

Glasgow: 42 Holmlea Road, Glasgow G44 4AL

Ayrshire: 47 Main Street, Largs KA30 8AE

Head Office: 0141 404 1334 Email: info@indigolets.com

WRITTEN STATEMENT OF SERVICES

Under the Property Factors (Scotland) Act 2011 there is an obligation for registered Factors to provide homeowners in their managed developments with a written statement of services. The purpose of the statement is to provide owners with written service standards and terms of the factor and provide this in a simple and transparent document. The main areas to be covered are;

- Authority to Act
- Services Provided
- Financial and Charging Arrangements
- Communication Arrangements
- Declaration of Interest
- Complaints Procedure
- How to End the Arrangement

This statement has been prepared in accordance with the requirements of The Property Factors (Scotland) Act 2011 and its associated Code of Conduct.

ABOUT US

Indigo Square Property Limited is a privately-owned Scottish company with over 50 years experience of running, owning and managing residential property agencies and rental investments in Scotland. The company is registered in Scotland with Registered Address 42 Stirling Street, Denny, FK6 6DJ and company number SC535586. The property management offices and head office of Indigo Square Property Ltd are 42 Holmlea Road, Glasgow, G44 4AL. We also have an office at 47 Main Street, Largs KA30 8AE. The company is registered with the Scottish Property Factor Register number PF000690 and have Professional Indemnity Insurance covering claims in excess of £1m.

AUTHORITY TO ACT

Our authority to act and any level of delegated authority varies from property to property and will either be:

- Operating as Property Factor by custom and practice with no formal agreed level of delegated authority.
- Appointment by the house builder or developer, with any relevant level of delegated authority provided within the Title Deed of Conditions.
- Appointment by a decision of the homeowners as per the requirements set out in their title deeds with the level of delegated authority provided within the said title deeds, minutes of the meeting of appointment or signed contract.
- The contract for Factoring is between the co-proprietors and Indigo Square Property Ltd and remains in place until a legitimate vote by proprietors in line with the requirements of their title deeds and Indigo Square Property Ltd have the right to transfer engagements should this be necessary.
- Where appropriate Indigo Square reserve the right to transfer engagements to an alternative Factor provider who would then contact owners separately.
- Indigo Square Property Ltd reserve the right to unilaterally terminate the factoring arrangement with the co-proprietors at 28 days notice. This is likely to be (although not exclusively) in the event that a number of proprietors are not making payments and management of the building becomes uneconomical.

SERVICES PROVIDED

Indigo Square offers the standard range of services expected from property factors although the detail of the specific services for a development will usually be set out in the Title Deeds and/or amended by owners over time. We service communal responsibilities on behalf of the Owners, the proportionate shares of outlays are recouped from the Owners on the basis of the share allocations specified within the Title Deeds governing the property and these services include (but are not exclusive to):

- Instruction of communal repairs & maintenance
- Implementation of common buildings insurance
- Undertaking periodic property inspections
- Preparation of accounts for the building/development

The provision of communal buildings insurance can often be one of the most important services provided by a factor. Under insuring a property can be as bad as no insurance at all. This is especially relevant in communal flatted developments where individual home insurance will not always cover the communal areas of a building such as stairwells, roof spaces etc. Indigo

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Square will always seek to have the insurance re-instatement value provided in line with RICS recommendations. As with all repair requirements, homeowners have a responsibility to contact Indigo Square as soon as possible when they believe an issue within the building may result in an insurance claim.

EMERGENCIES

There are occasions when emergency access is required into properties. This may be when there's a severe leak running through a building, fire, or other such occasions. It is for these reasons that Indigo Square requests contact information for proprietors to provide access into properties. On extreme occasions, Indigo Square may require to gain access into a property. This would only be done when accompanied by a locksmith and the police. The cost of gaining access will usually be charged back to the relevant proprietor however where there is no contact information or no known alternative name and address for that proprietor, this cost may need to be shared across the building/development.

FINANCIAL AND CHARGING ARRANGEMENTS - MANAGEMENT FEE

Our fee represents the cost of administering and carrying out the routine property management duties detailed within this statement. The management fee for your property is detailed within your quarterly common charges accounts. It is charged on a 'flat-rate' basis. All properties similar in type to your own within your development are charged the same fee. The management fee is reviewed annually to ensure it covers the cost of providing the service. We will notify you prior to any change in fee. If we are requested to carry out additional duties, (such as advising on improvement or other grants or instructing and pursuing court actions) or if a particular routine item is or becomes unusually time consuming or complex, (such as a major common repairs scheme) and for any other additional works as deemed necessary, Indigo Square reserve the right to add a further management fee to the value of the works up to 12% +Vat of the costs issued by the contractor.

BILLING

In line with industry norms, Indigo Square invoice quarterly in advance. These invoicing dates will be the 28th of February, 28th of May, 28th of August, and 28th of November. Included within your invoice will be the Indigo Square management fee, and where appropriate, cleaning, gardening, insurance, and reactive maintenance and management of the development. Most items will be invoiced in arrears, and for this reason payment terms are 14 days. Insurance will be invoiced quarterly in advance and there may be occasions where other works require advanced payment. Such advanced payment costs will be notified to proprietors and will either be included within the normal invoice run or by be-spoke pro-forma invoicing. Indigo Square will issue a reminder one month after the quarterly invoice has been issued for any clients with outstanding amounts. Unless these outstanding amounts are pre-agreed, or as a consequence of a payment plan, then a £15* penalty will apply to any non-payment after that 14 days and will be in any further reminder. In the event that a full quarterly invoice has not been paid by the time the next quarterly invoice is raised an additional penalty charge of £25* will be issued, and this £25* penalty charge will be raised on each subsequent quarterly invoice for outstanding amounts.

As stated above, all items are invoiced in arrears with the exception of buildings insurance. For all developments, buildings insurance will be issued in advance with initial buildings insurance invoice due to all proprietors for any development from the day that it comes under the management of Indigo Square. Where exceptional repairs are instructed over and above regular works, Indigo Square will issue proforma invoices. This will normally be after receiving approval from the required number of owners and works will commence once funds are received.

VAT

Indigo Square Management Services is registered with HM Revenue and Customs in order to comply with VAT legislation. Our VAT registration number is 383 0165 64. Indigo Square Management Services charges a management fee for administering and carrying out property management duties. This fee attracts VAT at the standard rate in accordance with VAT legislation.

FLOAT

In accordance with Rule 3 of the Tenements (Scotland) Act 2004, we require all Owners to lodge a float. The float is intended to assist the Factor in financing communal expenditure, in lieu of recovery through quarterly billing. The float for your property would be specified prior to you taking ownership.

CLIENT ACCOUNT

Floats and Credit balances are held within our client account on a non-interest-bearing basis. Funding lodged within sinking fund and major repair funds would be held within separate interest-bearing accounts.

INSURANCE

Indigo Square are always seeking to offer best value to our home owners. And in relation to building's insurance, we use an Affinity Brokers, based at Blythswood Square, Glasgow who are the specialist insurance brokerage firm. In advance of each renewal date, Affinity will go to the whole of market to obtain best quotes for owners. As you will understand, insurance premiums are affected by claims histories within a building, as are excesses, etc. and through Affinity Brokers we will always seek to get best value for proprietors. Insurance firms offer commission to providers for the provision of policies and Indigo Square Property Ltd receive no more than 12% commission for any policy established.

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Best value also extends to the payment terms that owners can have for their building's insurance. Building's insurance premiums can be paid in one instalment or spread out on a quarterly basis throughout the year. Should you wish to make payment in full of your annual building's insurance policy, please notify us by the 28th day of the month preceding the next invoice billing date (e.g. by the 28th of January for a building insurance's policy that will be renewed with payment due in the 28th of February invoice). In the event that a proprietor elects to pay their insurance premium in one lump sum, they will receive a discount from the amount payable. In order to facilitate payments spread out over the course of the year, Indigo Square obtained credit facilities from the insurance providers, which have costs associated with them. Where applicable the cost of this credit facility will be identified in your invoices on a separate line.

METHODS OF PAYMENT

Person - Cash, Cheque, All major debit/credit cards (Charges apply to credit card transactions and Indigo square reserve the right to pass these on to proprietors)

Post - Cheque Standing order: Frequency and amount by prior agreement

Telephone - All major debit/credit cards

Bank Transfer – details can be provided upon request

PAYMENT ARRANGEMENTS

Each of the Owners will make full and prompt payment on demand to the Factor of their share (calculated in accordance with the provisions of the title deeds for the Development) of the costs of repairs and maintenance, insurance premiums, common and other charges and all factorial and management fees and charges. **Our payment terms are fourteen days from the rendering of an invoice.** In order to continue prefunding maintenance costs for your property, accounts require to be paid promptly. The build-up of arrears can lead to difficulties in terms of the on-going management of your property. Any queries regarding accounts should be raised as soon as possible. Owners who anticipate having difficulty in making payment are invited to contact us to discuss the reason for the difficulty and, if appropriate, agree an acceptable payment arrangement.

All accounts should be paid within the timeframe as stated on your invoice (14 days), and potential penalty charges are as per set out above.

DEBT RECOVERY PROCEDURE

In terms of prevailing legislation, there is a potential liability incumbent on all Owners having an interest in common property to meet the irrecoverable debts of insolvent co-owners. However, there are a number of avenues available to us which would, in the vast majority of cases, protect solvent Owners from exposure to this risk. In the event of non-payment after the period of fourteen days, one reminder letter would follow, with the option retained to issue a subsequent notification of Court Proceedings fourteen days thereafter. A Notice of Potential Liability (NOPL) may be lodged against Title Deeds, where debts aged over three months. Where no payment plan had been arranged, we would be entitled to sue for and recover arrears in our own name on behalf of the remaining Owners. If the amount and the expenses as awarded by the Court appear irrecoverable, these shall at our discretion be paid by the remaining Owners jointly to ourselves, each of such Owners contributing equally and being entitled to recover such amount from such of the Owners as defaulted. Indigo Square also reserve the right to pass details of late payment owners to an external debt collection company.

However, in the event of a recovery being at a later date from the defaulting Owner, the solvent Owners would duly be reimbursed. In any case, given the availability of NOPL, we would hope to minimise impact of irrecoverable debt upon solvent Owners.

COMMUNICATION ARRANGEMENTS - SERVICE STANDARDS

Indigo Square believes that communication is a key part of a positive relationship putting property factors and property owners, and we will endeavour to communicate as much as possible to keep you updated with progress across the development. We look forward to receiving comments and feedback from proprietors, and this can be done via email, or a phone call. Indigo Square will correspond with proprietors via text message, email, or telephone call, and to facilitate these positive lines of communication, we would request that proprietors provide Indigo Square with as much contact information as possible. Indigo Square will endeavour to revert back to clients by acknowledging their query within seven days and engage with clients throughout any ongoing works.

Contact details for owners are essential to ensure the good management and maintenance of the building. There have been extreme occasions where a major issue within a building has resulted in Indigo Square having to gain access into properties because there was no contact information for a proprietor. This would only done under exceptional circumstances and we would be accompanied by a locksmith and the police. In that regard, in cases of management and maintenance, it may be necessary for Indigo Square to provide contractors with contact details for owners and tenants, so please contact Indigo Square if you do not wish your contact details to be distributed.

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CONTACT US

In the first instance email is the best way to contact us but it is not the only way. Communication must always be two way and whilst we will always provide you with an up to date review of your building we are here to listen when you need to communicate with us:

GLASGOW

42 Holmlea Road, Glasgow, G44 4AL

AYRSHIRE

47 Main Street, Largs KA30 8AE

REGISTERED OFFICE

42 Stirling Street, Denny, FK6 6DJ

TELEPHONE (MAIN OFFICE): 0141 404 1334

EMAIL: Factor@indigolets.com

TWITTER: @IndigoSq

OUT OF HOURS EMERGENCY: Call office and press 1

WEBSITE: www.indigolets.com

FACEBOOK: [Facebook.com/indigolets](https://www.facebook.com/indigolets)

DECLARATION OF INTEREST

Indigo Square Property Ltd will inform you if at any time it has or acquires any financial or other interest in your property. Indigo Square Property Ltd also has a sales and lettings business and on occasion may sell or manage the rental of a property within a factored building. Indigo Square Property Ltd does not have any financial or other interest in any contractor or service provider appointed by us on your behalf. In the event that this changes you will be notified.

ADDITIONAL SERVICES

Indigo Square also operate a property lettings business and are members of the Council of Letting Agents and are also registered with the Scottish Government with relevant Directors having passed the necessary qualifications and also passed the Scottish Government fit & proper person tests. Indigo Square has registered number LARN1903041 and offers discounted lettings fees to all proprietors within buildings managed by Indigo Square.

COMPLAINTS PROCEDURE

Indigo Square is a member of the Property Ombudsman (Member No D13744) and our complaints procedure is in accordance with the guidelines set out by that body.

Our full Complaints Procedure is available on request. However, in brief, your complaint should be made in the first instance to Mr Brian Gilmour, Director in charge of property management. Should you fail to obtain satisfaction, you will be requested to complete our Complaint Form and send it to another Director of the Company.

Within 28 days of receipt of your Complaint Form, we will write to you to inform you of the outcome of the investigation and to let you know what actions will be taken. If we anticipate that it will take more than 28 days to fully investigate your complaint, we will advise you when you should expect to receive a response. If your complaint is in respect of poor service from a contractor, we will contact the contractor and make every effort to resolve the issue to your satisfaction.

If an amicable settlement cannot be reached at this stage and if it is considered that a breach of The Property Factor's (Code of Conduct)(Scotland) Order 2012 has occurred, then an application may be made to;

The Housing and Property Chamber First Tier Tribunal for Scotland
4th Floor
1 Atlantic Quay
45 Robertson Street
GLASGOW G2 8JB
Email: HPCAdmin@scotcourtribunals.gov.uk Telephone: 0141 302 5900

HOW TO END THE ARRANGEMENT

Rules on how engage for property management are usually set out in Title Deeds and these need to be followed to terminate any property management contract. If such procedure is not specified within the Titles, then a decision to terminate the management contract must be made by 50%+1 of the owners within a building.

Unless specified within the Title Deeds, Indigo Square would require three months written notice from Owners forming a quorum, or other such notice as may be specified. In the event of our appointment being terminated, we will render our final account within three months of the date of termination, unless accounts from a third-party service provider will not be available within that time.

Indigo Square Property Limited is registered in Scotland SC535586 at 42 Stirling Street, Denny FK6 6DJ Indigo Square Property Limited is a registered Factor PF000690

* Subject to VAT

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