

# Home Buying and Selling Qualitative Consumer Research

## Online Diary: Management Summary

February 2010

OFT1140f

Prepared by:



GfK NOP

© Crown copyright 2010

This publication (excluding the OFT logo) may be reproduced free of charge in any format or medium provided that it is reproduced accurately and not used in a misleading context. The material must be acknowledged as crown copyright and the title of the publication specified.

This report was prepared for the Office of Fair Trading by GfK NOP. The views expressed are those of the authors and do not necessarily reflect the views of the Office of Fair Trading. All verbatim quotations used in this report reflect diarist's views and are illustrative of the findings of this research.

# CONTENTS

<b>Chapter</b>	<b>Page</b>
1 Executive summary	4
2 Research methodology	6
3 The overall experience	8
4 Estate agents and professionals	12
5 The problems	22
6 Thank you	27

# 1 EXECUTIVE SUMMARY

- 1.1 This research was carried out from May to October 2009 by GfK NOP on behalf of the Office of Fair Trading for its Home Buying and Selling Market Study. The objective of the research was to examine individual consumer experiences during the process of buying or selling a home, while events were still fresh in their minds.
- 1.2 Over a five month period, 42 individuals recorded their personal experiences of the home buying and selling process in an online diary. Of these individuals, 21 planned to both buy and sell a home, nine planned to sell only, and 12 planned to buy only. Of the 12 planning to buy only, eight were first time buyers.
- 1.3 From the diary entries, it was clear that many diarists found the buying and selling process very stressful, with the length of the process a major cause of stress. The stress they experienced was often compounded by their lack of control over the process – particularly if they were selling or buying in a chain.
- 1.4 The length of time between making an offer and completing ranged from two to 10 months. The average length of time (across both buying and selling) was just under six months.
- 1.5 Diarists were often unaware of the steps involved in buying or selling a home, and some confusion was evident from the diary entries. As a result, diarists had a tendency to rely on estate agents and other professionals (for example, solicitors and conveyancers) to guide them through the process.
- 1.6 The experience for many diarists was defined by the quality of their interactions with estate agents and other professionals. Their overall satisfaction to a large extent depended on how these third parties liaised with other buyers and sellers, drove forward the transaction, completed the paperwork, and guided the diarists through the home buying and selling process.
- 1.7 Effective communication with third parties and the timely provision of information were key to a positive experience for

diarists. Insufficient information led diarists to worry about their transaction and to doubt the effort and quality of work that the third parties were putting into the transaction.

- 1.8 A number of diarists encountered problems during the home buying and selling process. Problems related to the challenges and delays of being in a chain of other buyers and sellers, delays caused by outstanding or incorrect paperwork, poor communication, and problems resulting from actions taken by other buyers and sellers. A number of diarists were unable to complete their transactions due to these problems.
- 1.9 Although none of the diarists lodged a formal complaint during the research project, some diarists were unhappy with the service they received from estate agents and other professionals.

## 2 RESEARCH METHODOLOGY

- 2.1 Each participant was allocated a personal space online (similar to a blog), where they were instructed to document, on a weekly basis, the events and activities that had occurred while selling or purchasing a property.
- 2.2 Details regarding interactions with estate agents and other professionals were recorded; set in the context of each individual's life. By using an online diary methodology, this research was able to chart events as they happened and to witness the complications that impact on the experiences and emotions of the consumer, rather than rely on potentially less accurate and retrospective accounts of the home buying and selling process obtained after its conclusion.
- 2.3 In addition to the online diaries, the research team created an open dialogue with diarists, allowing the researchers to ask additional questions of the diarists as well as asking some for further clarification of their online diary entry.
- 2.4 Fifty-five individuals were invited to take part in this online diary project from across the UK. In total, 42 logged onto the online diary space and recorded some or all of their experiences of the home buying and selling process. These diarists were from England (27 diarists), Scotland (8), Wales (3) and Northern Ireland (4).
- 2.5 Of the 42 individuals, 29 took part in the online diary research for the whole duration of the research or until they had successfully completed a home purchase or sale. At the end of the research process, 18 diarists had not bought or sold a property in the five months but were still looking, six had bought and/or sold a home, and five had decided not to buy or sell after all.
- 2.6 The research was carried out during a period of recession in the UK. House prices had fallen and consumers were finding it difficult to obtain mortgages from lenders. The five-month research period also spanned the British school holidays, which

slowed the market and delayed the home buying and selling process for some diarists. For this reason, at times the diarists had little to report.

### 3 THE OVERALL EXPERIENCE

- 3.1 As well as using the diary to track the progress of their sale and purchase, diarists also expressed their feelings, expectations and frustrations. It appeared that diarists felt pressure to successfully buy and sell and had a tendency to form emotional attachments to the properties with which they were involved. As the research coincided with a downturn in the housing market, it took diarists much longer to buy or sell their home than they would have expected in a more buoyant market and this added to the sense of frustration and stress.
- 3.2 Many sellers had not expected their property to be on the market for so long. Many sellers felt that they were unable to lead a normal life while their property was on the market. The pressure of having to keep their property clean and tidy at all times, as well as being available to take viewings at times convenient to buyers, led many sellers to begrudge the length of time their property remained unsold on the market.

'Am getting fed up with taxi drivers (I get a taxi home from work every night) asking me if I have sold my house yet or is it still up for sale. It makes me feel as though there is something really awful about my house - I love my house.'

(Buying and selling, England)

'The selling process has been really difficult due to the economic climate and really frustrating at times when you really want to get on with your life. As properties are not selling you feel that you are in limbo waiting for it to happen.'

(Selling only, Northern Ireland)

- 3.3 Given the state of the property market, some diarists re-considered whether they wanted to go through the home buying and selling process. Three diarists who were selling decided to take their property off the market due to a lack of interest from buyers.

'Very disappointed and deflated with the whole experience, I've always sold my properties within the first week of putting up for sale so this is very different. I'm considering taking it off the market.'

(Selling only, England)

- 3.4 Some diarists selling their property were encouraged (mainly by their estate agent/solicitor estate agent) to reduce the asking price of their property to generate more interest. This was a difficult decision, as it impacted on the amount they could afford to pay for the property they intended to buy.

**Reducing the asking price:**

'Georgina' (Buying and selling, London) was frustrated by the length of time it was taking her to sell his property.

Her property had been on the market for 14 weeks and she had 25 viewings without an offer.

The estate agent suggested reducing the asking price to stimulate interest in the property. She reluctantly agreed.

By the end of the research, Georgina's property was still on the market.

'We have dropped the asking price of our property by £10,000, I have mixed feelings about this as I do feel that our house is worth more, however it has been on the market for more than 6 months and we haven't received 1 offer... Well after dropping the asking price of our property by £10,000 we still only had 1 viewing on our property this week.'

- 3.5 Similarly, those diarists who were buying were frustrated with market conditions and surprised by the lack of suitable properties on the market that matched their requirements.
- 3.6 Some diarists felt that the financial climate limited the amount of money first time buyers could borrow. With a lack of first time

buyers on the market, most diarists were buying or selling in a chain, with the associated risks involved. As a result, first time buyers were thought to be in a powerful position. Sought after by sellers to achieve a quick sale, first time buyers were often critical to the success or failure of a chain.

'The estate agent phoned this morning to book in a viewing on our house which went well. However the couple seemed put off by the fact we hadn't found another house yet as they were first time buyers and obviously want to move into a property ASAP. It seems like a catch 22 situation at the moment - we can't put in any offers on a new property until we have a buyer for our house but prospective buyers for our house seem put off because we haven't put in an offer on a new house!'

Buying and selling, England)

- 3.7 Very few diarists were given guidance about the buying and selling process. A few were uncertain how to proceed with selling and buying – in particular, those who wished to both sell and buy were unsure whether they should seek offers on their property before searching for a property to buy. Their approach to buying and selling a property depended on their sense of what appeared to be the best approach at the time, rather than following any set strategy.
- 3.8 Typically, diarists felt that they should put their property on the market before looking at properties to purchase. This was due to the fact that sellers typically did not want to accept offers from individuals who could potentially hold up the chain because they had not yet accepted an offer on, or sold their own property.
- 3.9 Some diarists who had just started selling their property after having found a property they wished to purchase found that they were at a disadvantage compared to other buyers further along the selling process.

- 3.10 The selling and buying strategy adopted by the diarists tended to influence the way that they interacted with individuals interested in buying their property. Given that most diarists were eager to complete the sale of their property quickly, some screened potential buyers and rejected those who had not put their property on the market or who had not yet secured an offer for their current property. First time buyers were often sought after to establish a starting point for a chain.

## 4 ESTATE AGENTS AND PROFESSIONALS

- 4.1 In buying or selling their property, all diarists had experience of the services provided by a third party. The main third parties mentioned by diarists were estate agents, solicitor estate agents (working in Solicitor Property Centres in Scotland), solicitors, surveyors and providers of Home Information Packs (HIPs), Energy Performance Certificates (EPCs) and Home Reports. Despite the number of professionals involved to bring a sale or purchase to successful completion, many diarists found the process confusing and were unclear about what they could expect from these third parties. Many felt poorly informed and disappointed with the service and information provided to them.
- 4.2 Central to diarists' satisfaction with estate agents and professionals was communication. Good communication enabled diarists to feel informed about their home buying and selling process while poor communication frustrated diarists and made them feel less in control of their journey.
- 4.3 Estate agents and professionals were sometimes blamed by diarists for problems that occurred in the chain or delays.

### Estate Agents and Solicitor Estate Agents

- 4.4 For some diarists, there was a lack of understanding about the service provided by estate agents and solicitor estate agents. This was particularly pertinent given the recent growth in popularity of online property search engines which allowed diarists to research properties independently.

'We have come to the conclusion that we are not too sure of their role in the property purchasing process given the rise in the property websites e.g. Rightmove, Primelocation.'

(Buying only, England)

- 4.5 Despite this new freedom to use the Internet, all diarists used an estate agent or solicitor estate agent at some stage during their

home buying and selling process (one diarist sold independently although she bought through an estate agent).

- 4.6 Feedback from the diarists about the quality of service provided by estate agents and solicitor estate agents was mixed. Some diarists found their agent helpful and responsive, while other diarists felt they had not received a good service.
- 4.7 Based on the content of the diaries, estate agents/solicitor estate agents were expected to provide feedback from viewings (in order to enable diarists to understand how best to present their property), to show potential buyers around the property (if requested to do so), to notify diarists of properties that matched their specifications, and to market properties to the right audience using a variety of media, for example, the Internet, local paper, in the estate agent's window and so on.
- 4.8 Diarists tended to shortlist estate agents/solicitor estate agents on the basis of the agency's location, the valuation provided of their property, personal recommendation and reputation for being able to sell properties in the diarist's local area.
- 4.9 Once shortlisted, most selected their agents based on the commission charged. Not all diarists negotiated on fees. Of those that did, some negotiated the sale commission percentage while others negotiated fees based on the length of time the property took to sell. Diarists liked the sliding scale approach to fees as it was thought to be an innovative way to encourage the sale of their property at a time when the market was sluggish.

'We have finally agreed on a sliding scale approach, linked to time to sell. We are ultimately happy with the arrangement as if we end up paying slightly more, we will still be happy as hopefully will have had a quick sale. If we pay less it will be because the sale has taken longer.'

(Buying and selling, England)

- 4.10 A small number of diarists used other criteria for selecting their estate agent/solicitor estate agent. One such criterion was the rapport the diarist had with the agent, thought to be important because of the emotional pressures of selling a property. Another was the perceived benefit of buying and selling with the same agent. The assumption was that an agent would work harder for a diarist, if the diarist listed a property for sale through the same agent through which the diarist was interested in buying a specific property.
- 4.11 Once an estate agent or solicitor estate agent had been commissioned, diarists had a mixed experience of the service they received.
- 4.12 Estate agents/solicitor estate agents were judged according to their ability to market and sell a property. Those who were satisfied with the service they received from their estate agents/solicitor estate agents were more likely to have successfully sold or purchased property.
- 4.13 Apart from achieving a successful transaction, examples of good service from estate agents and solicitor estate agents related to their accessibility and the timeliness of communication, tailoring the service provided to the needs of the diarist (whether as a buyer or seller) and developing a sense of trust with the estate agent/solicitor estate agent.
- 4.14 Diarists selling their property judged estate agents and solicitor estate agents on their ability to organise viewings for suitable buyers. Even though estate agents and solicitor estate agents may have put a lot of effort into marketing a property, for example, advertising the property in the local paper or listing the property on the Internet, diarists were principally interested in the number of viewings estate agents/solicitor estate agents could generate as a result.
- 4.15 Some diarists expressed dissatisfaction with the service provided by their agents. Dissatisfaction arose from a lack of communication or responsiveness, and a failure to generate a

sale. During the course of the research, a number of diarists did change their agent in order to receive better service and to increase their chances of selling their property.

'My hubby and I have been thinking of changing agents as we are just not happy with the service they give to us. They really don't keep in touch as much as we think they should, and I want someone who cares more about selling the house than I feel they do...Well I have news, not good news but news that we are just in the middle of changing agents as we were unhappy with the way in which we were being looked after. So we looked around and found someone else and told him all that has been going on and hope that they will do a much better job for us in our future with them.'

(Buying and selling, England)

- 4.16 There were many other examples provided by diarists of poor service from estate agents and solicitor estate agents during the home buying and selling process. These examples included agents incorrectly listing property details on the brochure, not turning up to show prospective buyers around a property, providing inaccurate property details, suggesting inappropriate properties for diarists to view and sending unsuitable people to view the diarists' property.

**Poor communication:**

'Ruth' (Buying and selling, England) commissioned a survey on a property she wanted to buy. The survey highlighted the property had an asbestos problem.

When Ruth discussed this with the estate agent, they claimed that the asbestos had not been brought to their attention before. Later, it transpired from speaking to another agent from the same estate agency that the asbestos problem had already been known to the vendor and the estate agency.

Ruth withdrew from the purchase as she no longer trusted the information her estate agent gave her.

'I informed the estate agent that I was happy to purchase the property before I received the survey report. He said those things (asbestos) can be sorted and I should not worry about it...I could tell the agent was not happy...I was made to feel that I was a timewaster but happy I made that call.'

- 4.17 A small number of diarists felt they were not told the truth by their estate agent or solicitor estate agent when buying or selling a property. One seller was told that they were selling to a cash buyer only to find out, once they had accepted their offer, that their purchaser had had a property on the market for over a year, and needed to sell this property to proceed. Another diarist spoke of how the estate agent they were buying with did not inform them that the property they were buying (with an offer accepted) had been placed back on the market.
- 4.18 Most diarists felt that they needed to buy and/or sell a property using an estate agent or solicitor estate agent. Although most felt comfortable relying on estate agents and solicitor estate agents during the home buying and selling process others felt less in control of their home search and transactions.

'I feel anxious at the moment as I am not in control of how smoothly I want this all to run! I have to rely on 'estate agents'! And to be quite honest I don't have the faith when it comes to estate agents!'

(Buying and selling, England)

- 4.19 Cross-selling products was commonplace amongst estate agents and solicitor estate agents who recommended a range of partners including solicitors, HIP/EPC/HR providers and surveyors. Most diarists did not think that the rates offered by estate agents were better than those that could be obtained independently of the estate agent or solicitor estate agent.

'[My surveyor was] much cheaper than the one recommended by the estate agents - so my time spent on the Internet definitely paid off. I do feel that obviously surveyors/solicitors etc pay the estate agent's commission to recommend them therefore the bottom-line price is higher for the end user.'

(Buying and selling, England)

- 4.20 Although cross-selling was only raised by a few diarists, there was some discomfort about the way estate agents and solicitor estate agents recommended other products. One diarist wrote that they felt their estate agent was more interested in the commission they might receive from cross-selling products and services than the actual task of selling the diarist's property.

'All estate agents have tried to sell us a mortgage product of one form or another; sometimes it even seems as if they are pushing this angle more than the sale of properties!'

(Buying only, England)

## **Solicitors and conveyancers**

- 4.21 Diarists used solicitors or conveyancers to carry out conveyancing of properties. Diarists felt that compared with estate agents, solicitors were more likely to work in the consumer's best interests.
- 4.22 Most diarists selected a solicitor based on recommendations from friends, family or via their estate agent. Very few diarists commissioned an online conveyancing firm, but those that did choose this type of conveyancing provider did so because prices were lower. These diarists had made some assumptions about the services they might receive from an online conveyancer. They did not envisage for example, that online conveyancing firms would be able to provide any additional support – for example, general support and guidance throughout the home buying and selling process. It was felt that those who wanted additional support would not be adequately served by an online conveyancer.

- 4.23 The actual cost of commissioning a solicitor/conveyancer was rarely discussed in the diaries. However diarists were sensitive to the cost of conveyancing and often judged solicitors and conveyancers on the perceived value for money they felt they were getting.

'I am surprised by the lack of contact from our solicitor considering the charges - we have to keep ringing to get updates and information.'

(Buying and selling, England)

- 4.24 The more communication solicitors/conveyancers had with their clients, the more satisfied diarists were with the service received – regardless of whether this communication enhanced their understanding of the process. However, although diarists valued regular contact with their solicitor/conveyancer, they did not expect the same level of communication as they did from their estate agent or solicitor estate agent. In some instances, a 'no news is good news' approach was taken by the diarist regarding solicitors. Diarists expected their solicitor/conveyancer to be working behind the scenes on the home purchase or sale, even though it was not clear from the diary entries that diarists understood what it was that their solicitor/conveyancer ought to be doing. This was contrary to the view many diarists had of estate agents and solicitor estate agents, whereby a lack of communication meant that they were not working on behalf of the diarist.
- 4.25 If delays occurred during the process, diarists often held solicitors/conveyancers responsible. A lack of understanding about the work being carried out by the solicitor as well as the overall home buying and selling process, meant the diarists relied heavily on the solicitor for guidance. It appeared that some diarists felt reliant on their solicitor/conveyancer to move their home sale and/or purchase along to completion, to troubleshoot on their behalf and to resolve problems. Examples of problems that were dealt with by solicitors/conveyancers included dealing

with boundary issues, planning permission, additional taxes, and extending leases.

- 4.26 Diarists also spoke of their interaction with other people's solicitors, such as their vendor's solicitor or the solicitor acting on behalf of their purchaser. Diarists typically reported on their experience with other people's solicitors when things had gone wrong, for example, tussles over fixtures and fittings lists, negotiating details of the transaction such as completion dates and when attributing blame for delays to exchange/completion.

## Surveyors

- 4.27 The surveyor and the property survey played a significant role for many of the diarists, with decisions to buy a property or negotiate on price often informed by the results of the survey.
- 4.28 Diarists did not have a significant degree of contact with a surveyor as compared with estate agents and other professionals during the home buying and selling process.
- 4.29 Selecting a surveyor was mainly based on recommendation from estate agents, solicitors, friends and family, and/or the price, while some had a 'Home Buyers' survey included in their mortgage deal.
- 4.30 Diarists rarely commented on the good service they received from surveyors. Unless problems with the property were highlighted in the survey, diarists did not discuss the surveyor or the quality of the service they received in their diary.

### **Challenging the survey:**

Unhappy with the valuation received from the surveyor of her property, 'Ella' (Buying and selling, England) wanted to contest the report to avoid reducing the price she was willing to accept from his buyer.

Ella questioned the professionalism of the surveyor and wrote in the online diary that she was prepared to challenge the report.

However, her buyer did not mention the discrepancy in the valuation and as it did not impact on the sale of the property, Ella did not raise a formal complaint about the surveyor.

- 4.31 Examples of unsatisfactory service from surveyors included not spending enough time surveying a property and not taking individual characteristics of a property into consideration when viewing it, for instance, comparing properties to others in the area instead of focusing on the property they were asked to survey.

## Complaining

- 4.32 A number of diarists were dissatisfied with the service they received during the home buying and selling process and considered making a complaint. The reasons for their dissatisfaction were documented in their diary entries. During the research period, however, none of these diarists took forward their complaint at an official level, for instance to either the Property Ombudsman for estate agents or the Legal Complaints Service for solicitors.
- 4.33 Estate agents, solicitor estate agents, solicitors and conveyancers were the most complained about third parties in the diaries. Diarists criticised estate agents, among other things, for poor service, for recommending unsuitable properties to view, for not informing a buyer of a seller's decision to remarket a property, and for being slow in responding to queries. Solicitors were found to be difficult to contact, and not quick enough in preparing paperwork and meeting target deadlines imposed by buyers and sellers.
- 4.34 In response to the frustration recorded with these third parties, we asked diarists if they knew how to complain. With regard to estate agents the assumption was that there would be an

ombudsman. One diarist mentioned the National Association of Estate Agents.

'We have wanted to complain about our estate agent sometimes but haven't really known how to. Once the estate agent didn't show up and a couple of times the estate agent which has shown up has never been round our house before and so in my opinion can't show people round very well.'

(Buying and selling, England)

- 4.35 There was evidence to suggest that diarists did not want to revisit the difficulties they experienced during their home buying and selling process, and once the transaction had been completed (albeit after delay) there was typically a desire to 'move on'. Further, some diarists chose not to take forward a complaint about an estate agent because they had not yet sold their property (and therefore had not paid for any services received). There was also an unwillingness to 'rock the boat'. For instance, some diarists were still attempting to purchase a property with the same estate agent and did not wish to jeopardise the transaction any further.

'I wasn't happy with the service I got from my estate agents and I have thought about complaining. I haven't done so because I suppose I have decided not to sell the house with these particular agents any more now that I have taken the house off the market. I suppose I am thinking: well what's done is done and why get all worked up? I know it might prevent others from having the same bad service I received but I suppose as it hasn't cost me anything (no sale, no fee) I can't really complain.'

(Buying and selling, England)

## 5 THE PROBLEMS

- 5.1 A number of problems were highlighted by diarists while documenting their experiences online. Problems included dealing with the challenges and frequent delay associated with being in a chain of buyers and sellers. Incomplete, inaccurate or delayed paperwork required to move the transaction forward as well as poor communication, had a detrimental impact on a number of diarists. Many also highlighted the problems caused by the behaviour or decisions of other buyers and sellers.

### Property chains

- 5.2 Whether diarists were buying or selling a property, it was likely that they were part of a chain of buyers and sellers. Many diarists spoke of issues with the transactions of other buyers and sellers in their chain which impacted on the success or timeliness of their transaction. Some felt that their transaction had been delayed due to no fault of their own, while other diarists found themselves in a position where they were unable to buy or sell as originally planned because a transaction elsewhere in the chain had collapsed. This typically caused frustration, stress and expense.
- 5.3 A problem encountered by a few diarists concerned a buyer in the chain not having adequately arranged for a mortgage before making an offer on a property. These diarists found that the lack of pre-arranged finance delayed the whole chain while the outstanding mortgage issues were resolved. In one case study, the diarist lost the property they intended to purchase as the vendor was not prepared to wait for a buyer further down the chain to complete their application for a mortgage.
- 5.4 Another example of where mortgage issues in the chain affected the process involved an individual at the bottom of a chain who initially made an offer on a property as a 'cash buyer' and then decided to apply for a mortgage. This caused significant stress and worry for the diarist.

'I am pulling my hair out as this could delay everything and you also have in the back of your head, the worry that he is stalling and may pull out.'

(Buying and selling, England)

- 5.5 Delays to a transaction within a chain caused some diarists to incur additional expense. For example, renewing an expired Home Report, and paying a leasehold service charge for a flat that was still on the market.
- 5.6 Some diarists lost their buyer or their preferred property due to decisions made by other individuals further down or up the chain, that is, decisions made by those not directly involved in their property purchase or sale.
- 5.7 Examples of how sales and purchases collapsed (or were threatened) included buyers withdrawing from transactions without explanation, individuals making offers on more than one property, sellers raising the asking price or insufficient provision of timely information (either by individuals, estate agents or other professionals on behalf of their clients).

**Delays in the chain:**

'Ella' (Buying and selling, England) experienced a delay to her transaction due to a buyer further down the chain. The buyer was a key worker who had not organised their mortgage when it came to exchanging.

As Ella was unable to sell their property, they could not proceed with buying their property of choice.

Ella's vendor remarketed the property for £20,000 more than agreed on in the initial transaction and so she was unable to purchase the property.

## Information and communication

- 5.8 For all diarists, paperwork was generated to progress their property sale or purchase. Diarists often had to rely on other buyers or sellers to produce this paperwork, or third parties such as mortgage lenders, surveyors and solicitors. Diarists reported problems with the time to produce required information, the content of information, and a lack of communication from others about how the transaction was progressing.
- 5.9 Generally, diarists complained about being unable to get hold of their estate agent or solicitor, and the frustration that it caused them not knowing what was happening at that point in time.
- 5.10 For some diarists, the time it took to gather the necessary paperwork delayed their transaction. Other diarists found that the information that emerged highlighted unforeseen issues with the property they were buying or selling. One diarist discovered as a result of the survey on the property they were to purchase, that there were problems with the central heating system and that the property did not have planning permission for an extension. Another diarist highlighted that they had not been advised that the property they were to purchase was being sold intestate, and had they known, they may have been better placed to deal with the resulting delays. Other issues cited in the diaries included a delay caused by a freeholder when a lease required re-negotiation.
- 5.11 Despite the compulsion on a seller to ensure that a HIP report has been completed on their property, a number of buyers found that their purchase was delayed as they waited for essential elements of the HIP to be completed. Another diarist in Scotland was asked by his potential buyer to renew the valuation of his property within the Home Report.
- 5.12 A number of the diarists commented on the necessity to include a HIP, EPC or Home Report when selling a property. Many felt this

was yet 'another' piece of paperwork required to sell their property, and an expense.<sup>1</sup>

## Buyer and seller behaviour

- 5.13 Diarists frequently complained about the behaviour of other buyers and sellers, and the impact this had on their sale or purchase as well as their general stress levels.
- 5.14 Many expressed frustration and appeared outraged that a buyer or seller could withdraw from a transaction late in the process as a result of a change of heart. Of the eight diarists who had experienced a failed transaction, four were as a result of the buyer or selling changing their mind and withdrawing from the transaction. Three failed transactions had resulted from a buyer having failed to arrange finance either at all, or sufficiently quickly.

'[I] found out yesterday that the people buying our place haven't got their mortgage offer in place. We checked in July that their mortgage offer would be still be valid and they said that it was just a question of switching products. Ten weeks later and they still haven't sorted it! Not happy is putting it mildly. We could now be in the position where we lose the property we're buying and lose a couple of thousand pounds.'

(Buying and selling, England)

'The purchasers of our house have had to pull out due to personal reasons. This means we now have to place our house back on the market and start the whole selling process all over again. We already have stuff packed away... now we have to get the house ready for viewings all over again.'

(Buying and selling, Northern Ireland)

---

<sup>1</sup> The price diarist's paid for a HIP varied from £115 to £425 at its most expensive (the prices of EPCs or Home Reports were not documented by diarists).

- 5.15 Other problems reported with buyers and sellers included instances of 'gazumping' or 'gazundering'. One of the diarists featured in our case studies, had experienced a failed transaction as a result of the seller refusing to proceed with the sale unless the diarist paid more.

'...he (estate agent) called me back and advised that his client now want the full asking price for the house e.g. another £15,000 more than the price we had agreed on... I was distraught and said I could not believe that they would try and pull this one.'

(Buying and selling, England)

## **6      THANK YOU**

- 6.1      Thank you to the diarists who took part in this research. The online diaries have provided an interesting insight into the wide range of problems that can occur in a property transaction, and the stress and frustration that can result. We are grateful for the enthusiasm of the participants, and the level of detail captured.