



BLOWING THE DUST OFF CONVEYANCING.

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FOREWORD

The quality of service that conveyancers provide can make or break a deal for estate agents. Issues during conveyancing can add up to six weeks to a sale, slowing down and even risking revenue for estate agents. This is putting pressure on conveyancers to deliver a fast and efficient service while the marketplace is also forcing them to drive down their prices and take on more work.

In this report, conveyancing law specialists When You Move Legal looks at the growing expectations from consumers, the pressure that this is having on estate agents and the impact on their relationship with conveyancers.

When You Move surveyed over 100 estate agents and brokers to understand the current relationship between estate agents and conveyancers, the challenges they're facing and what can be done to improve communication, speed up completion times and ultimately move the market forward.

Is the love really lost between estate agents and conveyancers?

We hope you enjoy the read!



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THE MARKET TODAY

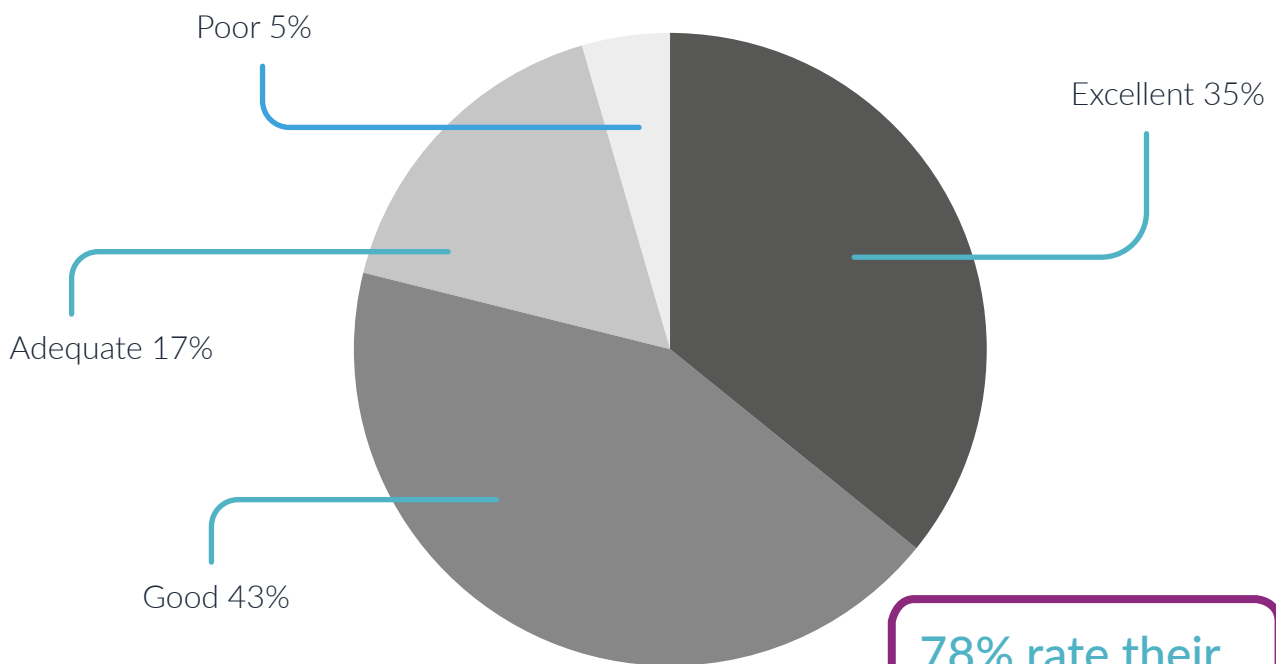
When You Move surveyed over 100 estate agents and brokers to find out whether they really rate their conveyancing partners.

Beneath the surface

Estate agents and conveyancers naturally have to have a close working relationship in order to keep the house buyer happy. With over 78% of introducers rating the conveyancers they work with as 'Good' or 'Excellent', it seems the relationship is strong.

However, dig a little deeper and you'll discover the fact that the relationship is not as strong as it seems: 87% of estate agents would be open to working with a new conveyancer (See page 8 for more information on estate agents' and conveyancers' relationships).

Perceptions of Conveyancers



WYM Conveyancing Introducer Survey 2015

78% rate their conveyancer as good or excellent.

This is what we heard from our research with estate agents and brokers. It seems that there is one major sticking point that is preventing the market from moving forward: Time.



“Generally, estate agents and solicitors are not pals.”

- Broker respondent, Introducer Survey



“Estate agents want to push things through. Solicitors want to work at their own speed.”

- Broker respondent, WYM Conveyancing Introducer Survey 2015



“Agents want a solicitor who can get the job done in a timely fashion... All too often solicitors find matters still to be dealt with at the very last minute. Leaving it until crunch time puts all parties under pressure and creates anxiety. It can cost a deal, worth thousands of pounds, in lost commission.”

- Estate Agent respondent, WYM Conveyancing Introducer Survey 2015



“[Timescales] are not alterable because the system can only be as fast as the slowest link. Until [businesses] are paid on results or there is a complete change in culture, this is how it will be.”

- Estate Agent Respondent, WYM Conveyancing Introducer Survey 2015

Taking into account these responses from estate agents and brokers we need to strike a balance between getting things done in a timely manner and getting them done thoroughly. One respondent suggested that this is hard to achieve with the current culture. While there is no focus on timescales from both parties it is difficult to address this problem.

The selection process

Not only are introducers open to working with different conveyancers, but they are actively looking to refresh their list of recommended conveyancers and solicitors. In fact, 45% of estate agents regularly look to improve their partners as they constantly chase a better service.

This can have a big impact on the business that conveyancers receive as 60% of home movers choose their conveyancer based on a third party recommendation.²

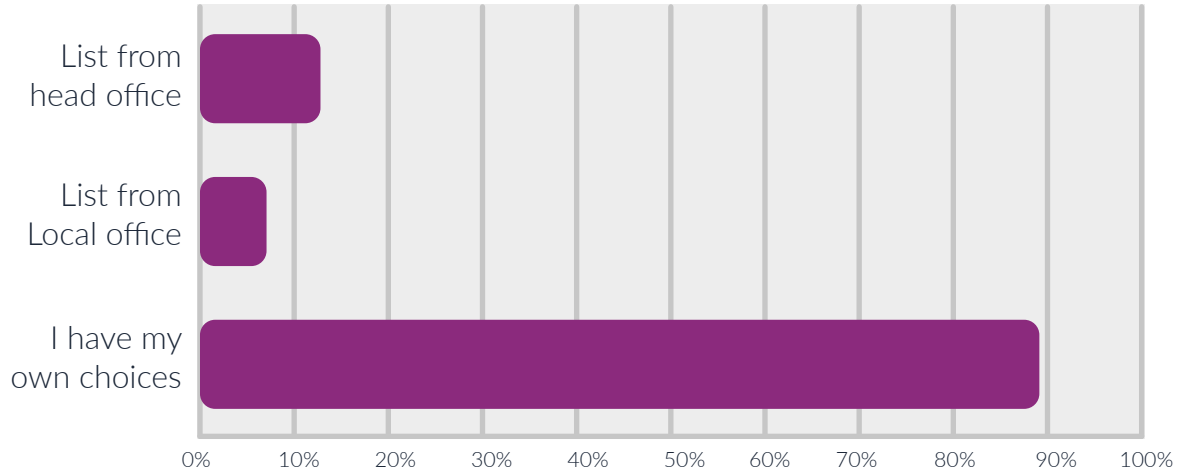
The majority of estate agents (88%) create their own list of recommended solicitors/conveyancers.³



“We only use 20 legal firms. For us it’s about a streamline approach, efficiency. Each local office will have three to four to choose from within that panel.”

– Conveyancing Manager, Estate Agent, WYM Conveyancing
Introducer Survey 2015

Selecting a conveyancer

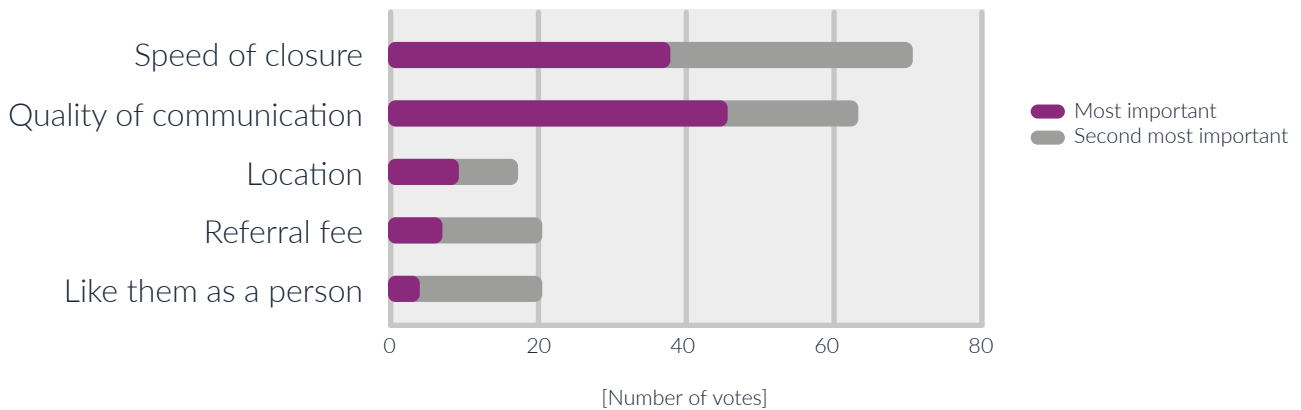


WYM Conveyancing Introducer Survey 2015

45% regularly look to improve their panel of conveyancers.

Estate agents have specific aspects that they look for in the conveyancers they work with. The most important attribute is a fast speed of closure and a high quality of communication. Conversely, location and referral fee are the least important qualities.

Most important attributes of a conveyancer



WYM Conveyancing Introducer Survey 2015



“The most important thing for us would be communication. 99% of buyers and sellers have the common misbelief that the agent is responsible for updates when we are merely there to monitor. It is frustrating when we get clients disappointed with lack of movement and we have left multiple messages for their solicitor.”

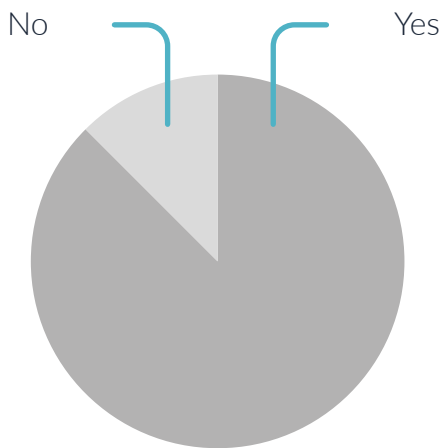
– Conveyancing Manager, Estate Agent, WYM Conveyancing Introducer Survey 2015

Lack of good conveyancer relationships

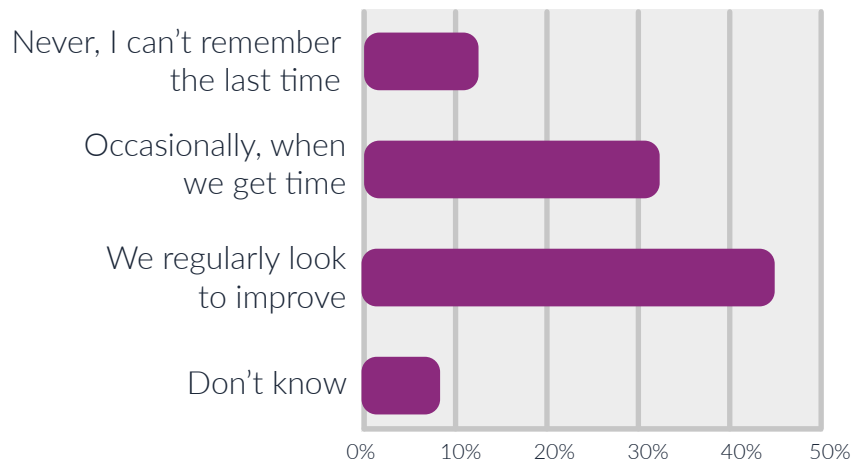
Poorly delivered conveyancing can slow down the house buying process and even risk revenue for estate agents and brokers. It is no wonder then that 87% of estate agents would be open to working with a new conveyancer if their personal criteria was met.⁴

Estate agent loyalty

Do you recommended non-local conveyancers?



How often do you update your recommended conveyancer list?



WYM Conveyancing Introducer Survey 2015

There is little evidence to suggest that estate agents are loyal to their conveyancers. Yet, this seems to contradict the fact that estate agents hold the conveyancers they work with in high regard. If fickle relationships could evolve into strong partnerships, the whole process could be honed and developed as both sides learn each other's working habits.

The disconnect between the appreciation of good service and lack of loyalty could stem from the fact that the bar for good quality is set so low (due to the factors mentioned above). By having a low starting point for what is considered good service, it is easy to exceed these low expectations.

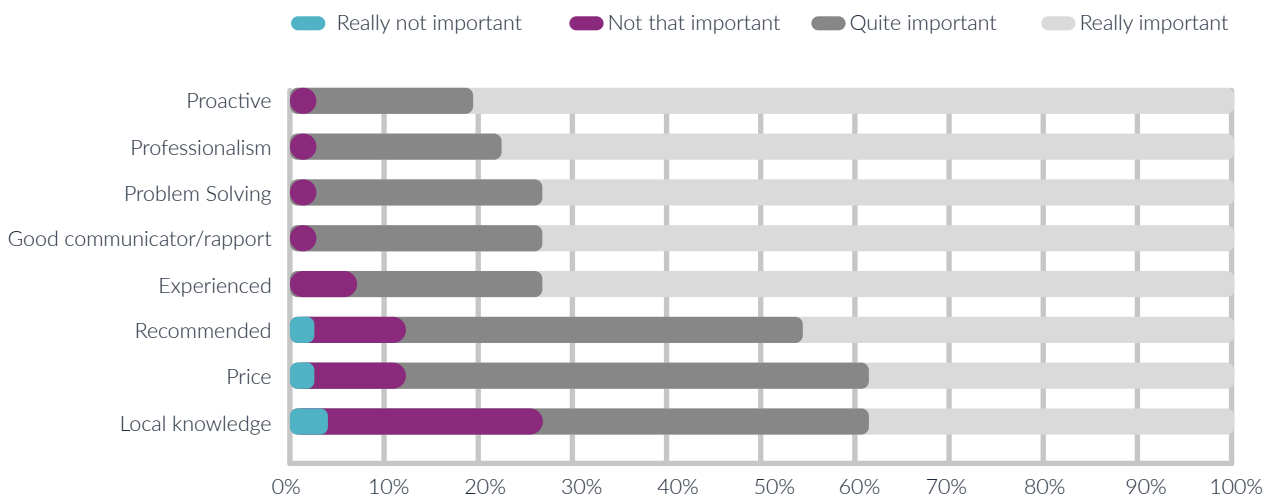
87% would be open to working with a new conveyancer.

High consumer expectations

In a traditional market, it is unsurprising that older consumers are more happy with their conveyancing service than younger consumers who find the traditional approach slow and frustrating.

Price and local knowledge are no longer key factors in the selection process⁵ but conveyancers are expected to be 'all rounders.'

The importance to you when selecting a conveyancer/solicitor



WYM Conveyancing Introducer Survey 2015

Consumers are increasingly expecting a higher service with quality of communications and speed of closure being the most important attributes of a quality conveyancer.⁶ They see proactivity, professionalism and problem-solving as paramount when working with conveyancers.⁷

This not only puts pressures on conveyancers, but also estate agents: how can they accurately predict completion dates if the communication is fractured and the information is incorrect?

CONSUMERS AT BREAKING POINT

As consumers look to select a conveyancer, factors such as price and the level of service are taken into consideration. The ideal conveyancer offers a quick, reliable service for a reasonable price, but as conveyancers race to the bottom of the pricing ladder, this is not necessarily attainable.

The race to the bottom

People are willing to pay more for a better service, but this does not mean that price isn't a factor.

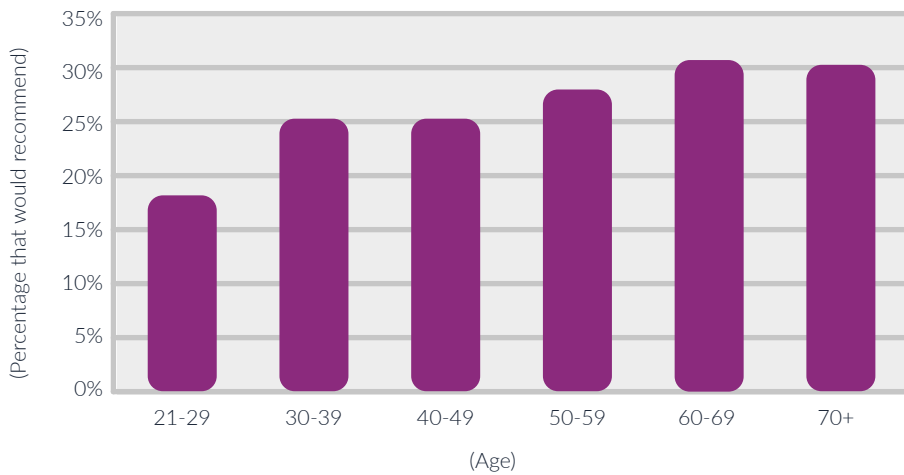
The Home Moving Trends Survey in 2013 revealed that one out of every five home movers picked the cheapest conveyancer. If a low level of service is expected in the first instance, then many would argue that they don't want to pay more for a mediocre service. If there was an option to receive a guaranteed higher level of service, then people may be prepared to pay for it.

Conveyancers are racing each other to the bottom of the pricing ladder, but cheap doesn't always mean the best.

People are purposely using cheap conveyancers with 82% of people saying cost is an important factor when choosing a conveyancer. This means the selection is out of the hands of the estate agents. 13% of people then go on to experience and unexpected increase in cost incurred by the conveyancer when buying their property, which shows that price cannot always be relied upon as a selection criteria.

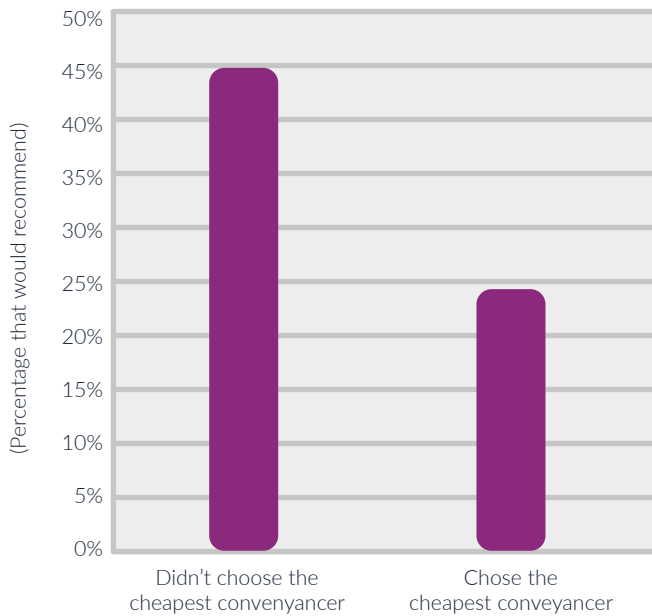
Consumers consider legalities a necessary evil and they often just look to their introducers to recommend a conveyancer who will minimise the costs. However, as 45% of those who didn't choose the cheapest conveyancer can be considered promoters, whereas only 24% respondents who did are promoters.⁸

Promoters by age group



WYM Conveyancing Introducer Survey 2015

Promoters by price of conveyancing



WYM Conveyancing Introducer Survey 2015

The next generation of house buyers

It's no secret that property is a traditional market that still uses conventional methods. Conveyancers even have to undertake Chancel record checks dating back to Medieval times. But in a process that involves so much back and forth of highly technical documents, the uptake of technology could be highly beneficial.

Millennials' shopping habits have evolved with the rise of eCommerce to the extent that they believe they can buy anything online, from their weekly grocery shop to a house. There's an expectancy now from this generation that you can set up alerts on RightMove and sell your house on Purple Bricks and have a predictable, low cost fee for doing so.

There has been a limited uptake of technology in the industry, although this has accelerated in the last six months with the likes of Purple Bricks and easyProperty becoming popular alternatives to the high street agencies.

Additionally, first time buyers are finding their margins squeezed more than ever before and will look to save money wherever they can. Paying an estate agent 1% can actually be a significant fee that could be spent elsewhere – buying online eliminates that fee.

Purple Bricks is a great example of how real estate is slowly edging forward in terms of technology and how technology can help the home buying process. The online agency describes itself as the 'world's first 24/7 estate agent that combines the human face of the estate agency model with a unique, interactive digital approach.'

As well as smoothing over and speeding up the process, technology could also help introducers to understand their clients more by opening up another stream of communication and enabling them to monitor the process as it progresses.

Legalities of laundering

The Solicitors Regulation Authority (SRA) estimates that up to £57billion is laundered through the UK every year, and law firms are one of the main targets – making conveyancing one of the biggest sources of fraud in the UK.⁹ It is all too easy to leave money with a conveyancer under the pretence of a deposit, then return in a few weeks to withdraw the money having decided not to go through with the purchase. The money has unwittingly been cleaned by the conveyancer. This wastes time and money for all involved.

Money laundering is rife across the market and regulation from the SRA and the Council for Licensed Conveyancing (CLC) is trying to ensure that it is stamped out. For compliance, anti money laundering (AML) checks need to be put in place to ensure that this is not a threat to business.

Ensure that the conveyancer you're working with meets the following criteria to eliminate the risk of money laundering:

- FSA registered
- Asks for ID documents from clients i.e. utility bill, passport, driving license
- Customer due diligence (CDD) is used
- Provide training to staff

Conveyancing
is one the
biggest sources
of fraud in the
UK.

BROKER'S SIDE OF THE STORY

We spoke to Simon Marzell of Insight Private Finance Limited to further understand his view on the conveyancer vs estate agents/broker relationship.

1. How do you rate your current relationships with your conveyancer partners?

Some are ok, but some are really bad. Often they stand in the way of getting business done as far as we're concerned.

2. What would you like to see being improved in the industry to improve completion times?

The way conveyancers operate is very self-centred. They don't understand the process and are bogged down with what they're trying to achieve. They don't see the process around what happens and drag their feet.

3. What frustrates you the most about the house buying process?

Conveyancing is service driven, so we're choosing based on the service they offer. The introduction fee can have an impact but it's really whether they allow us to speed up the process of the transaction. If the client is choosing the conveyancer then we have little or no say in what happens. If the lender chooses, we have no say at all.

4. Where do you see the future heading for estate agents, brokers and conveyancers? What changes will they be forced to take over coming years?

We're all in this – the estate agent wants to control the whole thing – they will want to put the conveyancer in place, but so do we [the broker] so from the very first point we're at loggerheads about whose conveyancer is going to be used. Everyone wants to control the conveyancer because that ultimately controls the flow of money.



Simon Marzell
Founder
Insight Private Finance Limited

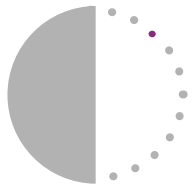
MAKING THE RIGHT MOVE

Technology first conveyancer When You Move Legal focuses on delivering exceptional service in four key areas to ensure the relationship with its consumers, brokers and estate agents partners is flawless.



Efficiency

The house buying industry operates on a very conventional basis, made up of lots of manual processes. When You Move Legal's unique CRM platform connects the consumer, estate agent, broker, removing the risk of manual errors and more importantly speeds up the entire process through real-time automation.



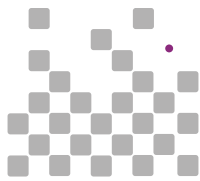
Transparency

To deal with this reactive nature, transparency can help to see exactly what point each party is at. When You Move Legal offers the estate agents and brokers complete transparency outlining status on key milestones and tasks through the whole process. The dashboard also highlights completion dates and more importantly when they can expect their procurement/referral fee.



Quality customer service

By using technology, customer service can be improved by constantly knowing what is happening. Our real-time dashboard keeps you connected with your conveyancer 24/7. Estate agents and brokers can live chat with your dedicated conveyancing account manager.



Real estate for the digital generation

Estate agents need to be working with conveyancers who have state of the art technology behind them. They need to understand the next generation of home buyers who prefer to do things online. More than 50% of millennials search for homes on their phones and, among those, 26% end up buying this way too, according to data from the National Association of Realtors.¹⁰ When You Move Legal's CRM conveniently pulls through key information on a single case into a handy app which your customers can access 24/7 to get updates and notifications on where they are in the process in real-time.

ACT NOW

The time is now to address these issues and change the way the market works. By setting higher standards within the industry, relationships between estate agents and conveyancers could be cemented and partnerships forged to work towards a more efficient house buying process for consumers and meet their high expectations.

Introducing technology to an antiquated industry would help improve efficiency by speeding up processes, provide transparency so that timescales could be adjusted realistically and introduce a higher level of customer service.

By providing a higher standard of efficiency, transparency and customer service to the industry, When You Move Legal hopes to enable longer-term commitments between introducers and conveyancers, creating lasting partnerships and raising industry standards.

By setting higher standards within the industry, relationships between estate agents and conveyancers could be cemented.

About When You Move Legal

When You Move is the only truly technology-first conveyancing business, combining years of legal expertise with industry-leading technology to place customer service and efficiency at the heart of everything we do.

Our innovative dashboard and mobile app ensure that conveyancing is completed efficiently, with proactive status updates – for you and your customer – every step of the way. You'll never be in the dark about status or projected completion times again.

Whether you're an estate agent, mortgage broker or financial service-provider, your business will be set up with our state of the art technology, which can be easily integrated into your existing systems.