

LONDON

Thursday 12 September 2019
Pullman St. Pancras Hotel



Emma Vigus, tmggroup's Chief Commercial Officer, took the chair for the London round table discussion, and kicked off the session asking, "What motivates you to want to improve this process? And which part of the transaction do you think is the weakest link?"

Jonathan Achampong said, "There's pressure to change, coming from consumers, government and other stakeholders. So even if conveyancers wanted to leave things as they are, I don't think they have any option but to change." He suggested that education plays a key role with consumers now expecting to buy things very quickly – the 'Amazon effect' – and increasingly people are expecting their legal services to be delivered in the same manner. "But for regulatory and procedural reasons, unfortunately, it's not as simple as that," he said. "I've had clients who have barely been onboarded when they're asking, 'when can we exchange contracts?'"

Sean Reeves said that often it can be the other professionals, such as the estate agent, who raises the client's expectations of a quick exchange. "So the education process needs to go further than just the client to other professionals within the industry." Felicity Marks agreed and said that in many cases the agent is

not managing the client's expectations realistically, which puts more pressure on the conveyancer. She continued, "Because the market is tricky and agents are scrambling for sales. I feel they don't want to rock the boat, so if their client says I want to exchange in three weeks, an inexperienced agent should be saying 'that isn't going to happen' but at the moment they're not stepping in and managing their clients." Alison Taylor suggested that it falls down to education again but at a different level, explaining, "If sellers had properties properly ready when they put them on the market, you could exchange within three weeks because everything would be lined up. HIPs were essentially a good idea but unfortunately people just didn't like what was in them!"

Richard Cunningham asked, "Regarding change, why are we minded to try and solve what's seen as an unsolvable problem?" Then said, "Because it's a huge opportunity to put ourselves at the cutting edge of those improvements, and that presents a commercial opportunity for all of us." David Jabbari suggested that technology could be better used to simplify and improve the process but questioned whether there was enough impetus and incentive among lawyers to make it too easy and livelihood could be compromised. He also wondered if, "Taking the U.S. system and simply buying an insurance product to do

away with all the checking of title procedures could radically simplify the process." Reeves said, "Our traditional conveyancing process is several hundred years older than in the U.S. They were able to say, 'Here's how it should be done' and created a simpler system."

Jeremy Raj pointed out previous attempts to improve the process, saying, "Whenever anyone tries to introduce anything whizzy and new, such as the traffic light system the Land Registry tried to introduce in the late 90s, they find they're up against the rock of how it's always been done! Even the disrupters in estate agency are struggling against the comfort of how it's always happened." Reeves felt disrupters in estate agency, such as Yopa or Purple Bricks, are not providing the support of the traditional agent to chase a transaction. "So I'm getting bogged down with sales progression, spending more time with the disrupter than the traditional agent!" Raj said a good estate agent is essential to the conveyancing process.

Anton Osborne said in the last 20 years the process has become harder because while there have been a lot of changes in client expectation that things should move faster thanks to email and mobile phones, the actual process has hardly changed at all. Jabbari said it's impossible to insulate against general trends in society such as people wanting things the next day.

"HIPs were essentially a good idea but unfortunately people just didn't like what was in them"

"Of all the things that have changed over the last 20 years in conveyancing, one thing that hasn't is what we can charge for what we do"

Mo Hakim made the point that due diligence in the UK is unique compared to the rest of the world. "Most countries perform a perfunctory register search, whereas ours is as exhaustive and detailed as you'll find and maybe the consumer needs to understand that better. It's not like buying a car, where you check the logbook and have a mechanic give it the once-over. conveyancing is not a quick look under the bonnet, we have to get deep-down dirty with overalls on to inspect every part!"

Colin Blears took up the car analogy pointing out how selling a car had evolved from print adverts with a small photograph, to AA inspections, to online portals where you can check a car's insurance write-off, theft, import/export and MOT history – other than MOTs none of it legislated, most of it organically driven by the sector. "Stakeholders working together in the interest of the consumer. Sadly, the conveyancing and estate agent sectors haven't organically achieved that same level of transparency; there's no clear level of risk matrix to give the client the same level of instant information."

Taylor said, "Simplistically, all we should be concerned with is the legal title, but instead we get involved with everything from the environmental stuff down to whether the carpets and curtains are going to be left." On a more practical level, Jayne Kemsley thought collaboration was a weak link in the process. "All parties involved in a transaction should collaborate but often I come up against, say, an aggressive solicitor and although we're all involved in buying or selling a property it can end up in points scoring against each other and showing off to the client."

Cunningham said, "Of all the things that have changed over the last 20 years in conveyancing, one thing that hasn't is what we can charge for what we do." Jabbari added, "The pricing is broken in conveyancing, too fragmented and too cheap. And that cheapness affects everything, the resourcing, the volume of transactions in order to be profitable and that affects quality." On that point Kemsley said a returning client from 12 years ago wanted a similar transaction, "And when I pulled out the file, the fee I was going to quote was less than that of 12 years ago!" Blears said, "And to do the same transaction now, there would probably be four or five additional tasks that didn't have to be done 12 years ago."

Vigus summed up this section saying it was apparent that everyone would prefer to re-engineer the whole process rather than picking out random bits, but all were agreed on the problems facing conveyancers. However, "Which one aspect did they consider the most broken, or is it not that simple?"

Kemsley thought everyone could pick out a handful of broken bits, particularly on getting uniformity on leasehold properties. On leasehold, Raj believes the profession has shot itself in the foot by not drawing sufficient distinction between freehold and leasehold conveyancing and, as a side issue, new build, adding, "We fail miserably to take into account the many, many more hours involved in conveyancing for leasehold and it's something we should work to rectify."

Vigus wondered if having to publish indicative prices for conveyancing on a law firm's website gave consumers an accurate picture of the complexities involved with managing the conveyancing process for different types of property. To the group's amusement, Reeves stated that one of the least visited pages on his firm's website is the transparency page, showing that fee transparency is less important than the recent change of regulation may have suggested. Price transparency did nothing for the industry in Achampong's opinion because, "It overly simplifies what a conveyancing transaction involves and feeds into the mis-education of the process."

As someone who came to conveyancing from being a City lawyer, Jabbari believes the combination of pressure and risk in conveyancing stands it apart from any other link in the home buying process. Reeves would love a central information point, a gateway, where the source of funds, the client's ID has been uploaded and the lender's accepted that, and all those in the process could see the same information. Cunningham pointed out that all that information's there but not in one place accessible to all.

After a discussion around KYC, AML and SOF, Vigus asked for summings up which included: improved collaboration between all in the process; the take up of technology that's meaningful and not simply what the futurists and technologists develop because they can; support, education and training for the more junior staff members; and somehow to avoid perpetuating the race to the bottom where fees are concerned – which led to the request for more of these 'group therapy' sessions so everyone could collectively feel better as a profession!

Attendees:

Chair

Emma Vigus,
Chief Commercial Officer (CCO)
tmgroup

John Mackenzie

Business Development Manager
tmgroup

Jonathan Achampong

Partner
Wedlake Bell

Colin Blears

Director
Risq Ventures

Richard Cunningham

Head of Surrey Operations
Wellers Law Group

Mo Hakim

Partner
Child and Child

David Jabbari

Chief Executive Officer
Muve

Jayne Kemsley

Partner
Thrings

Felicity Marks

Manager
The Partnership

Anton Osbourne

Partner
MW Solicitors

Jeremy Raj

National Head of Conveyancing
Irwin Mitchell

Sean Reeves

Solicitor
Humphries Kirk

Alison Taylor

Managing Associate
Mischon De Reya