

[News story: CMA launches consumer law investigation into leasehold market](#)

This follows ongoing concerns about the fairness, clarity and presentation of some leasehold contract terms, which could lead to people being stung by costly fees over a long period or having to abide by onerous terms.

The CMA's consumer protection law investigation will examine two key areas:

Potential mis-selling: whether people who have bought a leasehold property are given the information they need to fully understand the obligations they are taking on, for example the requirement to pay ground rent over a certain period of time, or whether they have an accurate understanding of their ability to buy their freehold.

Potential unfair terms: whether people are having to pay excessive fees due to unfair contract terms. This will include administration, service, and 'permission' charges – where homeowners must pay freeholders and managing agents before making home improvements – and ground rents, which in some cases can double every 10 years.

George Lusty, Senior Director for Consumer Enforcement, said:

Buying a home is one of the most expensive and important purchases a person can make. So, it's essential they fully understand the contract they are signing – including whether they will have to pay more than they bargained for.

Our investigation will shed light on potential misleading practices and unfair terms to help better protect people buying a home in future.

The CMA is writing to companies across the sector – including developers, lenders and freeholders – requiring information to understand more about how leaseholds are sold and managed, and the terms their contracts contain. It also wants to understand the impact such practices have on homeowners, and so is calling on people to share experiences that could be relevant to its work.

If the CMA thinks that a company's practices are misleading – or that its contracts contain unfair clauses – it could take enforcement action to require the company to change how they operate.

All information relating to this investigation can be found on the [case page](#). This includes how people can share relevant information.