ✓ I authorise [surveyor's firm] to process my personal data in accordance with these terms and its privacy policy.
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