

Annexe C

Mystery shopping exercise

September 2005

A report prepared for the Office of Fair Trading
by Research International

OFT810c

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1 EXECUTIVE SUMMARY

- 1.1 The mystery shop revealed that businesses¹ performed well on providing details about the local property search and the cost of the local property search spontaneously. However, the other searches that can be performed on property and related prices were not mentioned as frequently. Further to this, the overall price of the conveyancing services package was not frequently given. The reasons provided for this were that costs would depend on the mortgage lender or that more detailed information on the specific property were required. Also, the more specific details of a conveyancing service, such as tailoring and the opportunity to choose a source of the local property search, were discussed much less frequently by businesses.
- 1.2 Ninety-one per cent of firms in England and Wales and 82 per cent in Scotland discussed the source of the local property search after prompting. Around two thirds did not allow the mystery customer to choose the source.
- 1.3 There was little difference in results between solicitor firms and licensed conveyancing firms. However, results between firms based in Scotland and firms based in England and Wales did differ, particularly with reference to the source of the local property search.
- 1.4 Tailoring of the service to provide specific searches dependent on the location of the property was discussed in 62 per cent of evaluations in England and Wales and 40 per cent in Scotland.²
- 1.5 Scottish firms were less likely to spontaneously discuss the key elements of conveyancing and the pricing. This is possibly due to the different scenario that was used in Scotland. For firms based in England and Wales mystery shoppers contacted as purchasers, whereas for firms based in Scotland mystery shoppers used a selling scenario. This difference was necessary because in Scotland it is the seller's responsibility to arrange and purchase a

¹ The business being both licensed conveyancers and solicitors undertaking conveyancing work unless specified otherwise.

² This may be lower as 'additional' searches to the local property search and Registers of Scotland are more likely to be obtained by the buyer rather than the seller.

local property search whilst in England and Wales this onus is on the buyer. If selling a property in Scotland, it was found that businesses focused their pricing more on the marketing of the property than the conveyancing.

- 1.6 Mystery shoppers reported a number of different terms used for the land registry search. The range of names could make it confusing for the consumer to accurately compare prices. In addition to this a small number of firms proved unwilling or refused to discuss prices over the telephone or provide quotes until formally instructed by the customer. This also makes it more difficult for potential customers to be able to shop around. Less than half of the businesses offered written quotations.

2 OBJECTIVES

- 2.1 In order to make an informed choice when selecting any product or service, the consumer needs to understand what he/ she shall be getting and the related price. A mystery shopping exercise was undertaken to measure the quality of information given out by conveyancers when consumers contact to ask for their service. To achieve this, mystery shoppers recorded:
- which of the key elements of conveyancing are discussed and whether they are discussed spontaneously or after prompting
 - which charges of the key elements of conveyancing are discussed and whether they are discussed spontaneously or after prompting
 - whether customers are spontaneously informed about the option of tailoring searches to their property, and
 - whether customers are told about the source that the conveyancer intends to use for obtaining the property information and whether the mystery customer is offered a choice for the source (either spontaneously or after prompting).
- 2.2 Market information indicates that solicitors account for around 96 per cent of conveyancing across Great Britain, with licensed conveyancers providing for much of the remaining four per cent. Hence, in order to get a good understanding of the market, results were analysed by type of business.
- 2.3 There are some key differences between local property searches in England and Wales and Scotland. In Scotland it is the responsibility of the seller's conveyancer to organise and purchase the local property search whilst in England and Wales this responsibility lies with the buyer's conveyancer. Furthermore, the contents of the local property search are similar but not exactly the same for England and Wales and Scotland. Therefore, findings have been presented separately for these countries.

3 METHODOLOGY

- 3.1 By acting as potential customers, trained researchers can experience a service in exactly the same way that the general public do. The researchers are then able to report their experience according to a measurable structure. This technique provides an objective measure of a real customer experience.
- 3.2 For this study the mystery shopper technique was applied to assess and measure the typical experience of customers for licensed conveyancing services. The main focus for the researchers was the spontaneity with which information was provided.
- 3.3 Sample: Overall, 400 mystery shopping evaluations were made; 300 in England and Wales and 100 in Scotland. The sample was sourced from DBS Data Marketing. Evaluations were carried out between 23rd April and 24th May 2005.
- 3.4 The following table shows the breakdown between licensed conveyancing firms and solicitor's firms.

Table 3.1: Distribution of sample

<i>Region</i>	<i>Licensed conveyancing firms</i>	<i>Solicitor Firms</i>	<i>Total</i>
England and Wales	92	208	300
Scotland	12	88	100
Total	104	296	400

- 3.5 The sample was stratified by size of firm, location and country to ensure that it was statistically representative.
- 3.6 Scenario: researchers contacted the businesses and stated that they were purchasing (or selling in Scotland) a property for which they required a conveyancing service. They then allowed the contact to spontaneously talk about the details that they were willing to discuss (or if necessary transfer them to the appropriate person in the business). Then, if required, the researcher prompted for further details according to their guidelines.

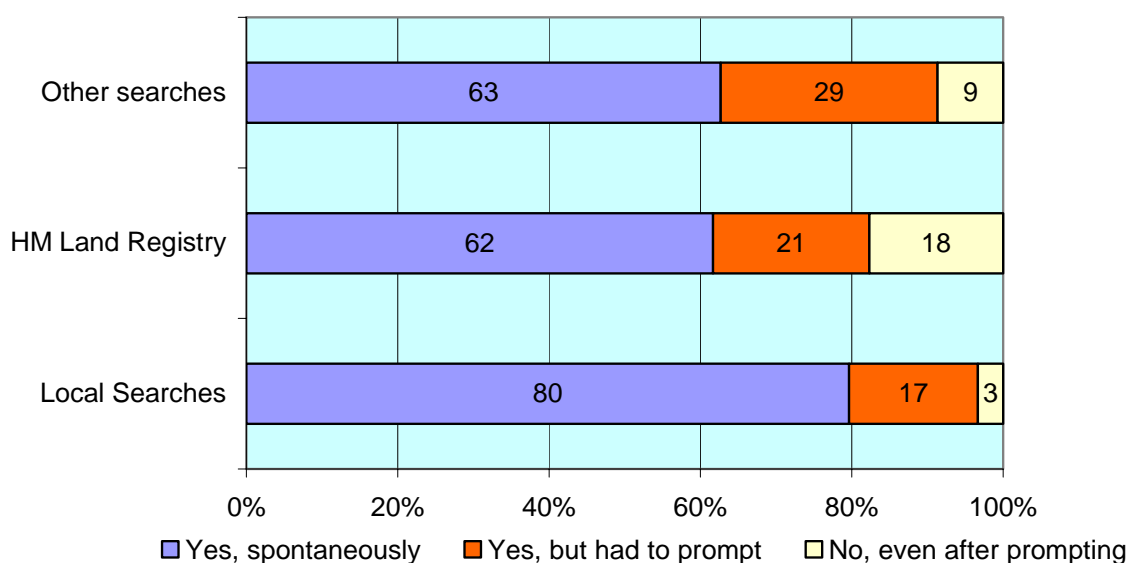
- 3.7 Researchers recorded whether they were given details spontaneously, after prompting or not at all. In all cases, if asked the researchers said that the property was freehold, the property was located in the area of the conveyancer and the value of the property was average for the area. Assessments were excluded if they were told that they would need to call back later to speak to someone else in the business or that they would be contacted later with details.

4 ENGLAND AND WALES: KEY FINDINGS AND ANALYSIS

Overall findings

- 4.1 The mystery customer was told about the reasons for carrying out the local property search in 62 per cent of evaluations. However, this was sometimes limited to a simple statement such as 'it is a necessary requirement for having a mortgage'.
- 4.2 Overall, the local property search was mentioned most frequently with only three per cent of businesses not discussing this element of conveyancing. In the majority of cases (80 per cent) mystery shoppers were told spontaneously about the local property search. However, spontaneous discussion of the HM Land Registry (HMLR) search and the other searches³ was lower at 62 per cent and 63 per cent respectively.

Figure 4.2: Were you told about searches?

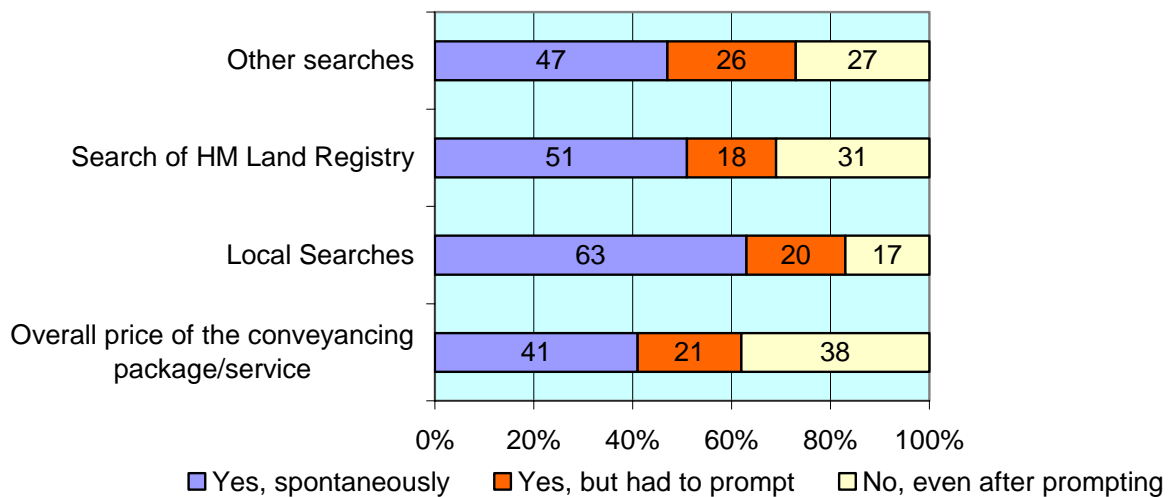


Base: 300

³ Other searches refers to property searches other than local property searches or HMLR searches, such as mining searches, water and drainage searches, environmental searches, brine searches, chancel repair searches, etc. Not all of these are required in all transactions, as some information is relevant only to properties in specific locations.

- 4.3 The researchers reported that a number of different terms were used to refer to a HMLR search. For instance, the HMLR search was termed a 'completion search', 'pre-completion search' (often combined with a bankruptcy search), 'OS1' and 'title search'. The range of names could make it confusing for the consumer to accurately compare prices.
- 4.4 Nearly all (94 per cent) were also told about other elements of the conveyancing package such as organising bank transfers and advice on stamp duty payments and registering with the Land Registry.
- 4.5 Businesses discussed the price of the local property search more frequently than the price of the HMLR search or of any of the other searches.

Figure 4.3: Were you told about the price of the key elements?



Base: 300

4.6 The prices quoted by businesses varied greatly. This suggests that prices may not have always been accurately given.

Table 4.4: Summary of search prices (£)

<i>Type of search</i>	<i>Minimum</i>	<i>Maximum⁴</i>	<i>Mean</i>	<i>Median</i>
Overall price of the conveyancing package/ service (excl. stamp duty)	397	9,578	978	869
Local property searches	65	350	140	130
HMLR search	2	182	7	4

4.7 The overall price of the conveyancing package was provided much less frequently, with 38 per cent of businesses not providing this price, even after prompting. A reason for this low occurrence may be related to the degree of variance and ambiguity that seemed to surround this price. Comments by the researchers about the pricing include:

'She didn't want to mislead me with rough prices and offered to fax through the overall cost.'

'He thought that if people have to pay more or less the same for searches etc, whichever solicitor they choose, he shouldn't have to go through the costs over the phone.'

'I was given the cost of each of the different elements of the conveyancing package (after some prompting). However, some of the cost, I was told, would depend on my mortgage lender.'

'She is sending out a full break down of the costs in a letter/ fax. And so it was difficult to prompt for more information here. She said to call her about the quote when I receive it.'

⁴ These extreme maximum values have been checked and verified. The most expensive values were provided by businesses in the London/South East region. Medians have been provided to illustrate how these extreme values are likely to have skewed the mean value upwards.

'Very good at giving information about the different types of searches available but unwilling to quote prices without knowing the area.'

'Searches [were] offered under one umbrella price.'

- 4.8 The tailoring of the searches to the specific property (ie: whether other searches were required in addition to the local property search and the HMLR search) was discussed by 62 per cent of businesses. The tailored searches most frequently mentioned were environmental, mining and drainage searches. Commons registration searches, bankruptcy searches, planning searches⁵ and the 'Know Your Neighbour' search⁶ were also mentioned. Examples of comments by researchers included:

'He mentioned that the mining search applied to properties in the South East of Bristol.'

'The solicitor told me a water and drainage search would be required in the area I told him I was looking at.' (Middlesbrough)

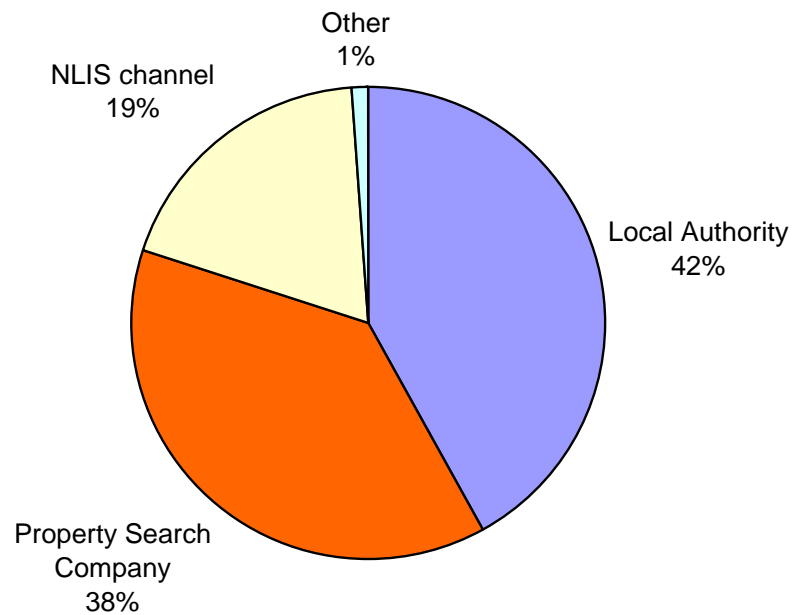
'A 'know your neighbour' search is recommended to people new to the area which introduces doctors, schools and planning permission applications in the area of your property.'

⁵ A planning search checks all planning applications and consents granted in a 250 metre radius of the property (a wider radius than that covered by the local property search).

⁶ The 'Know Your Neighbour' search usually includes a planning search and additional local information on issues such as crime rates, quality of local schools, etc.

4.9 Ninety-one per cent of firms discussed the source of the local property search after prompting. The relevant local authority (LA) (42 per cent) and property search companies (38 per cent) were the most frequently used sources. The use of one of the online National Land Information Service (NLIS) channels was lower (19 per cent).

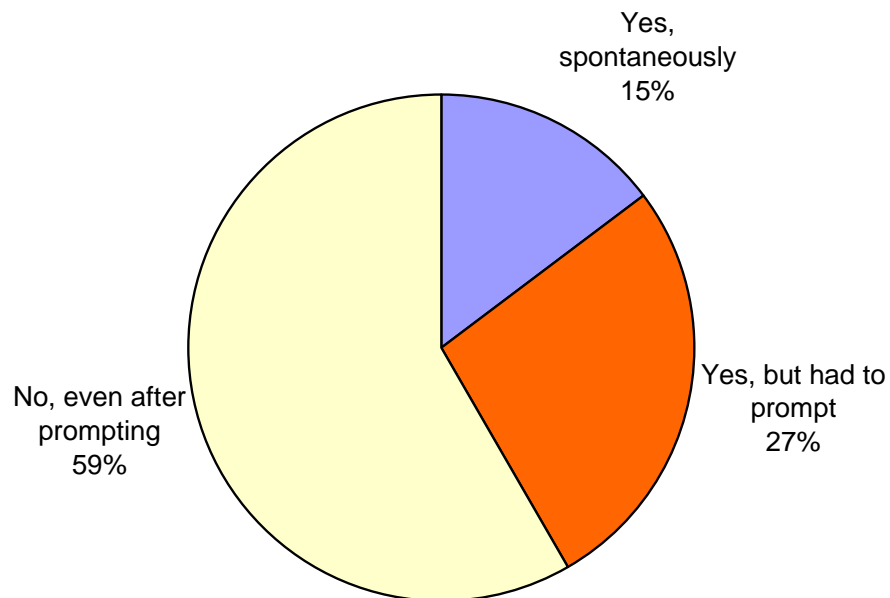
Figure 4.5: What was the source of the local property search?



Base: 274

4.10 The majority (59 per cent) of businesses contacted did not ask the mystery customer to choose the source of the local property search.

Figure 4.6: Were you offered a preference for which source you could use for collecting property information?



Base: 300

4.11 Mystery shoppers were occasionally told that the source that would be used was dependant on the mortgage lender.

'[I was told the] choice of source depends more on what the mortgage lender will accept.'

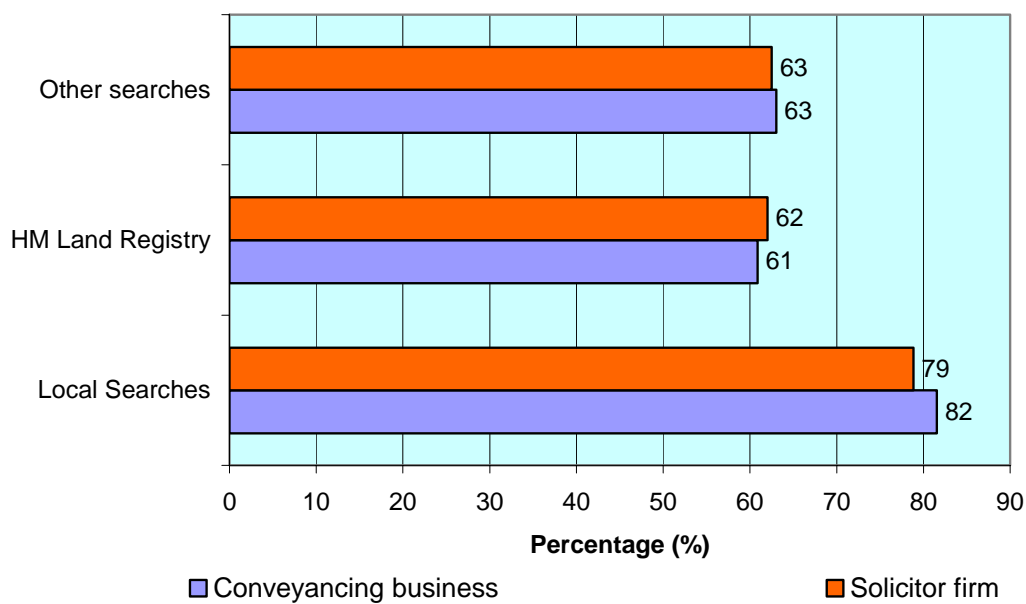
4.12 Fifty-seven per cent of mystery shoppers were told without prompting how long it would take to complete the conveyancing, 22 per cent were told spontaneously how long it would take to complete the property searches and a further 62 per cent after prompting.

4.13 Fifty per cent of businesses did not offer to send written details of a quote for the conveyancing package.

Findings by type of firm

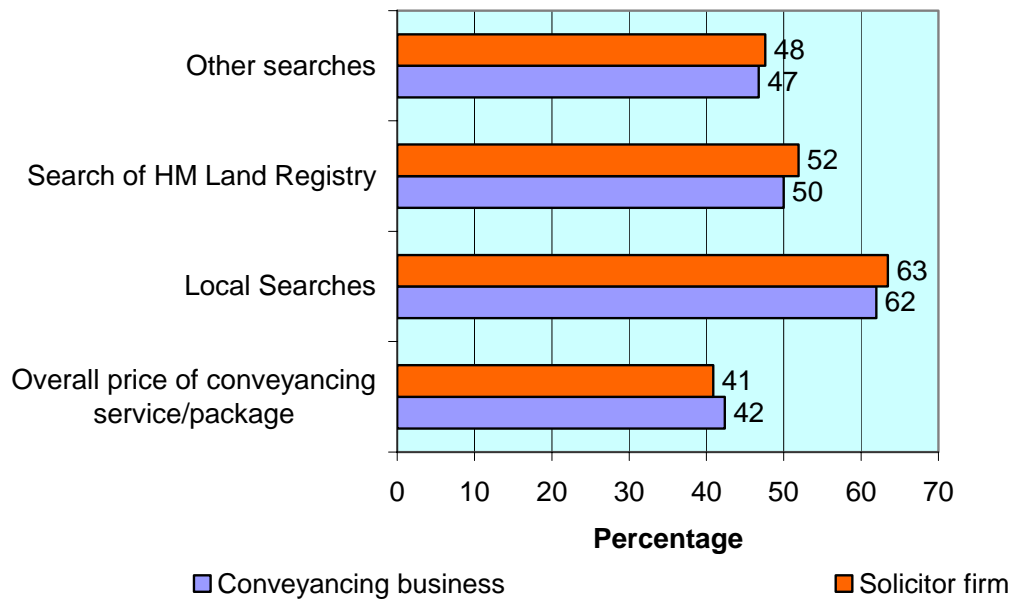
- 4.14 The results of the mystery shop show that solicitor's firms were slightly more likely to discuss the reasons for carrying out a property search than licensed conveyancing firms, with 65 per cent of solicitor firms discussing the reasons compared to 54 per cent of licensed conveyancing firms.
- 4.15 However, results of spontaneous mentions of the key elements and their price show that there is little overall difference in performance between the two types of business (as illustrated in charts 4.7 and 4.8). Additionally, approximately 60 per cent of each type of businesses did not offer the mystery customer an option to choose the source of the local property search.

Figure 4.7: Were you told about searches spontaneously?



Base:300

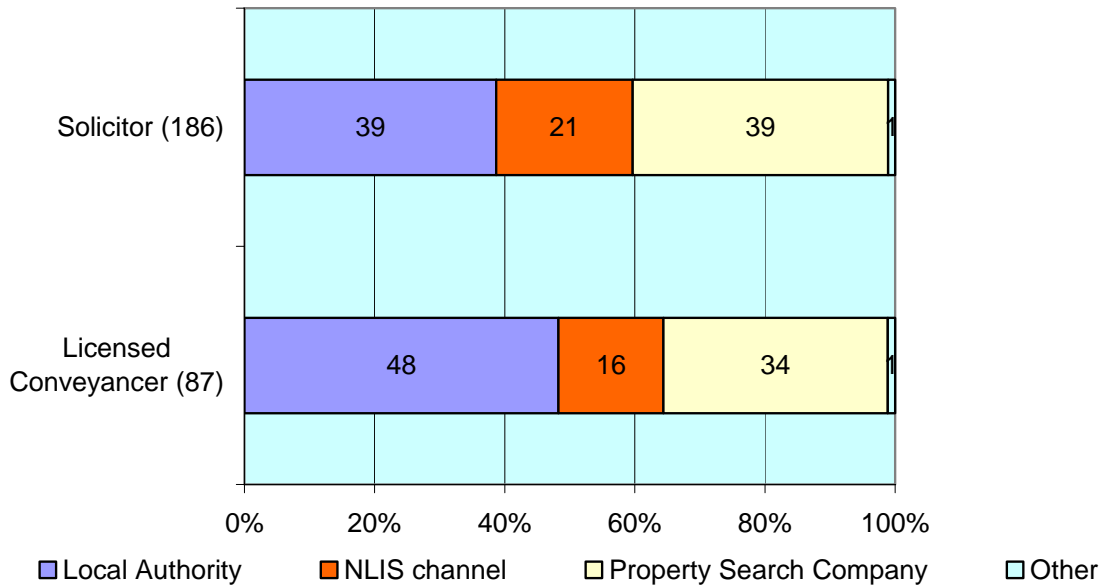
Figure 4.8: Were you told about the price of the key elements spontaneously?



Base: 300

4.16 The most noticeable difference between the two types of firm was the source of the property search information. Licensed conveyancers used LAs for obtaining property searches more often than solicitors. The differences in the level of use of NLIS channels and PSCs between the two types of firm were smaller.

Figure 4.9: What was the source of the local property search?



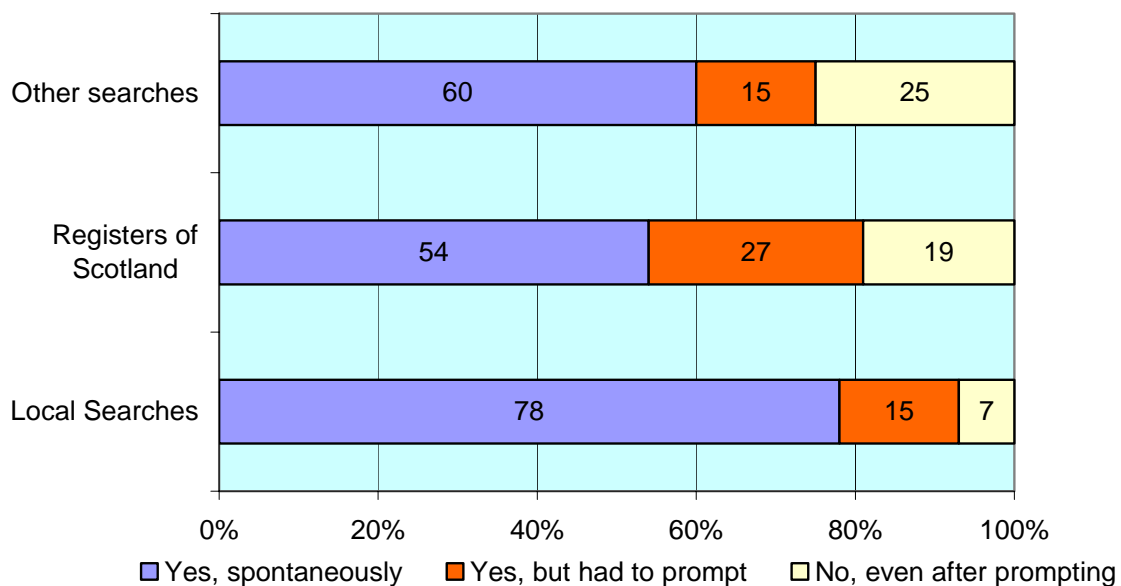
Base: 186

5 SCOTLAND: KEY FINDINGS AND ANALYSIS

Overall findings

- 5.1 In Scotland the researcher was told about the reasons for carrying out the local property search in 69 per cent of cases. However, this was sometimes limited to a simple statement such as 'it is a necessary requirement for having a mortgage'.
- 5.2 Overall, the local property search was mentioned most frequently with only seven per cent of businesses not discussing this element of conveyancing. In the majority of cases (78 per cent) mystery shoppers were told spontaneously about the local property search. However, spontaneous discussion of the search of the Registers of Scotland (RoS) and of the other searches was lower at 54 per cent and 60 per cent respectively.

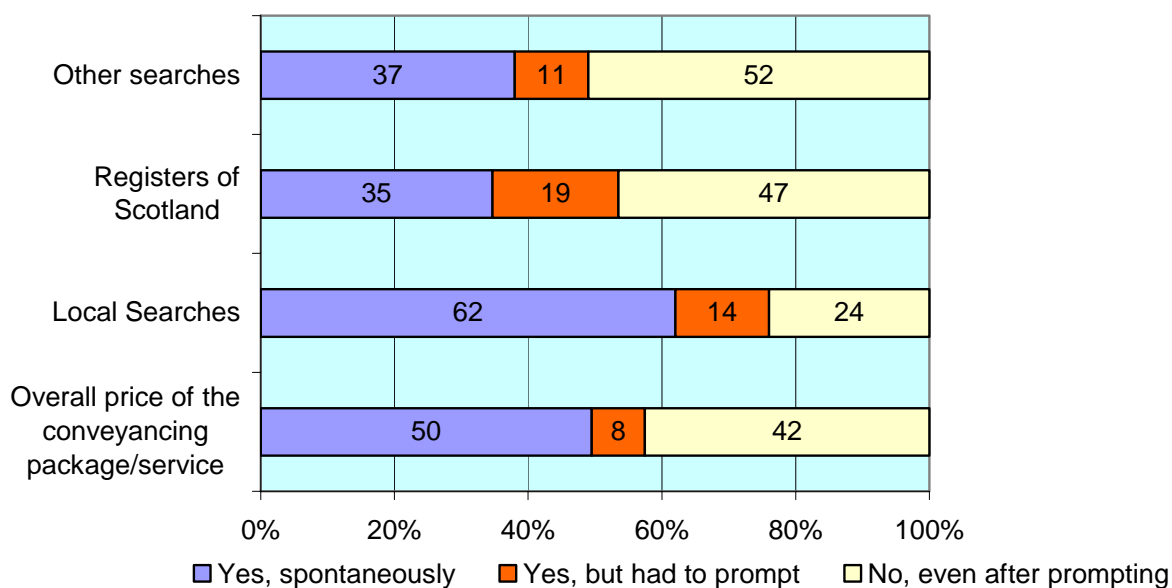
Figure 5.10: Were you told about searches?



Base: 100

5.3 Businesses discussed the price of the local property search more frequently than the price of the search of the RoS or the price of other searches. Possibly this is due to the fact that the other searches are usually carried out by the buyer. One quarter of mystery shoppers were not told the price of the local property search, even after prompting.

Figure 5.11: Were you told about the price of the key elements?



Base: 100

Table 5.12: Summary of search prices (£)

Type of search	Minimum	Maximum ⁷	Mean	Median
Overall price of the conveyancing package/ service (excl. stamp duty)	450	1875	760	700
Local property searches	50	195	82	72
Search of the RoS	20	324	42	33

⁷ These extreme values have been checked and verified. Medians have been provided to illustrate how these extreme values are likely to have skewed the mean value upwards.

5.4 The overall price of the conveyancing package was provided much less frequently, with 42 per cent of businesses not providing this price, even after prompting. Comments by the researchers about pricing include:

'I was told that the conveyancing cost is likely to be the same with another firm, however some firms charge a bigger commission fee for the marketing. Basically you get a better deal if you market your house with the same people you do the conveyancing with.'

'I was told that before they give a quote, they send someone out to do a valuation.'

'This solicitor was very busy and gave me short answers such as, 'all your other outlays are going to be the same' [and] 'your biggest cost will be on marketing the property and having a survey.'

'Very helpful and clear in his explanation of all of the processes and costs.'

'Solicitor went over each separate outlay cost, but failed to give me a figure for the total, and left out VAT.'

5.5 It was reported that on several occasions the business said that the overall price of conveyancing package would depend on the value of the property being sold:

'The price of conveyancing is worked out from the price of the house sale so therefore, it worked out as £1,875. However she said that her quote may go down as low as £1,500. Both these quotes are given on the understanding that you market the property through them. 1.5 per cent of the sale price covers marketing and conveyancing.'

5.6 Researchers reported that a number of different terms were used to refer to a search of the RoS. For instance, it was termed a 'Form 10' and 'Form 12' and a P16 boundary search was also mentioned. The range of names could make it confusing for the consumer to accurately compare prices.

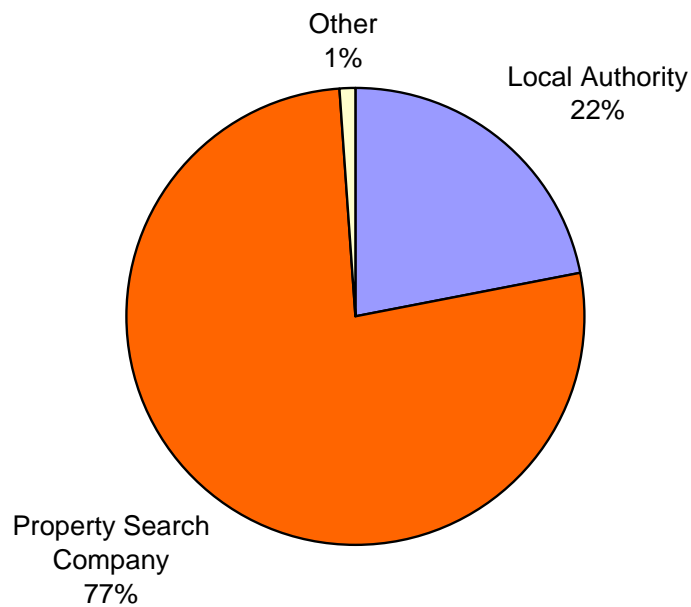
5.7 Tailoring searches to a specific location was discussed by 40 per cent of businesses.

5.8 Some firms offered packages of searches, which included a discount, to the mystery shoppers. For instance, three types of search for the cost of two.

'He initially gave me a price for all the necessary searches in a 'package deal' and then discussed instances where drainage and water searches were not necessary.'

5.9 Eighty-two per cent of firms discussed the source of local property searches. PSCs (77 per cent) were used much more frequently than LAs (22 per cent) to obtain local property searches.

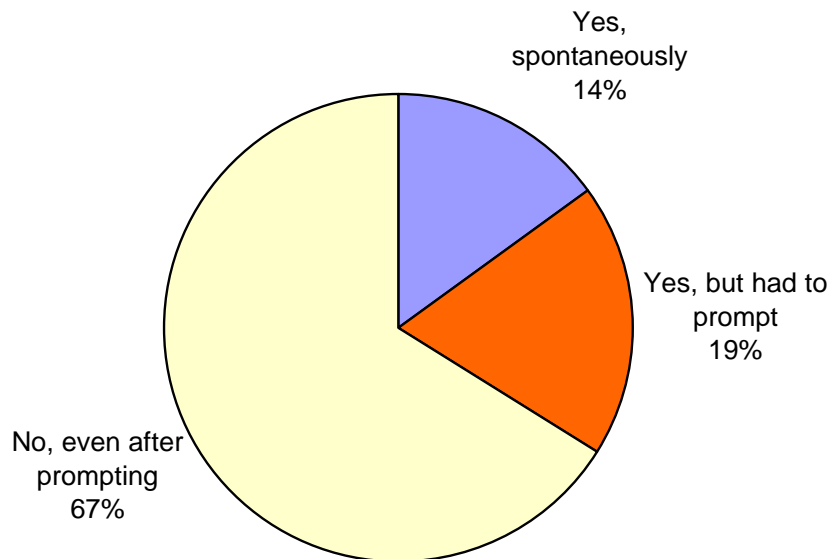
Figure 5.13: What was the source of the local property search?



Base: 82

5.10 The majority of businesses (67 per cent) contacted did not provide a choice for the source of the local property search.

Figure 5.14: Were you offered a preference for which source you could use for collecting property information?



Base: 100

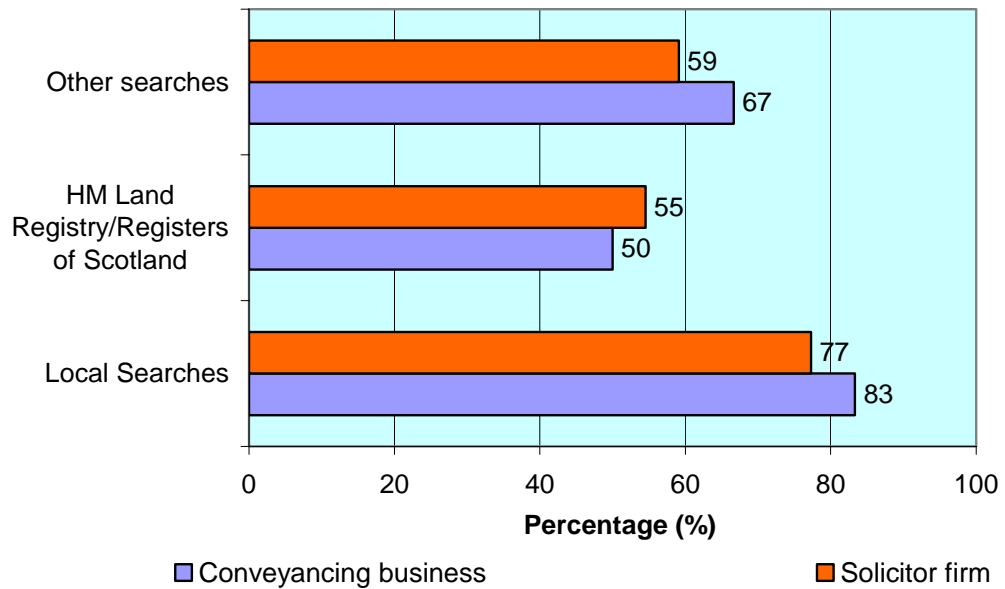
- 5.11 Just under half of mystery shoppers were told how long it would take to complete the conveyancing. Only 29 per cent were not told (after prompting) how long the property search would take.
- 5.12 Sixty-seven per cent of mystery shoppers were not offered written details or quotations.

Findings by type of firm

- 5.13 The mystery shop shows that solicitor's firms were slightly more likely to discuss the reasons for carrying out a property search than licensed conveyancing firms, with 70 per cent of solicitor's firms discussing the reasons compared to 58 per cent of licensed conveyancing firms.

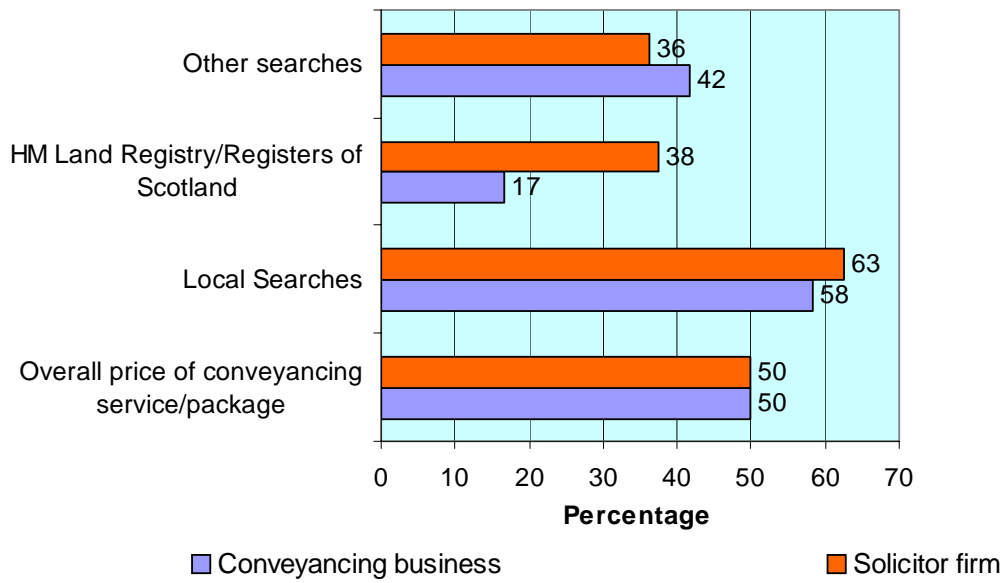
5.14 However, results of spontaneous mentions of the key elements and the price of the key elements show that there is little overall difference in performance between the two types of business, as illustrated in figures 5.15 and 5.16.

Figure 5.15: Were you told about the key elements spontaneously?



Base: 100

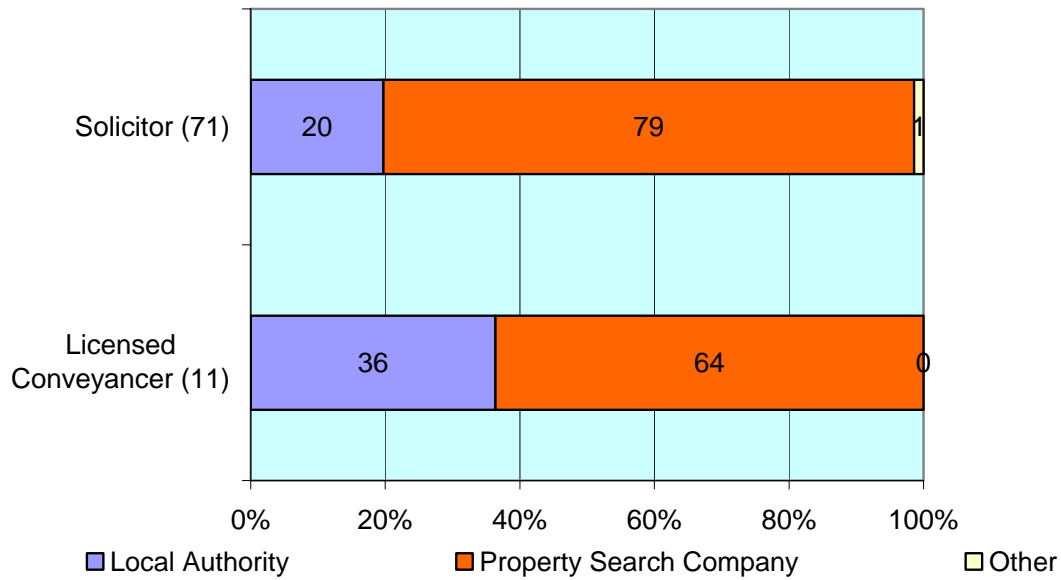
Figure 5.16: Were you told about the price of key elements spontaneously?



Base: 100

5.15 The source used to obtain a local property search differed greatly between the two types of firms. Solicitor firms stated more frequently than licensed conveyancing firms that they would use PSCs.

Figure 5.17: Source of the local property search



Base: 82

6 REGIONAL COMPARISONS

- 6.1 There were a number of differences between the findings for the businesses based in England and Wales and the businesses based in Scotland. Firstly, businesses located in England and Wales were more likely to spontaneously discuss the key elements of conveyancing and the related pricing than businesses located in Scotland, as illustrated in figures 6.18 and 16.19.
- 6.2 This could perhaps be related to the different scenario used by mystery shoppers in Scotland. In Scotland some of the businesses considered conveyancing to be a secondary service and first offered the researchers details about dealing with the marketing of the property.

'The person I spoke to was vague on the outlay costs, she spoke more about marketing.'

Figure 6.18: Were you told about the key elements spontaneously?

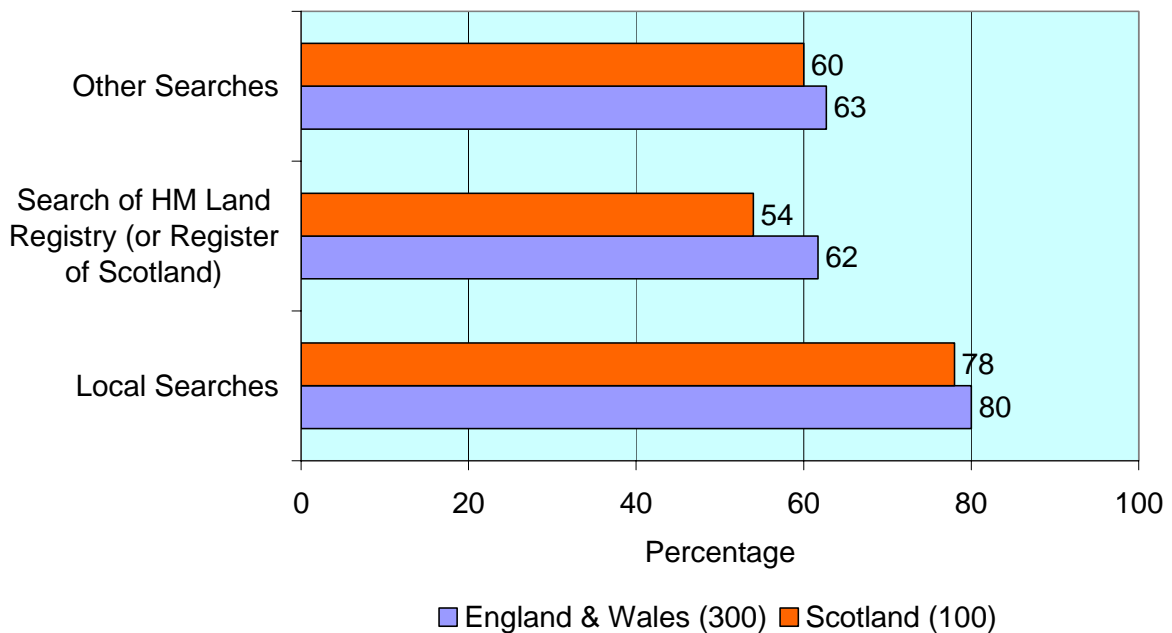
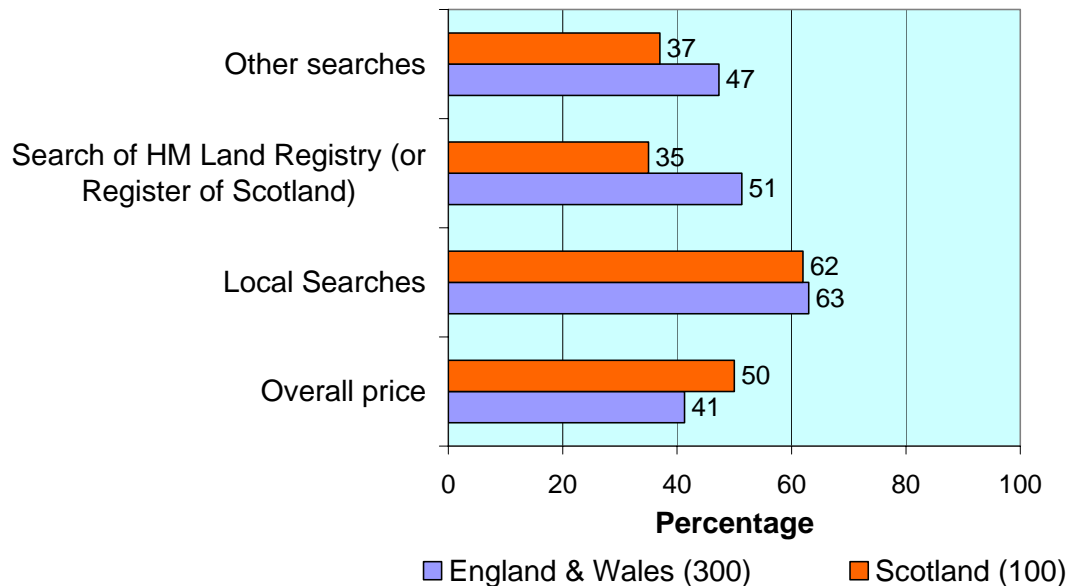


Figure 6.19: Were you told about the price of the key elements spontaneously?



6.3 Researchers were commonly asked if they had thought about marketing the property and if they wanted the quote to include membership with the Glasgow Solicitor Property Centre (GSPC) or Edinburgh Solicitor Property Centre (ESPC).

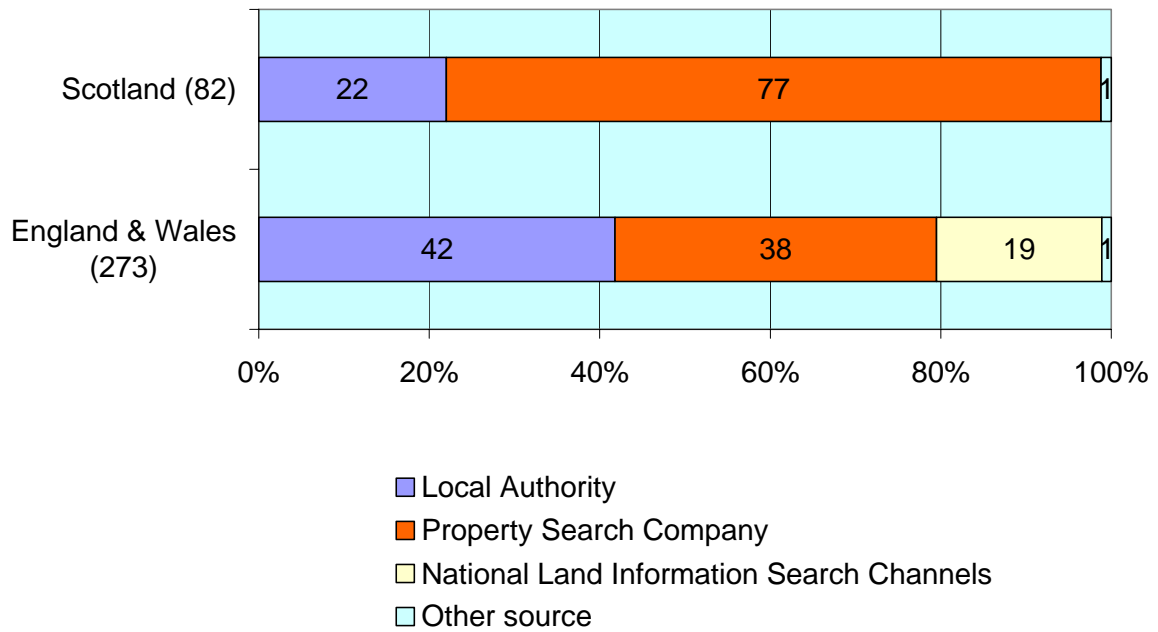
6.4 In addition, tailoring of the searches was mentioned more frequently in England and Wales (62 per cent) than in Scotland (40 per cent). This again may be a result of the different scenario used in Scotland:

'If they were instructed by the buyer's solicitors to do and pay for searches such as environmental, they would contest it based on their knowledge of the area.'

'Environmental search may sometimes be asked for by the buyers but this conveyancer said it was his job to argue against this.'

6.5 The source of the local property search was also different between businesses based in Scotland compared to businesses in England and Wales. Scottish businesses mentioned more frequently that they would use of a PSC rather than going direct to the LA.

Figure 6.20: What was the source of the local search?



APPENDICES

A COPY OF MYSTERY CUSTOMER GUIDELINES

Conveyancing MCR Guidelines

Introduction

The Office of Fair Trading needs to establish how much information conveyancers/ conveyancing solicitors give consumers about the different options available for collecting property information and the difference in prices and speed. A mystery shopping research project is to be used to collect this information.

The evaluation

You will contact, by telephone, nominated conveyancers/ conveyancing solicitors to request a conveyancing service. Please read through the information on conveyancing, the scenario and the questionnaire before making the calls.

What is conveyancing?

When buying or selling a house you are advised (although it is not compulsory) to use a solicitor or licensed conveyancer to carry out the legal work.

The solicitor or conveyancer is usually appointed in the early stages, ie: when looking for a property or when the property being sold is first put on the market. This is to ensure that when an offer is made everybody is prepared

What will a solicitor/ conveyancer do?

- Local property searches (or property enquiry in Scotland).

This involves searches of information kept by the local authority where the property is being bought/ sold. This search will reveal things like the planning history of the property; whether there are any local land charges registered; whether there are special restrictions on the kind of building work you can undertake at the property and other matters which may directly affect your use of the property.

The solicitor/conveyancer can obtain 'local' property information either from the **Local Authority** for the area where the house is being bought/ sold or through a **property search company**. In England and Wales it is now also possible to use one of the **National Land Information Service Channels** (NLIS Searchflow, TM NLIS Search and Transaction Online). The NLIS makes property information available to solicitors/ conveyancers on the internet and has been introduced to speed up the conveyancing process. This will reduce the length of time between offer acceptance and exchange of contracts, so reducing the risk of gazumping and minimising the stress involved in the home buying process

- Search of Her Majesty's Land Registry (HMLR) or Registers of Scotland (RoS) in Scotland.

The HMLR (or RoS in Scotland) keeps the official record of nearly all land and properties in England and Wales (a bit like the DVLA for cars). The search will detail whether the land is freehold or leasehold, who the registered proprietors are, details of any mortgages registered against the land and details of other rights registered to the land.

- Other searches

A conveyancing package can be tailored to suit the property being purchased or sold. This would involve specific types of searches if there is concern about the area. For instance, in coal mining areas a coal mining search is recommended prior to the completion of a house purchase. The mortgage lender may make this search a requirement of the loan. Also available are **environmental searches** which will assess if the property is built on contaminated land and assess the risk of flooding, **utilities searches** and **transport searches**.

- Other duties carried out by the solicitor/ conveyancer

organise the bank transfer;

prepare the contract and mortgage deed;

advise on stamp duty payments and registering with the HMLR, and

generally, keep on top of estate agents, mortgage lenders and the sellers' solicitors in order to make the process as quick and hassle free as possible.

Scenario

England and Wales

When you are connected, simply state that you are looking to buy a house and you will need a solicitor/ conveyancer for this. Follow this up by asking if the business is a conveyancer or a solicitor offering conveyancing services (unless this is already apparent).

You are then likely to be asked some questions. Use the following guide to respond:

- Have you found a property to buy?

State that you have not found a property, but you know the region that you shall be buying. Do not accept being told to call back when you have found a property, say that you want a solicitor/ conveyancer organised before you find a property so that you are prepared.

- What region are you looking to buy?

State a region close to where the solicitors/ conveyancing firm is based, (a Road Atlas shall be available to help with this).

- How much do you expect to spend on a property?

USE THE VALUE CORRESPONDING TO THE REGION:

<i>Region</i>	<i>Value</i>
London	£300,000
South East England	£195,000
Rest of England and Wales	£125,000

- What type of property are you looking for?

Two to three bedroom semi detached house. You are looking to buy freehold.

It is likely that you will be asked other questions that are not listed above, please respond as you think appropriate and make a note of the question and your response on the questionnaire.

Once you have answered their questions you should then be spontaneously told some or all of the following:

- why conveyancing is carried out;
- what is involved in conveyancing, including the types of searches;
- the charge for the overall package and for each element;
- whether the package will be tailored to suit the property you find;
- the source that they will use for the local property search;
- how long the whole process should take;
- how long the 'local' property search takes;
- whether no purchase no fee protection is available, and
- offer to send you written details of what has been discussed. (If offered, make a note of this on the questionnaire and offer a fax number for them to send the details to).

Make a note of what you are told spontaneously and the details that you are given.

It is possible that not all of these details will be spontaneously given. Allow the solicitor/ advisor an opportunity to complete the details that they are willing to discuss, and then prompt for some details. You will not need to prompt for all of the above; however, you must prompt for the following, if not mentioned:

- what's involved in conveyancing;
- the overall cost and the cost for the searches, and
- **selecting the source for the 'local' property search.** (If you are not offered a preference you could state that you understand the local property search information is now available through Property Search Companies or the National Land Information Service (NOTE NLIS is not available in Scotland) and you have been told this can be quicker. Then ask if you will be able to choose what source they use.
- How long it takes to complete the 'local' property search.

It is possible that you will be asked for a contact telephone number and told that someone will call you back with details on costs, etc. Respond by saying that you are happy to hold and put off being called back as much as possible.

Once you are happy that the questionnaire is fully answered, thank them and say that you have some other firms to call before you make a decision.

As soon as you have finished the call enter the details onto Athena.

Scotland

Since regulation is different in Scotland a different scenario is required. When connected, simply state that you are **selling your house** and you will need a solicitor/ conveyancer for this. Follow this up by asking if the business is a conveyancer or a solicitor offering conveyancing services (unless this is already apparent).

You are likely to be asked some questions. Use the following guide to respond:

- Is your property on the market, or have you received an offer?

State that the property is in the process of being put on the market. Do not accept being told to call back once an offer is made, say that you want a solicitor/ conveyancer before an offer is made so that you are prepared.

- Where is your house?

State an area/ region close to where the solicitors/ conveyancing firm is based (a road atlas shall be available to help with this). Do not provide a full address. If you are asked for an address, say that you will go through the details when it is necessary.

- What is the value of the property?

£125,000

- What type of property is it?

Three bedroom semi detached house. Your property is freehold.

It is likely that you will be asked other questions that are not listed above, please respond as you think appropriate and make a note of the question and your response on the questionnaire.

Once you have answered their questions you should then be spontaneously told some or all of the following:

- why conveyancing is carried out;
- what is involved in conveyancing including the types of searches;
- the charge for the overall package and for each element;
- whether the package will be tailored to suit the property you are selling;
- the source that they will use for the property enquiry;
- how long the whole process should take;
- how long the property enquiry takes;
- whether no sale no fee protection is available, and
- offer to send you written details of what has been discussed. If offered, make a note of this and offer a fax number for the details to be sent to.

Make a note of what you are told spontaneously and the details that you are given.

It is possible that not all of these details will be spontaneously given. Allow the secretary/ telephone advisor an opportunity to complete the details that they are willing to discuss, and then prompt for some details. You will not need to prompt for all of the above; however, you must prompt for the following, if not mentioned:

- what's involved in conveyancing;
- the overall cost and the breakdown of the cost;
- **selecting the source for the property enquiry.** (If you are not offered a preference you could state that you understand the local property search information is available through Property Search Companies and you have been told this can be quicker, and then ask if you will be able to choose what source they use, and
- How long it takes to complete the property enquiry.

It is possible that you will be asked for a contact telephone number and told that someone will call you back with details on costs, etc. Respond by saying that you are happy to hold and put off being called back as much as possible.

Once you are happy that the questionnaire is fully answered, thank them and say that you have some other firms to call before you make a decision.

B SAMPLES OF FAXED COMMUNICATION

10 May 2005

Dear Mr

PURCHASE OF FREEHOLD PROPERTY - PRICE £195,000

Further to our telephone conversation I confirm that my fees in connection with acting for you in your proposed purchase will be £495.00 plus VAT of £86.63 making a total of £581.63. In addition there will be the following expenses (ie: monies paid to me initially but then paid on to the different parties):

Local Authority search fee - (approximate – varies from one local authority to another) £220.00

Envirosearch £34.08

PlanSearch (optional) £24.00

Land Registry search fee £4.00

Land Charges Search fee (per name) 2.00

Stamp Duty to Inland Revenue 1 per cent of price 1,950.00

H M Land Registry fees £150.00

Archive fee inclusive of VAT £17.62

Telegraphic Transfer fee inclusive of VAT £35.25

TOTAL (inclusive of costs) £3,018.58

An Environmental Search is now required by most lenders and we strongly advise that this should be carried out. It will reveal such matters as to whether the property you are buying is in a flood area, details of possible developments within 500 metres of the property, the ground condition, contaminated land, past and present industrial sites in the area, etc.

We can also carry out a 'Plansearch' on your behalf (£24.00) which will disclose all planning applications within 250 metres of the property in the last six years, but will not do so unless you request this.

Date: 10 May 2005

Dear Mr

Proposed Purchase at approximately £125,000.00

Thank you for inviting this firm to quote in respect of our professional fees to act in your proposed purchase at £125,000.00. I will gladly go into more detail in respect of any of the following but, as promised, I list below an outline of the costs you are likely to incur in respect of the purchase.

Stamp Duty Land Tax— one per cent, assuming freehold £1250.00

Land Registry fee £150.00

Search fees—approximate £215.00

Land Registry Priority search fee £3.93

Bankruptcy Search £3.49

Telegraphic transfer fee for transferring funds on completion £29.30

Hansel £500.00 (+VAT)

There are various searches that can be carried out to establish information about the property. As you are obtaining mortgage finance, we will be required to carry out a Local Search through South Hams District Council (costing £105); an Environmental Search to ascertain past and present use of the land on which the property, and the surrounding area, is built; a Plansearch to establish past and current planning proposals for the area (both available at a combined purchase price of £60) and, lastly, a search through South West Water (costing £50) to establish that the property is connected to a mains drains and water supply — although it might be possible in this area to simply obtain a copy of a recent water bill from the seller and that should accompany initial papers.

I remind you that once contracts are exchanged you will have no remedy against the seller should you find any defects at the property and you should therefore have a survey carried out and services tested.

Finally, I attach a Summary of Conveyancing Procedures and if you require any further information, or have any queries or concerns, please do not hesitate to contact me.

Yours sincerely Conveyancing Assistant

10 May 2005

Dear Mr.

Re: Purchase in Salford

I refer to our telephone conversation this afternoon and confirm that our costs for acting for you in a purchase at £125,000.00 Will be:

Our fees £375.00

VAT @ 17 £65.63

Local property search fee £116.00

Mining Search fee £24.00

Drainage Search fee £39.48

Environmental Search fee £34.99

CHAPS fee £23

Bankruptcy Search fee £2

JIM Land Registry fee £4.00

Land Registry fee £150

Stamp Duty @ one per cent £1,250.00

£2,084

Purchase Price	£125,000.00
Our Conveyancing Charges	£345.00
In addition the following will be payable:	
VAT on our Conveyancing Charges	£80.38
Personal Local Search fee	£56.00
Coal Report fee	£25.00
Land Charges Search fee	£2.00
Land Registry Registration fee	£150.00
Land Registry Search fee	£4.00
Stamp Duty	£1,250
Each Telegraphic Transfer of funds fee	
TOTAL OF ESTIMATE	£1,921.16

This form is an indication of charges on the basis of details presently known and on the assumption that the transaction will not prove to be more complex or time consuming than expected. If the matter does not proceed to completion, work done and payments made up to that point will remain chargeable. This conveyancing estimate is to be read in conjunction with our Terms of Business and our Conveyancing Information Sheet.

If the property is leasehold we are required by your lender to obtain a receipted Notice to Lessor from the ground rent collector who often charges a fee for providing this. You will be advised of this in due course. This may be in the region of £100. plus VAT. Therefore if the property is leasehold and the fee payable is not known at the time a completion statement is prepared we will request from you £117.50 in respect of possible Notice fees. Any surplus will be forwarded to you after the notice has been receipted by the ground rent collector. This can take approximately up to two months.

The total amount of VAT and other payments to be made may be subject to alteration if the rates are changed after the date of this form.

If title insurance is required, in addition to any premium, we charge £25 + VAT in respect of arranging each policy.

We will advise you of an Official Search fee if Personal Searches are not accepted by your lender. We require a period of ten working days between exchange and completion otherwise further costs may become chargeable for additional work involved in making completion arrangements.

Further charges may also be made for additional work following last minute cancellation of completion, eg: rearranging completion and returning mortgage funds.