



## RCDs and smoke alarms

Consumer Protection has updated previous best practice guidance information supplied to settlement agents regarding their obligations with respect to residual current devices (RCDs) and smoke alarms.

The former Settlement Agents Supervisory Board (the Board), which regulated settlement agents conduct prior to Consumer Protection taking over the role in July 2011, issued two e-Bulletins in 2009 concerning best practice in relation to RCDs and smoke alarms.

### ***Current best practice guidance***

The Department has updated the information the Board issued in 2009 with the following suggested best practice regarding RCDs and smoke alarms.

Given the majority of people do not routinely buy or sell residential property, the Department believes it would be appropriate for settlement agents to remind clients of the legal requirements regarding RCDs and smoke alarms.

This could be achieved by providing clients with current brochures from the Building Commission, EnergySafety and/or the Department of Emergency Services. The appropriate time to provide this material would most likely be when an agent obtains or confirms an authority to act.

Supplying this information to clients is consistent with a settlement agent's obligation to provide services with due care and skill.

As a further service to their clients, agents may wish to ascertain the status of RCDs and smoke alarms, to the extent possible, prior to settlement and communicate this to their client.

### ***Previous information***

In September 2009, the Board issued an e-Bulletin article entitled '*Mains powered smoke alarm mandatory in pre-1997 properties*'. The article, which drew settlement agents' attention to changes to the Building Amendment Regulations 2009 concerning smoke alarms in residential properties, contained a prescriptive summary of best practice.

The summary required an agent to, among other things, inform a buyer in writing and advise them to seek independent legal advice if smoke alarms were not installed in the property, and to seek written authorisation to proceed to settlement notwithstanding the non-compliance with smoke alarm requirements.

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In July 2009, the Board issued an e-Bulletin article entitled '*New Rules on Safety Switches*'. The article, which drew settlement agents' attention to amendments to the Electricity Regulations 1947 concerning RCDs, also included a prescriptive summary of best practice.

The summary required an agent to, among other things, ask a seller to provide documentary evidence of compliance with the Electricity Regulations in respect of RCDs, and to seek written authorisation to proceed to settlement notwithstanding the non-compliance with RCD requirements.

As stated above, the information provided in the 2009 e-Bulletins is no longer current.