

Annexe A

Survey of consumers

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1 RESULTS OF THE CONSUMER SURVEY IN ENGLAND AND WALES

Summary

- 1.1 The first chapter of this annexe presents the results of the property information survey of consumers in England and Wales. When a house is bought in England and Wales the buyer, or the conveyancer¹ acting on behalf of the buyer, will usually undertake a local property search.
- 1.2 A face to face omnibus asked 3,608 consumers whether they had bought, or started the process of buying a house or property in the last two years. Those who had done so were then asked further questions relating to how they bought their local property search and whether they had since found errors or experienced problems that should have been identified in a local property search.
- 1.3 Of those who had bought a house, 80 per cent said that they had undertaken a local property search.
- 1.4 Eighty seven per cent of those who knew that they had undertaken a local property search had commissioned a conveyancer to do so on their behalf.
- 1.5 A small number of respondents said that they had found errors or experienced problems that should have been identified in their local property search. The majority of these were actually problems not associated with the information held on local property searches, but with structural surveys or the result of actions or information not disclosed by the vendor.

Identifying who purchased a property search

- 1.6 Of the 3,608 people asked if they had bought, or started the process of buying a house or property in the last two years, 12 per cent (415) said that they had.

¹ 'Conveyancer' should be understood to be either a licensed conveyancer or a solicitor undertaking conveyancing, unless otherwise specified.

- 1.7 Four in five of those who had bought or started to buy a house in the last two years had undertaken, or commissioned someone else to undertake, a local property search. Those who said that they did not undertake or commission a local property search are likely to have used a conveyancer who will have done a local property search on their behalf without their client being aware, as mortgage lenders usually stipulate that a local property search is required.
- 1.8 For those buying a property, the most common determinants when selecting a conveyancer were recommendation, trust and price.

How property searches were purchased

- 1.9 Nearly 90 per cent of respondents who were aware that they had bought a local property search did so through a conveyancer.

Consumer awareness and information provision

- 1.10 Around half of those who had commissioned a local property search through a conveyancer or property search company (PSC) knew that they could do a search, or parts of the search themselves.
- 1.11 Two thirds of respondents commissioning a search through a conveyancer were unaware that there are two types of local property search (through the local authority (LA) or through a PSC).
- 1.12 Four out of five respondents said that the conveyancer they commissioned had not discussed the two types of local property search with them.
- 1.13 Sixty per cent of those using a conveyancer said that their search had been obtained from the LA and nine per cent that their search had been prepared by a PSC. The remaining 31 per cent said that they did not know what type of local property search had been used.
- 1.14 Of those consumers commissioning a local property search through a conveyancer, 69 per cent said that their approval had not been sought on which of the two types of search to use.

- 1.15 Similarly, 66 per cent said that their conveyancer had not explained the pros and cons of obtaining a search from a PSC.
- 1.16 Nineteen per cent of respondents said that their conveyancer had not told them the exact cost of the search, either verbally or in writing, before the search was undertaken.

Errors or problems arising from local property searches

- 1.17 Of those who had bought a property, 10 per cent had discovered errors on their local property search or experienced problems with their property that they thought should have been exposed by a local property search.
- 1.18 Of these, less than half² were actually errors or problems relating to local property search information. Unrelated errors included lease problems, damp walls, leaking roofs and faulty workmanship on previous work. Relevant items raised by consumers that should be identified by a local property search were boundary issues and location problems such as the property being on a flood plain or above a mine shaft.
- 1.19 None of these errors or problems ended in financial settlements. Some were unresolved, but the main consequences were personal distress, aborted transactions, delayed sales and remedial work.

² The low base figure of 32 means that this figure is subject to a wide confidence interval. Furthermore, it is not possible to discern in all cases exactly whether the issue reported should be identified by a local property search or not due to insufficient explanatory details.

2 RESULTS OF THE CONSUMER SURVEY IN SCOTLAND

Summary

- 2.1 The second chapter of this annexe presents the results of the property information survey of consumers in Scotland. When a house is sold in Scotland the seller, or conveyancer acting on behalf of the seller, must undertake a local property search.³
- 2.2 A telephone omnibus asked 3,015 consumers whether they had bought or sold, or started the process of buying or selling, a house or property in the last two years. Those that had done so were then asked further questions relating to how they obtained their local property search and whether they had since found errors or experienced problems that should have been identified in the local property search.
- 2.3 Of those who had sold a house, 51 per cent said that they had not undertaken a local property search. Thus, approximately half of consumers had probably commissioned their local property search through a conveyancer without being aware that it was included in the conveyancing package.
- 2.4 Approximately 80 per cent of those who knew that they had undertaken a local property search had commissioned a conveyancer to do so on their behalf.
- 2.5 Six per cent of respondents who had bought a property said that they had found errors or experienced problems that should have been identified in their local property search. The majority of these were actually problems not associated with the information held on local property searches, but with structural surveys or the result of actions or information not disclosed by the vendor.

³ Formally known as a Property Enquiry in Scotland.

Identifying who purchased a local property search

- 2.6 In total 3,015 people were asked if they had bought or sold, or started the process of buying or selling a house or property in the last two years. Of these, seven per cent (201) had bought a property, four per cent (117) had sold a property and 92 per cent (2775) had neither bought nor sold a property.
- 2.7 Fifty-one per cent of those who had sold, or started to sell a house in the last two years had undertaken, or commissioned someone else to undertake a local property search. In Scotland the seller has to undertake a local property search when selling a house. Therefore, those who said that they did not undertake or commission a local property search are likely to have used a conveyancer who will have done a local property search on their behalf. That is, half of those selling a house were unaware that they had bought a local property search.
- 2.8 For those buying a property, the most common determinants when selecting a conveyancer were recommendation, trust and price.

How local property searches were purchased

- 2.9 Four out of five respondents (79 per cent), who were aware that they had bought a local property search, did so through a conveyancer and around one in ten had commissioned a PSC. A small number claimed to have done both of these, again highlighting a lack of understanding. Furthermore, nearly one in five said that they had not commissioned the search from a conveyancer or PSC; applied by post to the LA or visited the LA and performed a search of the registers. It is likely that this group of people did not correctly understand what a local property search is as it can only be obtained through one of these sources.

Consumer awareness and information provision

- 2.10 Only half of consumers (46 per cent) knew that they had bought a local property search when selling their house. As a result, the questions in this section had a particularly low level of response and should only be considered indicative, not statistically representative.
- 2.11 Of the 43 respondents who had commissioned a local property search through a conveyancer, around half knew that they could undertake a search, or parts of a search, themselves.
- 2.12 Just under half of respondents commissioning a search through a conveyancer were aware that there are two types of local property search (through the LA or a PSC) and the remainder were unaware or unsure.
- 2.13 Approximately half of consumers said that their conveyancer had not discussed the two types of local property search with them, one in five were uncertain or couldn't remember and the remaining third said that it had been discussed.
- 2.14 Just over one third of those using a conveyancer said that their search had been obtained from the LA and one in five said that their search had been compiled by a PSC. Forty-one per cent said that they did not know what type of local property search had been used.
- 2.15 Around half⁴ of the respondents said that their conveyancer had sought their approval on which of the two types of search to use. One-third said that their approval had not been sought and a small number were unsure or couldn't remember.
- 2.16 Over one third of respondents said that their conveyancer had explained the pros and cons of obtaining a search from a PSC. Half said that it had not been explained and the remainder were unsure.

⁴ Only 15 respondents said that their conveyancer had discussed the two types of search (LA and PSC) with them, yet 23 said that their approval had been sought on which of these were conducted. This inconsistency again illustrates the lack of consumer comprehension regarding property searches.

- 2.17 Just over one quarter of respondents said that their conveyancer had not told them the exact cost of the search either verbally or in writing before the search was undertaken. Two thirds said that they had been told.

Errors or problems arising from local property searches

- 2.18 Of those who had bought a property, fewer than one in ten had discovered errors on their local property search or experienced problems with their property that should have been exposed by the local property search.
- 2.19 Less than half of the errors or problems were actually related to the information contained within local property searches. Relevant items included border issues and warrants on work carried out.
- 2.20 The main consequences of these errors and problems were remedial work, financial settlement, personal distress and devalued property.

3 COMPARISONS

- 3.1 During the last two years there was a higher propensity for consumers to buy property in England and Wales than there was in Scotland. In Scotland only seven per cent of respondents bought a property in the last two years compared to 12 per cent in England and Wales. Only four per cent of Scottish consumers had sold a property.
- 3.2 In England and Wales, the respondents' level of awareness that they had undertaken or commissioned a conveyancer to undertake a local property search was nearly twice that seen in Scotland. Eighty per cent of those who bought or started the process of buying a house in England and Wales in the last two years said that they had undertaken or commissioned a local property search. Only 46 per cent of those who had sold property in Scotland in the same period said that they had undertaken a local property search. This may be a reflection of the interest of the party involved, ie: a buyer will naturally want to ensure that nothing is wrong with their prospective purchase, whereas the seller is less likely to be concerned.
- 3.3 The proportion of respondents in England and Wales who said that their conveyancer had not discussed the two main types of search was higher than that in Scotland. Seventy nine per cent of consumers who used a conveyancer to obtain their local property search in England and Wales said that their conveyancer did not discuss there being two types of local property search compared to 49 per cent in Scotland.
- 3.4 The consumer research suggests that more local property searches are obtained from local authorities in England and Wales than in Scotland. Only 36 per cent of Scottish consumers using a conveyancer said that their local property search had been obtained from the LA, compared to 60 per cent of respondents using a conveyancer in England and Wales.

- 3.5 In England and Wales, 31 per cent of respondents said that their conveyancer had sought their approval on which type of search to conduct. In contrast, 54 per cent of the respondents in Scotland had been required to approve which type of local property search was used.
- 3.6 Fewer than one in ten of those buying property in England and Wales (10 per cent) or Scotland (six per cent) experienced a problem with their property that should have been exposed by their local property search. However, half of those were discovered to be problems that would not be within the remit of a local property search.

4 TABLES

The symbol '-' indicates a cell count of fewer than five responses.

Table 4.1: Have you bought, or started the process of buying a house or property in the last two years?

	Count	Per cent
England and Wales		
Base	3,608	100
Yes	415	12
No	3,193	88
Scotland		
Base	3,015	100
Yes, have bought a property only	123	4
Yes, have bought and sold a property	78	3
Yes, have sold a property only	39	1
No, haven't bought or sold a property	2,775	92

Table 4.2: Did you undertake (or commission someone else to undertake) a property search?

	England & Wales		Scotland	
	<i>Count</i>	<i>Per cent</i>	<i>Count</i>	<i>Per cent</i>
Base (weighted)	415	100	117	100
Yes	333	80	54	46
No	68	16	60	51
Unsure/ don't know	14	3	-	-

Table 4.3: What determined your choice of conveyancer?

	England & Wales		Scotland	
	<i>Count</i>	<i>Per cent</i>	<i>Count</i>	<i>Per cent</i>
Base (weighted)	333	100	54	100
Price	50	15	13	24
Recommendation	160	48	16	30
Location/ locality	22	7	6	11
Reputation	34	10	10	19
Speed/ timing/ availability	10	3	-	-
Trust	72	22	14	27
Something else	33	10	-	-
Don't know	14	4	-	-

Table 4.4: Did you...

	England & Wales		Scotland	
	<i>Count</i>	<i>Per cent</i>	<i>Count</i>	<i>Per cent</i>
Base (weighted)	333	100	54	100
Commission the search from a conveyancer?	289	87	43	79
Apply personally by post to the LA for a search?	5	1	-	-
Personally visit the LA and perform a personal search of the registers yourself?	6	2	-	-
Commission a PSC?	14	4	8	14
None of the above/ other	13	4	9	16
Don't know	7	2	9	16

Table 4.5: Did you know that you could do a search, or parts of the search yourself?

	England & Wales		Scotland	
	<i>Count</i>	<i>Per cent</i>	<i>Count</i>	<i>Per cent</i>
Base (weighted)	303	100	44	100
Yes	145	48	24	54
No	158	52	20	46

Table 4.6: There are two main types of property search used by conveyancers, through the local authority or through a property search company. Were you aware of this?

	England & Wales		Scotland	
	<i>Count</i>	<i>Per cent</i>	<i>Count</i>	<i>Per cent</i>
Base (weighted)	289	100	43	100
Yes	93	32	18	43
No	196	68	21	48
Unsure/ don't know	-	-	-	-

Table 4.7: Did your conveyancer discuss these options with you?

	England & Wales		Scotland	
	<i>Count</i>	<i>Per cent</i>	<i>Count</i>	<i>Per cent</i>
Base (weighted)	289	100	43	100
Yes	61	21	15	35
No	228	79	21	49
Unsure/ can't remember	-	-	7	16

Table 4.8: Which of these searches did your conveyancer use?

	England & Wales		Scotland	
	<i>Count</i>	<i>Per cent</i>	<i>Count</i>	<i>Per cent</i>
Base (weighted)	289	100	43	100
Official search from LA	174	60	16	36
Search from PSC	26	9	9	21
None of these	-	-	-	-
Unsure/ don't know	90	31	18	41

Table 4.9: Did your conveyancer seek your approval on which search to conduct?

	England & Wales		Scotland	
	<i>Count</i>	<i>Per cent</i>	<i>Count</i>	<i>Per cent</i>
Base (weighted)	289	100	43	100
Yes	89	31	23	54
No	200	69	15	34
Unsure / can't remember	-	-	5	11

Table 4.10: Did your solicitor explain the pros and cons of a search from a search company?

	England & Wales		Scotland	
	<i>Count</i>	<i>Per cent</i>	<i>Count</i>	<i>Per cent</i>
Base (weighted)	289	100	43	100
Yes	76	26	17	40
No	190	66	20	47
Unsure / don't know	24	8	5	13

Table 4.11: Did your solicitor tell you the exact cost of the search before it was undertaken?

	England & Wales		Scotland	
	<i>Count</i>	<i>Per cent</i>	<i>Count</i>	<i>Per cent</i>
Base (weighted)	289	100	43	100
Yes	222	77	28	64
No	55	19	12	28
Unsure / don't know	12	4	-	-

Table 4.12: Have you found any errors or experienced any problems with your property that should have been exposed by your property search?

	England & Wales		Scotland	
	<i>Count</i>	<i>Per cent</i>	<i>Count</i>	<i>Per cent</i>
Base (weighted)	333	100	202	100
Yes	32	10	13	6
No	287	86	185	92
Unsure / can't remember	14	4	-	-

Table 4.13: What were they?

Border/ boundary issue

Damp, rot and wood worm

Didn't comply with building regulations and needed to have all the services renewed/ faulty workmanship

Foundations of two rooms were unstable

Little problems, that are being fixed (eg: doors and windows not opening)

Lease problems

Location problems (built on flood plain/ above mine shaft)

Problem with support beam

Roof repair and a faulty boiler

Title wasn't clear

Warrants on previous work completed without obtaining planning permission

Table 4.14: What was or were the consequence(s) of these errors?

	England & Wales Count	Per cent	Scotland Count	Per cent
Base (weighted)	32	100	15	100
Devalued property			-	-
Transaction fell through			-	-
Delayed sale			-	-
Remedial work			-	-
Financial settlement			-	-
Personal distress			-	-
Something else	14	45	-	-
None of the above	8	24	7	46

5 SAMPLING DETAILS

England and Wales

- 5.1 The questions in England and Wales were asked using two waves of a weekly, face to face, omnibus run by NOP World between March and April 2005.
- 5.2 The NOP Random Location Omnibus employs a quota sample of individuals with randomly selected sampling points. Quotas are set in terms of age and sex within working status. Interviews are conducted at 175 sampling points by fully trained and supervised market research interviewers. Copyright is owned by NOP.

Scotland

- 5.3 The questions in Scotland were asked using three waves of a weekly telephone omnibus run by Scottish Opinion between 22 February and 15 March 2005.
- 5.4 There were 73 sampling points (the Scottish constituencies) and the sample was selected using a random sample of the electoral register. These findings are the results of a 'Scottish Opinion poll'. Copyright in the publication rights of the results of this research belongs to Scottish Opinion, a division of Progressive Partnership Ltd.