

# Switching Managing Agents — Step by Step

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A practical guide for RMC directors and leaseholders

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## INTRODUCTION

Leaseholders and RMC directors who are dissatisfied with their current managing agent have the right to replace them. This guide sets out the practical steps involved in switching managing agents and explains the legal framework that governs the process.

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## COMMON REASONS FOR SWITCHING

- Poor communication and responsiveness
- Failure to maintain the building to a reasonable standard
- Unexplained or excessive service charge increases
- Lack of transparency around expenditure and contractor selection
- Failure to comply with statutory obligations (Section 20, fire safety etc.)
- High management fees for limited service

# Step 1 — Review Your Management Agreement

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## CHECKING YOUR CONTRACT

Before taking any steps to switch, you must review your existing management agreement carefully. Key provisions to check include:

- Notice period required to terminate — typically 1, 3 or 6 months
  - Break clauses and conditions that must be satisfied
  - Termination fees or penalties
  - Handover obligations — what the outgoing agent must provide
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## GROUNDINGS FOR IMMEDIATE TERMINATION

- Fraud or misappropriation of service charge funds
- Persistent and fundamental failure to perform contractual obligations
- Insolvency of the managing agent
- Breach of RICS Service Charge Residential Management Code

## Step 2 — Select a New Managing Agent

### PROCUREMENT PROCESS

We recommend obtaining at least three competitive quotes. When evaluating potential managing agents, consider the following:

Criteria	What to Look For
<b>Qualifications</b>	RICS membership, ARMA membership, IRPM qualified staff
<b>Experience</b>	Similar size and type of development, local knowledge
<b>References</b>	Speak to existing clients — RMC directors and leaseholders
<b>Fee structure</b>	Transparent itemised fees, no hidden charges
<b>Insurance</b>	Professional indemnity and public liability cover
<b>Technology</b>	Online portals, document management, financial reporting
<b>Compliance</b>	Section 20 process, fire safety, Building Safety Act

## Step 3 — Serve Notice and Manage Handover

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### SERVING NOTICE

Once you have selected a new agent, serve written notice on the outgoing agent in accordance with the management agreement. Notice should be served by recorded delivery and should clearly state the termination date.

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### THE HANDOVER — KEY DOCUMENTS

- All financial records including service charge accounts and bank statements
- Details of all service charge trust accounts and confirmation of balances
- Copies of all contracts with contractors and service providers
- All compliance documents: fire risk assessments, EICRs, asbestos surveys
- Lease documentation and leaseholder contact details
- Outstanding maintenance items and works in progress
- Details of any ongoing disputes or Tribunal applications
- Keys, access codes and security information
- Insurance documentation and claims history

## Step 4 — Communicate with Leaseholders

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You should write to all leaseholders to explain the change of agent, confirm the new agent's contact details, the effective date, and any changes to payment arrangements. Where bank account details are changing, communicate this clearly well in advance.

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### HOW BERGASON CAN HELP

**Bergason Property Services Limited has extensive experience taking over management from outgoing agents, including in contentious situations. We manage the entire handover process professionally and ensure full continuity of services from day one. Contact us: 0121 384 1333 | [info@bergason.co.uk](mailto:info@bergason.co.uk)**