SLS RESPONSE TO MINISTRY OF HOUSING, COMMUNITIES & LOCAL GOVERNMENT CONSULTATION ON HOME BUYING & SELLING REFORM

Question 5 - "Do you agree with the proposed objectives for reforming the home buying and selling system?

1. Overall Position

We support the broad objectives of creating a home buying and selling system that is faster, more reliable, transparent, and trusted. These aims are entirely reasonable. However, while the objectives are sound in principle, we have serious reservations about some of the assumptions that underpin them and the mechanisms proposed to achieve them—particularly around mandatory upfront information, the over-reliance on digitalisation, and the continued under-recognition of structural and legislative barriers.

Reform should be practical, evidence-led, and built to last. The risk is that, once again, reform focuses on procedure and technology rather than on the true causes of delay and inefficiency in the property market.

The objectives for the reform should also recognise that property transactions are not uniform and any reform should therefore allow for flexibility and professional judgement, rather than imposing rigid or over-standardised processes.

2. Alignment with the Objectives

(a) Faster, More Reliable Transactions

We agree that improving speed and reliability is desirable. However, speed must not come at the expense of legal accuracy, consumer protection, or professional accountability. The key delays in conveyancing often arise not from practitioner inefficiency, but from structural and legislative factors, such as:

- Complex rent charge provisions and defective lease clauses requiring deeds of variation;
- The absence of prescribed timelines and fees for management companies providing FME1/LPE1 packs;
- Multiple, conflicting lender requirements that must be reviewed for every transaction;
- Fragmented access to planning, building control, and S106 data.

These are legislative and regulatory issues, not technological ones. Simple statutory amendments—such as removing the Assured Tenancy risk for long leases with an annual ground rent of over £250 (or £1,000 in Central London), or setting timelines for management information—would yield far greater and more sustainable benefits than digitising processes that are themselves outdated.

(b) Reduced Fall-Throughs and Chain Risks

Reducing failed transactions is a worthy goal, but mandatory upfront information is not necessarily the solution. The recent experience with the Law Society's TA6 (5th edition) form demonstrates the danger of imposing new information requirements without full industry buy-in. It resulted in confusion, delay, and ultimately withdrawal after practitioner backlash.

Moreover, proposals to commission searches at the outset risk repeating the failures of Home Information Packs (HIPs). Searches expire after six months; when transactions fall through or are delayed, consumers will pay again to update them. The government's suggestion of "free refreshes" or "standard validity periods" presumes cooperation and cost absorption by search providers—an unrealistic assumption.

(c) High Professional Standards

We strongly support high professional standards. However, this cannot be achieved by layering more accreditation schemes (such as another "charter") on a profession already subject to CQS, SRA/FCA regulation, and lender audits.

Instead, focus should be on regulating estate agents (as recommended in the *Panorama* documentary) and banning referral fees, which drive poor-quality "factory" conveyancing and undermine professional independence.

If the government is serious about improving standards, it must start where regulation is weakest—not where it is already strongest.

(d) Better Informed Consumers

We fully endorse improving consumer understanding and transparency. However, education, not data overload, achieves this. Clients value clear explanations and human guidance, not portals of unfiltered technical data.

Furthermore, if reforms result in consumers being given information from unregulated third parties (e.g., digital platforms or AI systems), the question of liability must be addressed. Who will be responsible when this information is wrong? Will technology providers carry professional indemnity insurance, or will liability again fall on conveyancers? Without clarity, professional indemnity premiums will rise, driving up costs for consumers—the opposite of what reform seeks to achieve.

(e) Trust and Confidence in the System

Trust cannot be engineered through digitalisation alone. It arises from competence, accountability, and personal service. Clients want to know that a qualified professional is protecting their interests, not that a digital logbook or algorithm is processing their data.

While digital tools can support efficiency, they cannot replace professional judgment. Over-reliance on automation risks eroding accountability and increasing systemic risk—especially where ID, AML, and title verification are outsourced to platforms that may not meet professional standards or carry liability.

3. Broader Reflections on Digitalisation

The assumption that technology will "fix" conveyancing is deeply flawed. The true crisis in the profession stems not from inadequate technology but from:

- Excessive and inconsistent regulation;
- A punitive AML regime better handled by banks, which already hold the data and systems to monitor accounts effectively;
- A commoditised market driven by referral fees and unrealistic expectations;
- The transfer of liability from institutions to individual practitioners.

Digital tools should support, not substitute, professional expertise. Without addressing these structural problems, digitalisation will not deliver faster or safer transactions—only more complex, risk-shifting systems.

4. Recommendations for Practical Reform

1. **Shift AML and ID verification to banks**, who are best placed and best funded to perform these checks. Any consideration for reform should be how ID and AML could be 'shared' avoiding repetition and streamlining the process. However, this should be an industry wide standard, to create a standardised digital process that is backed by regulators and be trusted by all through the industry.
2. **Legislative amendments** to address structural causes of delay (rent charges, long lease Assured Tenancy risks, prescribed management company fees and timescales).
3. **Single standard lender instruction** agreed across all lenders to reduce duplication.
4. **Open access to planning, building control, and S106 data** with integration into local searches.
5. **Regulate estate agents** and **ban referral fees** to reduce conflicts of interest and improve transaction quality.
6. **Recognise the limits of digitalisation**: ensure that any technology adopted enhances, rather than replaces, professional judgment.

5. Conclusion

The government's objectives are commendable, but the route to achieving them must be rooted in reality, not ideology. Digitalisation is not a silver bullet. Unless reform tackles the real causes of inefficiency—regulatory overload, inconsistent standards, legislative blockages, and the erosion of professional autonomy—transactions will not become faster or safer.

A modern conveyancing system should combine targeted legislative reform, empowered professionals, and intelligent use of technology. Only then will we deliver a process that is truly faster, fairer, and more trusted for consumers and professionals alike.

Question 6 - "Are there any objectives you think should be changed, removed, or added?"

1. General Position

While we broadly agree with the spirit of the government's proposed objectives, we believe several require refinement to make them deliverable and meaningful in practice. The current objectives focus heavily on process and technology, but understate the importance of structural reform, legislative clarity, and professional accountability.

To ensure reform achieves its intended outcomes, the objectives should:

- Distinguish clearly between what can be improved by technology and what requires legislative or regulatory intervention;
- Recognise the irreplaceable role of professional judgment;
- Address the incentives and behaviours that currently drive inefficiency (e.g. referral fees, unregulated agents, lender complexity).

2. Objectives That Should Be Changed or Refined

(a) "Faster, More Reliable Transactions"

Proposed amendment:

"Deliver faster, more reliable transactions through practical legislative reform, streamlined professional standards, and proportionate digital tools that support—not replace—qualified legal oversight."

Rationale:
Speed and reliability should not be treated as purely technical challenges. The main causes of delay—management company fees, lender requirements, rent charge deeds, and AML duplication—are legal and procedural, not technological. Unless these are addressed, digitalisation alone will not achieve meaningful acceleration.

(b) "Reduced Fall-Throughs and Risks"

Proposed amendment:

"Reduce transaction fall-throughs and risks by ensuring early, reliable information sharing supported by professional validation, rather than by mandating premature or duplicative documentation."

Rationale:
Mandatory upfront information risks repeating the errors of the withdrawn TA6 (5th edition) and the Home Information Pack (HIP) model. Without industry buy-in, clear liability rules, and mechanisms to refresh outdated searches, this objective could increase cost and complexity for consumers rather than reduce it.

(c) "High Professional Standards"

Proposed amendment:

"Promote high professional standards across all actors in the property market, including agents and search providers, through enforceable regulation, transparency of qualifications, and elimination of conflicts such as referral fees."

Rationale:
The current focus appears limited to conveyancers and legal professionals, who are already subject to extensive oversight (CQS, SRA/FCA, lender panels). True reform must address unregulated sectors—particularly estate agency and referral networks—that distort incentives and degrade consumer outcomes.

We therefore propose explicitly adding regulation of estate agents and banning referral fees as part of this objective.

(d) "Better Informed Consumers"

Proposed amendment:

"Empower consumers with clear, verified information and professional guidance, recognising that transparency without context can mislead rather than inform."

Rationale:
Providing data alone does not make consumers better informed. Information must be contextualised, verified, and explained by professionals. This objective should explicitly recognise that legal interpretation is essential to consumer understanding.

It should also clarify who bears liability for data errors—particularly if third-party digital systems are involved—and require those providers to hold appropriate professional indemnity cover.

(e) "Trust and Confidence in the System"

Proposed amendment:

"Build trust and confidence through accountability, competence, and human service, supported by technology where appropriate."

Rationale:
Trust is built on personal accountability and professional integrity, not on automated systems. Over-automation risks alienating clients and creating new vulnerabilities (e.g., cyber-security risks in digital logbooks). This objective should explicitly prioritise security, professional accountability, and consumer recourse over purely procedural speed.

3. Objectives That Should Be Added

(a) Structural and Legislative Reform

New objective:

"Address structural and legislative barriers to efficient conveyancing, including outdated leasehold law, inconsistent rent charge provisions, and unregulated management company practices."

Rationale:
Many of the persistent inefficiencies arise from statutory and procedural complexity rather than professional delay. Including this as a core objective would signal a commitment to enduring, practical reform rather than temporary procedural fixes.

(b) Rationalising AML and ID Requirements

New objective:

"Rationalise anti-money laundering (AML) and identity verification processes by enabling reliance on banking institutions and standardising checks across the sector."

Rationale:
Banks are better equipped to perform AML due diligence, given their access to transactional histories and systems already built for this purpose. Allowing conveyancers to rely on verified UK bank transfers would remove significant duplication and cost while maintaining high compliance standards.

(c) Digital Reform with Professional Oversight

New objective:

"Implement digitalisation under professional oversight, ensuring technology enhances efficiency without displacing legal judgment, accountability, or consumer protection."

Rationale:
Digital tools must remain subordinate to professional control. The current objectives assume technology is inherently beneficial, but experience shows that poorly implemented systems can increase administrative burdens and liability risks. This objective would help align innovation with professional standards and consumer safety.

4. Objectives That Could Be Removed or Reframed

There is no need for a standalone "digitalisation" objective. Digitalisation should be treated as an enabler, not an end in itself. Elevating it to an objective risks distorting priorities and encouraging technology-led rather than evidence-led reform.

5. Conclusion

In summary, while we endorse the government's ambition for a faster, fairer, and more trusted home buying process, the objectives should be recast to emphasise:

- Structural reform over procedural tinkering;
- Professional accountability over automation;
- Practical legislative change over aspirational digital rhetoric; and

- Balanced risk-sharing between professionals, technology providers, and institutions such as banks.

Only with these refinements will the objectives produce a system that is sustainable, resilient, and genuinely beneficial for consumers and practitioners alike.

Question 7 - "Do you agree that there should be a mandatory requirement for sellers and estate agents to provide comprehensive upfront information".

While we support the principle of improving transparency and reducing transaction delays, we do not agree that there should be a *mandatory* requirement for sellers and estate agents to provide comprehensive upfront information in its proposed form.

The introduction of mandatory upfront information would, in practice, require conveyancers to become involved pre-marketing, adding a new layer of regulatory and professional responsibility before any offer is made. Given the current shortage of conveyancers and already unsustainable workloads, this reform would risk stagnating the market, slowing rather than speeding up transactions.

The proposal also risks repeating the failures of the Home Information Pack (HIP) model and the withdrawn TA6 (5th edition) form, which demonstrated that premature or duplicative information gathering creates confusion, additional cost, and limited practical benefit.

Comprehensive upfront information can only be effective if:

- Liability for the data is clearly defined and shared between agents, search providers, and digital platforms—not placed solely on conveyancers;
- Search validity and refresh mechanisms are standardised and cost-neutral for consumers; and
- The professional resource and capacity of conveyancers are taken into account before implementation.

In its current form, a mandatory regime risks diverting scarce professional capacity to pre-marketing work, increasing costs for consumers, and introducing further bottlenecks into an already stretched system.

A more proportionate approach would be to encourage voluntary early information provision, supported by clear professional standards and improved digital access to trusted data sources, rather than imposing a rigid legal obligation that the system cannot yet support.

Question 8 - "Do you agree that this should include a requirement to order property searches and undertake a property condition report?

We do not agree that the mandatory upfront information requirement should extend to ordering property searches or commissioning a property condition report.

This approach would effectively recreate the failed Home Information Pack (HIP) model. Searches have a limited six-month validity period; if a sale falls through or is delayed, they must be re-commissioned at

additional cost to consumers. Unless all search providers commit to free refreshes and consistent data standards, this proposal would increase expense and administrative burden without improving certainty.

Similarly, requiring a seller-commissioned property condition report is problematic. Surveyors' standard terms typically restrict reliance to the instructing client, meaning buyers could not safely rely on such reports without costly extensions of liability or professional indemnity coverage—again increasing costs.

These measures would front-load costs, reduce flexibility, and further strain limited conveyancing capacity. A more balanced approach is to encourage early, voluntary information gathering supported by digital access to trusted data, rather than imposing rigid, mandatory pre-marketing requirements that risk repeating past mistakes.

Question 9 - "What steps should government take to ensure that conveyancing lawyers, estate agents and surveyors have the capacity to implement this change?"

Before implementing any mandatory upfront information requirements, government must address the severe capacity pressures already affecting the conveyancing and surveying sectors.

Conveyancers are leaving the profession in significant numbers due to unmanageable workloads, increasing regulatory burdens, and rising professional indemnity costs. Adding new pre-marketing duties would exacerbate this, further reducing capacity and risking market stagnation.

To build genuine readiness for reform, the government should:

1. **Stabilise the conveyancing workforce** by reviewing regulatory duplication, reducing unnecessary AML burdens, and ensuring fair fee structures that reflect the complexity of modern transactions.
2. **Phase in reforms gradually**, allowing pilots or voluntary participation before any mandatory implementation.
3. **Clarify liability and risk allocation**, ensuring that responsibility for information accuracy is shared across agents, digital providers, and regulators—not imposed solely on conveyancers.
4. **Engage with the surveying profession** to recognise that surveyors are unlikely to widen liability for seller-commissioned reports. If required to do so, their PI premiums would rise sharply, driving up consumer costs and deterring participation.
5. **Invest in training and digital infrastructure**, ensuring that smaller firms and practitioners are not left behind.

Without these preparatory steps, mandatory upfront information and condition reporting would place unsustainable strain on an already overstretched profession, increase costs, and reduce the overall resilience of the home-buying system.

Question 10 - "What resources and additional training would be needed in order to implement these changes"?

Implementing mandatory upfront information, property searches, and condition reports would require significant additional resources and training, particularly for conveyancers, who are already operating under intense pressure.

Conveyancers would need:

- Comprehensive training on new disclosure obligations, data verification, and liability management at the pre-marketing stage;
- Investment in new digital systems and compliance tools to meet proposed standards;
- Clear professional guidance from regulators and the Law Society on managing risk and client care before a transaction is underway; and
- Increased staffing capacity, which is unlikely given that many experienced conveyancers are leaving the profession due to stress, over-regulation, and shrinking profitability.

Crucially, the proposals assume that digitalisation and process reform will reduce costs—but in practice they will drive down what are already unsustainably low margins, making conveyancing work even less financially viable. This risks accelerating the loss of skilled practitioners at a time when capacity is already critically stretched.

Surveyors would also need clarity on liability: widening reliance for condition reports would substantially increase their professional indemnity premiums, adding further cost and discouraging participation.

Without substantial financial investment, workforce support, and clear liability frameworks, these changes could undermine rather than strengthen the conveyancing profession and the stability of the housing market.

Question 11 - "Do you agree that we should intervene to drive up standard amongst, and improve trust in property agents?

Yes — we strongly agree that government should intervene to drive up standards among, and improve trust in, property agents.

Estate agents play a central role in shaping consumer expectations and the overall pace of transactions, yet this area of the market remains largely unregulated compared with the legal and financial professions. The recent *Panorama* documentary highlighted widespread issues of poor practice, lack of accountability, and pressure-driven sales tactics, which directly undermine trust in the home-buying process.

A major contributor to these problems is the referral-fee model, which incentivises agents to refer clients to large, volume-based “factory” conveyancing firms in exchange for kickbacks. These arrangements prioritise throughput over quality, often delegating complex legal work to under-qualified staff and

creating significant delays and communication breakdowns. Consumers rarely realise that their "recommended" conveyancer has been chosen for commercial reasons, not competence.

To rebuild confidence and stability across the housing market, government should:

1. Ban or strictly regulate referral fees to remove conflicts of interest.
2. Introduce mandatory licensing and professional standards for property agents, equivalent to those applied to solicitors and surveyors.
3. Require transparency of ownership, training, and complaints handling, so consumers can make informed choices.

Without firm intervention, poor agent practices will continue to erode professional trust, distort market incentives, and place additional strain on conveyancers who must remedy the resulting delays and errors. Raising standards in the agency sector is therefore essential not only for consumer protection but for the long-term stability and integrity of the housing market.

Question 12 - "Do you agree with our proposal to bring forward a code of practice on a non-statutory basis, and to legislate to put this on a statutory footing in future if necessary"

We agree that a code of practice is necessary to raise standards and improve consumer trust across the property sector, but we do not agree that it should begin on a non-statutory basis.

Experience shows that voluntary or non-statutory codes are ineffective without enforcement. The problems identified in the market — including poor practice among estate agents, conflicts of interest through referral fees, and the use of unqualified staff in "factory-style" operations — are systemic and commercially driven. They cannot be meaningfully addressed through guidance or self-regulation.

We therefore believe that this should immediately become a statutory regulated activity, with a single, enforceable code of practice underpinned by mandatory licensing, defined competency standards, and transparent disciplinary procedures.

A statutory framework from the outset would provide clarity, accountability, and consumer confidence, ensuring that all property professionals operate to consistent, enforceable standards rather than voluntary best-practice principles that many will simply ignore.

Question 13 - "Do you agree with our proposal to consult on mandatory qualification for estate and lettings agents?"

Yes — we strongly agree with the proposal to consult on introducing mandatory qualifications for estate and lettings agents.

Given the central role that agents play in the home buying and selling process, it is inconsistent and unsustainable that they remain largely unregulated and unqualified, while conveyancers, surveyors, and financial professionals are subject to strict professional standards and accountability.

The lack of mandatory qualifications has contributed to variable service quality, misinformation, and conflicts of interest, particularly in relation to referral fee arrangements that prioritise profit over client outcomes. As highlighted by the recent *Panorama* documentary, this has eroded consumer trust and added friction to transactions.

Mandatory qualifications — supported by a clear code of conduct, continuing professional development, and regulatory oversight — would help ensure that agents understand legal obligations, consumer protection requirements, and the impact of their actions on the wider housing market.

This reform is essential to raise professional standards, reduce transaction delays, and restore confidence across the sector.

Question 14 - "Are there any additional interventions you think government should take to drive up standards amongst property agents?"

Yes — several additional interventions are needed to meaningfully drive up standards among property agents.

First, government should make estate agency a fully regulated profession with mandatory licensing, qualifications, and continuing professional development, supported by a single statutory code of practice. Voluntary schemes have consistently failed to raise standards or protect consumers.

Second, there must be an outright ban on referral fees. These payments distort consumer choice by encouraging agents to refer clients to "factory" conveyancing firms that operate on volume rather than quality, often using underqualified staff. This practice routinely causes delays, poor communication, and consumer detriment, as evidenced in the recent *Panorama* documentary.

Third, government should require full transparency and disclosure of ownership structures, referral arrangements, and commissions, so consumers understand who is being paid and for what.

Finally, enforcement must be real and visible: a statutory regulator should have powers to sanction, suspend, or remove agents who breach professional or ethical standards.

Only through clear, enforceable regulation — not voluntary codes — will the industry achieve consistent professionalism and restore trust and stability in the housing market.

Question 15 - "Are there any other areas across the property agent sector that need to be monitored or regulated in order to improve the customer journey"

Yes — several additional areas within the property agent sector require closer monitoring and regulation to improve the customer journey and restore trust.

A key concern, highlighted by the recent *Panorama* documentary, is the lack of transparency around offers, with some agents allegedly failing to pass all offers to sellers. To address this, government should introduce a centralised, regulated digital offers portal through which prospective buyers can submit

offers directly, giving sellers full visibility of all offers received. This would ensure accountability, prevent manipulation, and protect both buyers and sellers from unethical practices.

There must also be greater oversight of:

- **Referral fee arrangements**, which distort consumer choice and encourage referrals to "factory" conveyancing firms that prioritise volume over quality;
- **Training and qualification standards** for agents; and
- **Transparent complaints and redress mechanisms**.

In addition, a legislative mechanism should be introduced to remove or suspend property agents who fail to meet prescribed professional or ethical standards — mirroring the accountability applied to conveyancers, surveyors, and other regulated professionals in the home-buying process.

Finally, monitoring the use of digital and lead-generation platforms is essential to ensure automation does not obscure responsibility or mislead consumers.

A combination of enhanced regulation, transparency, enforceable accountability, and digital oversight would materially improve trust, fairness, and efficiency in the property market.

Question 16 - "Do you agree that government should aim to support the wider use of digital logbooks and packs".

We do not agree that government should prioritise or aim to support the wider use of digital logbooks and packs in their current proposed form.

While digital tools can assist with document management and access to information, the assumption that digitalisation will solve the structural issues in the conveyancing process is misplaced. The key causes of delay and inefficiency — such as inconsistent lender requirements, unregulated managing agents, and poor referral practices — are legal, procedural, and cultural, not technological.

Digital logbooks also raise significant liability, accuracy, and security concerns. If third-party data is incomplete, outdated, or incorrect, it is unclear who will bear responsibility — the platform provider, the data source, or the conveyancer. Without clear accountability and mandatory professional indemnity requirements for digital providers, risk will simply be transferred to conveyancers, increasing delays, insurance costs and deterring participation.

There are also cybersecurity and privacy risks inherent in centralising sensitive property and personal data. The suggestion that digitalisation alone will make transactions faster or safer is optimistic at best and potentially dangerous if professional judgment is sidelined.

Government should therefore focus first on legislative and regulatory reform, improved data access (e.g. planning and building control records), and addressing workforce capacity before investing in large-scale digitalisation projects. Any digital logbook system should only be introduced under strict

professional oversight, with clear liability structures, data verification standards, and consumer safeguards.

Without these protections, wider use of digital logbooks risks creating more complexity, higher costs, and greater vulnerability, rather than genuine improvement.

Question 17 - "If yes, what do you think would drive the wider adoption? How could government support this and do you think that legislation might be needed to bring about this change?"

N/A our previous answer was "no".

Question 18 - "What risks would need to be considered when creating and storing digital logbooks".

A number of serious risks must be carefully addressed before the creation and storage of digital property logbooks could be considered safe or appropriate.

1. Cybersecurity and data protection

Recent high-profile cyberattacks — including those affecting major banks, telecom providers, and household brands such as Marks & Spencer — demonstrate that even well-resourced institutions are vulnerable to data breaches. These incidents have exposed customers' personal and financial information, causing distress, financial loss, and a long-term erosion of trust.

A digital property logbook would hold far more sensitive data — including proof of ownership, financial details, identity documents, and information about a person's home. For most consumers, a house purchase represents the most significant financial and personal transaction of their lifetime. A breach could therefore have devastating consequences, from identity theft and fraud to property title manipulation.

Robust security protocols, independent penetration testing, and statutory regulation of data controllers would be essential. However, even then, absolute security cannot be guaranteed. Consumers must have clear legal recourse and compensation rights in the event of a breach.

2. Data accuracy and liability

Errors or outdated information in digital logbooks could mislead buyers or lenders and create disputes. There must be clarity over liability — whether responsibility rests with the platform provider, data source, or conveyancer. Without this, the burden will inevitably fall on conveyancers, increasing their professional indemnity costs and driving more practitioners from the profession.

3. Professional oversight and misuse

Without statutory regulation, there is a risk that unqualified individuals or commercial platforms could upload or alter property information without proper verification. This could lead to inaccurate, biased, or incomplete data being relied upon by consumers.

4. Capacity and cost pressures

Responsibility for maintaining logbooks would likely fall on conveyancers, a profession already under severe capacity strain and operating on very low margins. Additional compliance requirements would slow transactions and further reduce market capacity.

5. System reliability and resilience

Any national system must be interoperable with existing registries and search providers, and must have robust backup and recovery protocols. System outages or corruption of records could halt transactions and damage confidence in the housing market.

In short, while digital logbooks may offer potential efficiencies, the risks of data breaches, unclear accountability, and professional overload are profound. Until these are resolved through statutory regulation, strict security standards, and clear liability allocation, introducing such systems could expose consumers to unacceptable risks at the very point of their most important life purchase.

Question 19 - "Do you agree that government should support mechanisms to make property transactions more binding at an earlier stage?"

We do not agree that government should pursue mechanisms to make property transactions legally binding at an earlier stage without first addressing the structural, capacity, and regulatory challenges within the conveyancing system.

While the goal of reducing fall-throughs is understandable, achieving earlier binding commitments would either require a complete departure from the current legal framework — something unachievable without a significant and immediate increase in the number of qualified conveyancers — or rely on reservation-style agreements or similar instruments, which have already proven problematic in practice.

Reservation agreements cannot cure the root causes of delay: inconsistent lender requirements, title defects, leasehold complexities, management company delays, and unregulated agent practices. Instead, they risk locking consumers into transactions prematurely, before critical legal, financial, or survey information is available. This could expose buyers and sellers to unfair costs and disputes, particularly where issues such as planning breaches, defective leases, or funding problems arise later in the process.

Moreover, making transactions binding earlier would require conveyancers to undertake significant legal due diligence pre-marketing, further increasing workload and cost at a time when the profession is already under extreme pressure and losing practitioners due to low margins and regulatory burdens.

Before exploring binding mechanisms, government should focus on legislative simplification, professional capacity building, and market regulation — including tackling referral fees, inconsistent lender instructions, and data access barriers. Only once the system is efficient, properly staffed, and transparent should earlier contractual commitment be considered.

Without these prerequisites, making transactions binding sooner risks destabilising the market, increasing consumer risk, and further straining a conveyancing profession already stretched to breaking point.

Question 20 - "What do you think is the most effective means of doing this - incentivise estate agents to offer this as a service; raise consumer awareness of binding agreements; legislate to require their use in property transactions etc?"

None of the proposed approaches — incentivising estate agents, raising consumer awareness, or legislating for mandatory binding agreements — would be effective or appropriate at this stage.

Making transactions binding earlier would fundamentally alter the nature of the home-buying process and cannot succeed without major structural and legislative reform and a significant increase in conveyancing capacity. Current proposals risk adding further complexity to an already overstretched system.

Incentivising estate agents to offer binding agreements would be particularly problematic. Many agents already operate under conflicted referral arrangements, as highlighted in the *Panorama* documentary, referring clients to “factory firms” for commission rather than competence. Extending their role into quasi-legal territory could exacerbate consumer risk and reduce transparency.

Raising consumer awareness without genuine system reform may also mislead buyers into believing such agreements provide certainty when, in reality, key risks (title, funding, survey issues) remain unresolved at that stage.

Legislating to make binding agreements compulsory would represent a complete departure from the current system, requiring new infrastructure, regulation, and professional resources that do not presently exist.

The most effective step government could take is not to legislate for premature binding agreements, but instead to improve the quality and reliability of information, strengthen professional standards across all participants, and stabilise the conveyancing workforce. Only once these foundations are in place could mechanisms for earlier binding commitment be safely explored.

Question 21 - "What would be appropriate costs for failure to comply with binding contracts?"

At this stage, it would be inappropriate to prescribe financial penalties or costs for failure to comply with binding contracts, because the underlying framework for such agreements is neither established nor supported by sufficient professional capacity.

If binding contracts were introduced prematurely, consumers could face significant and unfair costs for withdrawing from transactions due to legitimate reasons — such as adverse survey results, unexpected funding issues, or the discovery of legal or title defects. Penalising buyers or sellers in these circumstances would be inequitable and risk deterring market participation.

In a system already under strain, binding agreements would not address the root causes of delay or failure. They would instead shift risk onto consumers and conveyancers, who may be forced to absorb liability for incomplete or inaccurate early-stage information.

If, in the future, such mechanisms were ever introduced, any associated costs for non-compliance would need to:

- Be strictly proportionate, capped, and subject to clear exemptions for legitimate withdrawal;
- Be independently adjudicated, not left to agents or third parties with commercial interests; and
- Only apply within a fully regulated, statutory framework supported by sufficient professional oversight and consumer safeguards.

Until those conditions exist, imposing financial penalties for non-compliance would be premature, unfair, and counterproductive, increasing risk and mistrust in the home-buying process rather than reducing it.

Question 22 - "Would there be any listed exceptions, or certain situations, for binding contracts not being applied?"

Yes — if binding contracts or reservation-style agreements were ever to be introduced, there would need to be clear and extensive exceptions to protect consumers from unfair penalty and to reflect the genuine complexities of property transactions.

Binding contracts should not apply where a party withdraws for legitimate reasons beyond their control, including:

- Adverse survey results revealing structural, environmental, or safety defects;
- Mortgage offer withdrawal or funding failure through no fault of the buyer;
- Title or legal defects uncovered during due diligence (e.g. restrictive covenants, missing consents, defective leases);
- Delays or non-disclosure by other parties in the chain;
- Change of circumstances such as bereavement, redundancy, or serious illness; and
- Material misrepresentation or omission of information by the seller or agent.

Without such exceptions, binding mechanisms would unfairly penalise consumers for exercising reasonable caution and would likely increase disputes and litigation.

Moreover, given the current shortage of conveyancers and the ongoing issues with incomplete or unreliable upfront information, applying binding contracts without robust safeguards would risk destabilising the market rather than improving it.

Any move toward earlier binding agreements must therefore be optional, transparently regulated, and accompanied by clear statutory exemptions to ensure fairness, proportionality, and public confidence.

Question 23 - "Do you agree that publishing information on the services of property professionals would improve home buying and selling by supporting consumer choice and driving competition?".

We agree in principle that improving transparency around the services offered by property professionals could help consumers make informed choices. However, we have serious reservations about how such information could be meaningfully and fairly presented in practice.

It would be extremely difficult to apply a consistent and objective yardstick for comparison. If performance indicators or ratings were based primarily on transaction timescales, firms could be unfairly penalised for delays entirely outside their control — for example, where a party falls ill, a title defect or defective lease requires a deed of variation, or a management company fails to respond promptly. Such a system risks distorting behaviour by rewarding those who cut corners to meet time targets, potentially compromising quality and due diligence.

Metrics such as complaint levels or client feedback also have limitations. Some clients are more likely to complain regardless of outcome, while others may give positive feedback despite poor technical performance. Without a robust and balanced framework, such data could easily mislead consumers rather than empower them.

If the government proceeds, any publication of information should therefore focus on factual, verifiable service details — such as qualifications, regulatory status, and availability of redress schemes — rather than subjective or time-based performance measures.

In short, while transparency is desirable, simplistic comparisons or league tables would risk undermining fairness, professionalism, and public trust rather than improving them.

Question 24 - "What information would you want to see included in a service of this type?"

If a service publishing information about property professionals were to be developed, it should focus on objective, verifiable data that genuinely helps consumers make informed choices — not on subjective or time-based metrics that risk misleading comparisons.

The information should include:

- **Professional qualifications and regulatory status** (e.g. membership of the SRA/ FCA, Law Society, RICS, or other recognised bodies);
- **Accreditation or quality standards** (such as CQS or Lexcel for conveyancers);
- **Clear explanation of services offered**, including whether work is handled by qualified lawyers or delegated to non-qualified staff;

- **Fee structure transparency**, outlining what is included and any referral or commission arrangements;
- **Details of complaint and redress mechanisms**, including any independent ombudsman or regulator involvement; and
- **Confirmation of professional indemnity insurance cover**.

Information should remain factual and contextualised, not reduced to numerical ratings or simplistic performance scores. League tables or "star ratings" would be unreliable and potentially unfair, as they cannot account for factors outside a firm's control — such as title defects, third-party delays, or complex leasehold issues.

The goal should be informed consumer choice, not competitive scoring. A well-structured, transparent information system could improve confidence and understanding without distorting behaviour or penalising diligent professionals.

Question 25 - "Do you think a charter as set our above would be useful in supporting consumers to identify quality property professional services?"

We do not believe that a charter, as currently proposed, would be particularly useful or effective in helping consumers identify quality property professional services.

While the intention to promote transparency and consistency is commendable, a voluntary or non-statutory charter would likely duplicate existing regulatory frameworks rather than enhance them. Conveyancers are already subject to rigorous professional obligations through the Solicitors Regulation Authority (SRA)/ FCA, the Law Society's Conveyancing Quality Scheme (CQS), and lender-panel requirements. Adding another "charter" risks creating confusion rather than clarity.

Moreover, any charter that attempts to measure "quality" through simplistic indicators such as transaction speed or volume would be inherently unreliable. Delays often arise from factors beyond a professional's control — defective leases, slow management companies, or complex title issues — and such metrics would unfairly penalise diligent firms while rewarding those who cut corners.

If pursued, a charter should therefore be statutory, enforceable, and based on factual, verifiable standards, such as professional accreditation, complaint outcomes, and regulatory compliance — not subjective scoring or voluntary pledges.

In its current form, however, a charter would offer little practical value and could risk misleading consumers rather than empowering them.

Question 26 - "Do you think AML checks could be streamlined?"

Yes — AML (anti–money laundering) checks could and should be streamlined, as they currently represent a significant source of delay, duplication, and administrative burden within the conveyancing process.

Conveyancers are required to undertake extensive AML verification despite having limited access to the information necessary to perform this effectively. By contrast, banks are far better placed to carry out AML due diligence, as they already:

- Hold long-term records of customer activity and account history;
- Have direct visibility of income patterns and employment receipts, enabling them to assess source of wealth; and
- Possess the technical capacity and funding to identify and block unusual or high-risk transactions before crediting funds to an account.

If conveyancers were permitted to rely on funds originating from a verified UK bank account without conducting further repetitive checks, this would massively speed up transactions while maintaining robust safeguards against money laundering.

This approach would also align responsibility with those best equipped to manage the risk, allowing conveyancers to focus on their core legal function — ensuring title, due diligence, and consumer protection — rather than replicating checks already undertaken by financial institutions.

Streamlining AML in this way would reduce cost, improve efficiency, and deliver a more proportionate and effective compliance framework for all parties involved.

Question 27 - "How can the government most effectively support the application of AI conveyancing technology?"

Government should approach the application of AI in conveyancing with caution, recognising that it is not a silver bullet for the complex legal, regulatory, and human issues that underpin the home-buying process.

AI may assist with administrative efficiency — such as document sorting, or workflow management — but it cannot replicate the professional judgment, legal reasoning, or ethical accountability required in conveyancing. The process involves interpreting nuanced legal documents, managing risk, and advising clients on life-changing financial decisions. Over-reliance on AI risks introducing systemic errors, data bias, and accountability gaps if automated outputs are accepted without professional oversight.

To support responsible innovation, government should:

- Emphasise that AI must augment, not replace, qualified practitioners;
- Require clear liability frameworks for AI providers, including mandatory professional indemnity or equivalent safeguards;

- Ensure transparency of algorithms and data sources, allowing practitioners to verify outputs; and
- Fund training and ethical guidance so professionals can critically evaluate AI-generated results.

Without these safeguards, AI could increase risk, undermine trust, and reduce consumer protection, particularly if clients are misled into believing automation equals reliability. Technology can assist the profession — but it must never replace the human expertise that protects consumers and ensures the integrity of the property market.

We are currently seeing some firms adopting AI to raise pre contract enquiries. More often than not the majority of the enquiries are inaccurate or irrelevant to the situation in hand. It is concerning that if reliance is being placed on AI to complete this process alone, many identifiable issues are being over looked thus placing consumers at an enhanced risk.

Question 28 - "What else do you think government should do to streamline the conveyancing process?"

To genuinely streamline the conveyancing process, government should focus on structural, legislative, and operational reforms that address the root causes of delay and complexity, rather than relying on procedural or technological adjustments.

The most effective steps would be:

1. **Improve HM Land Registry turnaround times.**

   Current delays in processing applications, updating titles, and registering transactions create significant uncertainty and prolong completion times. The Land Registry must be properly resourced and held to consistent service-level standards to deliver faster, reliable outcomes. Recently, the Land Registry has published "avoidable requisition rates", however in several instances the Land Registry itself has raised unnecessary or incorrect requisitions - the Land Registry itself should therefore be monitored for quality control.

2. **Make all local authority information publicly accessible.**

   Planning permissions, building regulation approvals, Section 106 agreements, road adoption details, and associated payments should be digitised and made freely available via a central public portal. This would reduce repetitive enquiries, improve transparency, and shorten transaction timelines.

3. **Standardise lender requirements.**

   Conveyancers currently face a different set of instructions for each lender, all of which must be reviewed in full for every transaction both at the outset and then again checked for changes pre exchange. Establishing a single, standardised set of lender requirements agreed through UK Finance and the Law Society would significantly reduce duplication, inconsistency, and delay.

4. **Regulate management company practices.**

   Management companies should be required to operate under prescribed maximum fees and response times for the provision of leasehold information packs (LPE1/FME1) and other standard documents.
   There should also be a uniform schedule of fees for commonly required documentation — such as licences to assign, deeds of covenant, notices of charge, and share transfers — together with a legally binding timeframe for their provision. This would prevent excessive charges, reduce inconsistency, and eliminate one of the most frequent and unnecessary causes of delay in leasehold transactions.

5. **Improve local authority search turnaround times.**

   Search delays remain one of the biggest causes of frustration for both professionals and consumers. Government should set and enforce national turnaround standards for local searches to ensure predictability and efficiency.

6. **Building Safety Act** - further clarity is needed with this piece of legislation. Many firms have taken the stance not to deal with buildings over 5 stories to avoid the risk it presents to them. This inevitably reduces the amount of firms willing to undertake transactions and causes less consumer choice and further delays.

7. **Introduce targeted legislative reform to remove common leasehold obstacles.**
   a. Imply key covenants into all long leases — including mutual enforceability, rights of support, shelter and protection, a requirement to allow a reasonable time to remedy any breach, and an obligation to notify the lender of any breach and allow them an opportunity to remedy it.
   b. Prevent long leases from becoming Assured Shorthold Tenancies (ASTs) where the ground rent exceeds £250 per annum (£1,000 in London). This anomaly causes unnecessary deeds of variation and delays in satisfying lender requirements.
   c. Withdraw the application of Section 121 of the Law of Property Act 1925 from applying to estate rent charges, in line with its recent removal for regulated rent charges. This would simplify title checks and remove the need for costly variations.

These reforms would directly tackle many of the recurring legal and administrative barriers that currently slow transactions, add cost, and create unnecessary risk for both consumers and practitioners.

By improving Land Registry efficiency, ensuring open access to local authority data, harmonising lender requirements, and enacting these pragmatic legislative amendments, government could deliver a faster, fairer, and more reliable conveyancing system — without compromising legal integrity or consumer protection.

Question 29 - "Do you agree that this is the correct direction of travel?"

While we support the government's ambition to improve the home buying and selling process, we have serious concerns that the current direction of travel focuses too heavily on procedural and technological reform, rather than addressing the underlying structural, legislative, and operational issues that are the real cause of inefficiency and delay.

Digitalisation, upfront information, and new binding mechanisms may appear progressive, but they risk creating additional complexity, liability, and cost without fixing the root problems. The true barriers to a faster, more reliable system lie in:

- **Delays at HM Land Registry**, which require resourcing and measurable service standards;
- **Local authority data and search delays**, which could be resolved by making planning, building control, Section 106, and road adoption information publicly available through a centralised digital portal;
- **Inconsistent lender requirements**, which should be replaced with a single standard set of instructions; and
- **Unregulated management company practices**, where standardised fees and response times for LPE1/FME1 packs and leasehold documents are urgently needed.
- **Legislative Amendments** - Equally important are targeted legislative amendments to simplify leasehold law — including implied covenants for mutual enforceability and lender notice, preventing long leases from becoming Assured Tenancies, and removing the application of Section 121 of the Law of Property Act 1925 from estate rent charges.

The conveyancing profession is already under extreme pressure, with experienced practitioners leaving due to unsustainable workloads and low margins. Imposing new pre-marketing obligations, digital platforms, or binding mechanisms at this stage would exacerbate capacity issues and risk destabilising the market.

In short, while the objectives of greater transparency and efficiency are right, the current direction of travel is misplaced. Reform must start with practical, legislative, and data-access improvements, coupled with support for the professional workforce, before layering on further procedural change. Only then will the system become genuinely faster, fairer, and more resilient.

Question 30 - "Is there anything else that government should be doing to promote the digitalisation of the property sector?"

We do not believe that the government should prioritise further digitalisation initiatives at this stage. Digitalisation is not the silver bullet it is often presented as. While technology can support administrative efficiency, it cannot resolve the legal, structural, and capacity issues that truly slow the home-buying process.

In fact, premature or poorly regulated digitalisation risks introducing new and more serious problems — including data protection breaches, cyber fraud, loss of accountability, and uncertainty around liability for inaccurate or incomplete information. The recent cyberattacks on banks,

telecommunications companies, and major retailers such as Marks & Spencer show that even the most secure systems are vulnerable. Given that property transactions involve the most significant financial and personal data most consumers will ever share, the consequences of a breach could be devastating.

Rather than accelerating digitalisation, government should first:

- Establish clear liability and security standards for all digital property platforms;
- Require providers to hold adequate professional indemnity or equivalent insurance;
- Focus on improving data accuracy and access (e.g., planning, building control, and local search data); and
- Ensure all technology is professionally supervised, supporting — not replacing — qualified practitioners.

Until these foundations are in place, further promotion of digitalisation risks increasing consumer harm, professional liability, and market instability, rather than streamlining the process.