

DISCUSSION PAPER

# How to improve buying and selling in England

October 2023



# Foreword from the Chair of the Home Buying and Selling Group

**The Home Buying and Selling Group (HBSG) is an informal mix of people from across the property, legal and finance sectors all of whom passionately believe that by working together we can improve the home buying and selling process for consumers.**

**Over the last five years the participants have spent a significant amount of time discussing, considering and working to solve the key issues that affect how we buy and sell homes in England and Wales, including:-**

- 1.** Working out how to reduce the proportion of transactions that fall through after an offer for a property has been accepted – which currently stands at around 24%\* - and addressing the issue that it takes, on average, 210 days to progress from sale agreed to completion\*\*. We have focused on identifying the causes of these problems and are proposing solutions to overcome them..
- 2.** We have also identified solutions to ‘urgent problems’, such as needing an extension of the Stamp Duty Land Tax discount, due to many buyers not being able to complete on time, and finding ways to tackle and solve issues created by the Building Safety Act 2022, which are affecting buyers, sellers and others.



## Forward from the Chair of the Home Buying and Selling Group

In addition, the Home Buying and Selling Group have supported initiatives such as creating an industry-wide snagging survey working alongside the New Homes Ombudsman's reforms allowing new home buyers to send in a surveyor to inspect a new build property prior to completing their purchase. We have also worked closely with the government in the creation and updating of the 'How to Sell' and 'How to Buy' guides.

The National Trading Standards Estate & Letting Agency Team and its steering group have referenced work carried out by our Upfront Information Group, such as the BASPI. The already released phase A of the new Material Information changes has already started to impact positively on the information buyers receive prior to viewing or making an offer for a property. The final two phases (B & C) are due to be released before the end of 2023.

Following the first pandemic lockdown, we worked with government and the property industry at large to develop 'home moving' guidance for both industry professionals and consumers to ensure people could move safely. That involved us working with professional and trade bodies, including redress schemes, ombudsman organisations and regulators; legal and estate agency practitioners; mortgage lenders; removers, who had the very tricky task of trying to physically move people safely; small, independent companies through to franchise operations and large corporates. The support of all these bodies, organisations and individuals was essential to open up and keep the property market moving during the pandemic.

**The work we have done to date has helped create a 'home moving industry' that works closely together, along with government and other organisations such as The National Trading Standards Estate & Letting Agency Team .**



**Our aim is simple: to make buying  
and selling homes easier and more  
certain, more quickly.**

**What's astonishing – and inspiring – is the amount of industry experts who have been willing to volunteer huge amounts of their own personal time and commit business resources to help us get to the point we are today: being able to publish our recommendations on how to improve the home buying and selling process.**

Some of this we can do as an industry ourselves. Some requires the support of government and organisations such as the HM Land Registry. But we also need to communicate these changes to the industry and the public, so will need the help and support of the media.

This discussion paper highlights a roadmap for changing the way we move home now to how we will move home in the future. Although we are confident we have the right ideas and solutions, the reason for this paper is not just to secure support for the way forward, but to gain feedback from everyone involved in the moving process so we can address any concerns or fears, take on board issues we may not have considered, and refine or change the solutions.



**While we have received considerable input already, we want everyone involved in the home moving process to contribute to help find solutions.**

As Chair of the Home Buying and Selling Group I have huge admiration and am so grateful for all the work the participating volunteers have gifted to get us to get to this stage, and especially for their focus on helping consumers – not themselves or their businesses. Our job now is to take action on what can be improved and start testing and implementing the best ideas and solutions.

I look forward to working with anyone and everyone that wants to improve the home buying and selling process for consumers and in return, improve the daily lives of those who work so hard to put a roof over people's heads.

**For more information on the work the HBSG do, please visit <https://homebuyingandsellinggroup.co.uk/>**

**For anyone that wishes to feedback, please post your thoughts on our LinkedIn page <https://www.linkedin.com/company/home-buying-selling-group/>**



A young child is lying on their stomach on a light-colored carpet, wearing large white headphones and looking down at a tablet device. In the background, a family of three (a man, a woman, and a child) is sitting on the floor, looking at a tablet together. The entire image has a light blue overlay.

# The Case for Change

## The Case for Change

Buyers and sellers who want to move home have a tricky path ahead for three main reasons:-

### **1. The buying and selling process can take on average up to 210 days.**

Most people who move tend to do so for a number of reasons, some happy such as buying a first home, marriage and having a baby, others more difficult, such as death of a family member, divorce, debt. Whatever the reason, all can be stressful times. Add to the mix that there is typically a shortage of suitable homes for them to choose from and the chance that a property they want is available at a time they want to buy is low. According to Rightmove, around 4-4.5% of properties are available for sale at any one time and the average time from sale to completion is 210 days.

Not only do people have to put their life on hold for up to six months or more but, unlike buying a car, they also don't know for weeks, even months, whether their home will be sold successfully or if they will be able to secure the property they want to buy.

The personal reasons for people moving, the difficulty finding a home to buy and the time it takes to move are the main reasons, in our view, that moving home is considered to be one of life's 'top three stressful events'.



## 2. The costs and stress associated with c24%\* of sales falling through after an offer has been accepted

It's estimated by the Department of Business, Energy and Industrial Strategy (BEIS) that hundreds of millions of pounds are lost every year as a result of sales falling through. Twentyci's research found that in July 23, of 100 properties that had offers accepted, c25% of these fell through. Their figures show that these levels of fall throughs are costing the UK economy £2.8bln and delaying a further £6.7bln of spend. These figures are calculated based on the cost of an average home move being just under £30,000, with the average person then spending a further £11.5k on retail, such as furnishings, kitchen and bathrooms.

Research shows 24%\* of transactions fail for many reasons. We have surveyed and discussed the reasons for these fall throughs, tried and tested new products, services and ways of moving home and believe that we now have a way forward to improve the process to match other more efficient processes across the world, including:-

\*\*Scotland:-

- transaction times are 4 weeks faster on average
- average fall through rates are 66% less than England and Wales

\*Australia vendor disclosure states:-

- Transactions can be binding on offer with a 6 day cooling off period
- Fall throughs are less than 2%

\*Norway:-

- Transactions can be binding on offer with a 6 day cooling off period
- Fall throughs are negligible
- Digital ID has reduced fraud by 1,000%

\* both do have a comparable number of moves in a lifetime per person

\*\* Data provided by ViewMyChain (part of the Twentyci Group) for mean averages in March 2022





### 3. Lack of certainty and homemovers pay more from late or delayed moves on completion day.

For those that have managed to find a home and have exchanged contracts, another stressful time is the completion day. The HomeOwners Alliance estimate that **1 in 5 moves are delayed** and research from the British Association of Removers (BAR) members shows that **30% of all transactions are affected by delays in keys being released to the new owner. This costs buyers an additional 17.5% on top of the initial moving costs, which equates to nearly £30 million, or £83 per mover.** As BAR members have circa 30% market share of moves, extrapolated across the moving sector, this could mean unnecessary costs to movers of £88 million, with additional costs for hotel and subsistence costs incurred by not being able to move on completion day.

### Cost and impact on the home moving industry

Although the HBSG's main focus is on making the home buying and selling better for consumers, we recognise the pressure and difficulties that those operating in the industry face. And, unless we address these issues, it will be increasingly difficult for the industry to provide the excellent services it constantly strives to do.

To explain why the industry should support change in the home moving process, we are in the process of producing an additional paper:

**'The case for change: from an industry's perspective'**





# Our ambition



## Our ambition

The Home Buying and Selling Group believe it is possible, and within our grasp, to improve home buying selling, now and in the future.

We are calling for:-

**1.**

Regulation of Property Agents to ensure all buyers and sellers are cared for by qualified agents who can be trusted with their money and home security details.

**2.**

'One source of truth' that can be supplied once and relied upon by everyone in the home moving process through the digitalisation of property data via the Property Data Trust Framework.

**3.**

Consistent information to be shared with the media and consumers to empower buyers and sellers in the home moving process, and successful communication of any changes that are required due to a market upturn, downturn or economic shift that impacts buyers and sellers directly.

**4.**

Mandate information which meets recognised standards that potential buyers and stakeholders need to see in advance of making an informed offer.



**5.**

Approval of single Digital Identity verification for sellers and buyers via the Department of Science Innovation and Technology (DSIT) and Digital Identity and Attributes Trust Framework (DIATF) that can be relied upon by all parties to a transaction and buyers and sellers only have to verify their details once.

**6.**

To aim for all new owners to receive the keys to their home no later than 1pm on the day they complete.

**7.**

Make priority the implementation of the leasehold reforms recommended by the Law Commission and already announced by government.

**Word of caution**

However, we need to be realistic. What we can do as an industry is create a much better experience for sellers and buyers and property professionals, but we cannot change the hugely stressful life moments which often cause people to move: death, divorce, debt, getting married and having a baby. Nor can we ‘magic’ for sale the properties people want to buy – and they can afford. The product the industry has available to buy and sell is out of its control.

We can be sympathetic to the issues buyers and sellers face and to help reduce the stress involved in the process of moving home.

In order to achieve this, we need to make it faster and to reduce the chance that the purchase/sale falls through by increasing transparency and certainty.



# Our Action Plan

We have created a roadmap for discussion which recommends:-

- 1.** How buyers, sellers and the home moving industry can change the home moving process now.
- 2.** Testing and adoption of new products and services, which meet recognised standards, such as the provision of quality upfront information, which can improve the home moving process now and in the future.
- 3.** Changes which require government and media support that will truly revolutionise how buying and selling a property in England and Wales works.

This roadmap will dramatically reduce the time it takes for buyers and sellers to move home, reduce fall throughs and aid a successful completion day which means everyone has access to their new home by 1pm.

To explain the changes we would like to discuss, we have divided the home moving process into six stages. Below, we have explained how we should move home 'now', so we can improve the buying and selling process in a matter of months; then we have outlined how we should move home 'in the future' at each stage.



## How we should move home 'now'

On the following pages we have summarised the changes that we need the government, industry, consumers and the media to adopt to improve the home buying and selling process now.

## How we should move home 'in the future'

To make the buying and selling process work for buyers, sellers, government and the industry, we must move away from collating the huge amount of data required to exchange and complete, most of which is paper led.

The data must be digitised. This requires investment from government, the industry and help communicating the changes to consumers by the media – but buyers and sellers need to be on board as we may need them to agree to pay upfront for legal advice and property information to help smooth the process of buying and selling.



# Stage 1: Deciding to Move/Property Viewings

## How we should move home 'now'

Issue revised 'How to Buy', 'How to Sell' and 'How to Lease; government guides which provide consistent, easy to read, consumer led advice and steps to move home.

Issue joint-industry/government consumer guidance for flats in buildings over 18m/7 storeys in height, regarding the Building Safety Act which gives full and comprehensive advice to all buyers and borrowers, regarding their obligations, specifically financial.

These guides should be mandated in the same way as the 'How to Rent Guide' for tenants which all agents and landlords have to prove they have sent out.

To ensure only buyers are only able to view properties that they can afford, they need to have that ability to afford qualified prior to visiting a property, while ensuring the buyer's privacy and bargaining power is balanced.

Evaluate Sellers circumstances to check they do want to sell and asses any potential delays which can be caused by Probate, Divorce, Help to Buy valuations, Building Safety issues.

The use of a certified digital identity through the Dept. Science, Innovation and Technology's (DSIT) Digital Identity Attributes Trust Framework (DIATF), for sellers and buyers, creates the conditions and environment for the adoption of trusted digital signatures and Qualified Electronic Signatures (QES)

## How we should move home 'in the future'

IRegulation Of Property Agents (ROPA) – or the equivalent by other means - to ensure all agents, including managing agents, make the changes required to improve the home buying and selling process, adhere to fraud checks and comply with legislation including the new material information, for flats in tall buildings, identification of the Building Safety Act and future changes such as provision of leasehold management enquiry forms: LPE1s and FME1 within a set timeframe and with an enforced price cap on the cost of provision and updating.

We ask that the UK Government oversees and adopts the digitising of property data via the Property Data Trust Framework.

All properties have a property logbook which is populated by trusted data that is digitally sourced and verified.

All prospective buyers have proof that they have the financial means to put an offer on the property. This could be via the mortgage broker or a decision in principle . Buyer declares upfront it requires a gifted deposit and/or property to sell/remortgage.

At all stages, when searching online, first contact with the estate agent, the lender, the remover, that the consumer is sent the government's How to Buy / How to Sell guides.

One digital ID Certificate is secured and shared with all stakeholders in the process. Anti Money Laundering checks to be completed via Open Banking , for source of funds as well as elements of source of wealth, and risks identified and checked through the transaction. Consumers should only have to provide their ID once.

The costs of moving home, including Stamp Duty Land Tax (SDLT) and fees from agents, legal professionals, surveying, removal companies are calculated for all buyers and sellers, inclusive of VAT.

Information provided on how much money is required for a deposit and how long it would take to transfer money to the legal company from the accounts the money is in.



## Stage 2: Preparing to sell/buy a home

### How we should move home 'now'

Sellers to compile the paperwork that is legally required by agents and legal professionals prior to putting your home up for sale. For leasehold this includes tenure, length of lease.

Sellers to instruct legal companies either before, or day one of marketing.

Generate all the paperwork that is legally required by agents and legal professionals prior to putting your home up for sale. This includes the new material information required such as the tenure. In addition, information such as your title register from the Land Registry, what you know and have done at the property, any certificates and environmental factors that might impact it for example, whether it has flooded in the last 5 years, and if so, why?

There are forms sellers can fill in before you market your property to help with this which include: Property Information Questionnaire), the Law Society's Property Information Form (TA6) or Buying and Selling Property Information.

Check the EPC is valid.

Tests and adoption of the Buying and Selling Property Information (BASPI) data set which has identified 220 potential property questions required to sell a home, Property Logbooks and digital property packs.

Get your legal company to order relevant searches from the the Local Authority searches, Drainage & Water Authority searches, the Coal Authority (where the property is located on the coalfield), and environmental data as well as locality dependent searches to identify the relevant material information with the authorities.

### How we should move home 'in the future'

We ask the UK Government to:-

To consult on pre-marketing property surveys, similar to the checks suggested for the Private Rented Sector Property MOT, which require a gas and electric safety certificate.

Oversee and adopt of the digitisation of property data via the Property Data Trust Framework.

Mandate quality upfront information including material information, and consider solutions such as property packs produced including required searches, BASPI (including the Property Information Form and the Property Information Questionnaire), title documents and plan, LPE1/FME1 provided by landlords/ managing agent(with a capped refreshment fee), reviewed and issues identified prior to buyer being found.

Mandate property logbooks for sellers and future buyers.

For transactions which will create new titles (e.g. new build) a notional register is created to provide assurance that draft documentation is approved.





## Stage 3: Marketing and buying a property

### How we should move home 'now'

All buyers and sellers and the home moving industry to understand the new material information a property has to be advertised with or online or via a brochure.

We ask the UK Government to support wider exposure and consultation on the introduction of a reservation agreement, following research undertaken prior to the pandemic.

### How we should move home 'in the future'

Sellers and buyers work with a qualified and regulated agent (ROPA)  
Property packs are produced via logbooks to sell a home, including search information and condition report.

Agent technology produces a digital exception summary of relevant Material Information which is interoperable with lenders and identifies which will accept the property.

EPC should be available prior to the marketing of the property.

Buyer -Identity/ Anti-money laundering (AML) and financial qualification checked by agent before putting offer forward.



## Stage 4: Offer accepted on property to exchange

### How we should move home 'now'

Agents to send material Information and Property Information Questionnaires with memorandum of sale to legal professionals if they have not been provided with them already.

Buyers to provide funds on account and ensure their legal professional applies for the searches, if they haven't been provided with them already eg with the Property Pack, within the first week of instruction.

The HBSG to revise and seek adoption of the Industry Pledge to create a transparent process of buying and selling a home to give clarity of 'who is responsible for what' during the home buying and selling process to government, buyers, sellers, industry and media.

Buyers, sellers and the industry to understand any limits and/or timescales to transfer funds for deposits and completion.

### How we should move home 'in the future'

We ask the UK Government to make all property data available digitally and in an open format.

Sellers legal professional views real time redemption figures and/or Help to Buy loan on secure portal to check there is no negative equity to be paid on completion.

HMLR to create a notional register based on the dispositions prepared digitally, undertakes bankruptcy search on buyer and registered proprietors, sets priority of register until Completion and registration, and highlight any requirements which will be needed to register the updates to the title on completion.



## Stage 5: Exchange to completion

### How we should move home 'now'

Urge the UK Government to include in the buying and selling guides and seek industry adoption from lenders through to removal companies and van hire companies our checklist on 'how to move by 1pm' on completion day.

If a mortgage is required, ensure the legal company withdraws the funds 24 to 48 hours before completion day. Check how much interest this will cost. Please note: Legal companies typically need to 'order' mortgage monies 5 days before completion.

Know how much and when buyers/sellers can transfer final monies to the legal company (this may be an approximate figure at this stage if mortgages are required).

Work out how long it will take to transfer the money owed based on your banking/other limits eg one day or over a week?

Buyers, sellers and the industry to understand if there are any smart systems such as heating controls in the property, how these will be accessed on moving day.

### How we should move home 'in the future'

Sellers legal company checks secure portal for real time redemption figure with a daily rate of interest enabling them to calculate the amount due up to completion.

Mortgage funds drawn down using a digital banking reconciliation service.

Payment of funds set up the working day before completion using Synchronised Operator to ensure that the money passes as priority through the Real Time Gross Settlement System to be held to order pending confirmation of completion between the seller and buyer conveyancers.



## Stage 6: Moving Day

### How we should move home 'now'

Lenders to provide funds for property moves by 9am on moving day, if not provided before moving day.

Anyone moving themselves should be packed and ready to go the night before completion day.

Those using a removal company need to receive, where possible, a commitment from removal company for the property to be empty by 1pm.

Everyone aims to move out by 1pm on completion day.

### How we should move home 'in the future'

Sellers conveyancer confirms receipt of funds to HMLR triggering registration and notification to all stakeholders and seller/buyer that legal completion has taken place see stage 2 for new build titles.

Sellers conveyancer redeems mortgage triggering removal of sellers mortgage from title at HMLR and updating Title Document in the Property Logbook for the buyer and their lender to access.

Smart systems update utility companies of meter readings and update to the buyer's preferred supplier.

Smart systems and Property Logbook trigger password reset request to buyer and prevent ongoing seller access of systems.



# Conclusion

All buyers and sellers deserve a moving process that is predictable and transparent, especially during their most stressful life events. Buying and selling a home takes too long, it's too uncertain and moving day is too stressful. The participants of the Home Buying and Selling Group and the organisations and companies we work with have worked to find ways to improve the experience of buying and selling. We continue to work with, and lobby where needed, government and industry to ensure we can realise these ambitions.

This is our 'home moving roadmap' which can deliver change now and we believe this is the way forward that will revolutionise moving home for all involved, in the future.

We can – and have to – change, now and in the future. Over one million annual buyers and sellers deserve it and that's over six million households lives we could substantially improve in just five years. But so do the incredibly dedicated experts that ensure people find the right home. They need to understand the issues to buy and sell a property before offers are made if they are to deliver a trusted process that results in everyone being in their new home within a decent timeframe.

**We look forward to hearing your thoughts.**

**To engage, please contact us via our Home Buying and Selling LinkedIn group: <https://www.linkedin.com/company/home-buying-selling-group/>**



# Glossary

**Home Buying and Selling Group (HBSG)** – the HBSG is an informal mix of people across the property, legal and finance sectors all of whom passionately believe that by working together we can improve the home buying and selling process for consumers.

**New Homes Ombudsman** – the New Homes Ombudsman Service exists to help customers resolve issues with their new homes, which the Registered Developer has been unable or unwilling to fix. The remit of the New Homes Ombudsman Service covers the whole period from the Reservation and Legal Completion of a property through to after-sales and complaints management for issues during the first two years of a new home purchase.

**Upfront information** – information provided by the seller about the property at the point of marketing.

**Material information** – under current legislation, as set out in the Consumer Protection from Unfair Trading Regulations 2008, estate and letting agents have a legal obligation not to omit material information from property listings. Guidance from National Trading Standards Estate and Lettings Agency team states that “material information is any information “ information which an average consumer needs in order to make an informed transactional decision” which would impact the decision that a consumer makes in relation to the property, such as arranging a viewing, putting in an offer to rent and proceed with any other aspect of the process”.

**National Trading Standards Estate & Letting Agency Team** – The National Trading Standards Estate and Letting Agency Team protects consumers and businesses by enforcing the Estate Agents Act (1979) and the Tenant Fees Act 2019.

**Regulation of Property Agents** – The RoPA working group was made up of industry and consumer experts who examined the options available for raising standards across the property agent sector.

**Property Data Trust Framework** – developed by a collaborative working group with the objective of creating the framework, data, and technology standards we need to make property information available upfront enabling customer transparency, user confidence, informed decision making and to reduce the current time, uncertainty, risks and stress experienced by customers and industry participants. Department of Science Innovation and Technology

**Digital Identity and Attributes Trust Framework** – a governance structure, under pinned by legislation, to ensure that robust standards are applied to maintain trust in digital identity products and services as uptake increases and technology develops.

**Buying and Selling Property Information (BASPI)** – is a dataset designed to be the ‘one source of truth’ when it comes to upfront information about a property – it is completed at the point of marketing a property, can be pre-populated by Authority data,

and it is planned that the data be made accessible to all stakeholders cutting down on the need for duplication of tasks and information collation within the process.

**Building Safety Act 2022** – sets out safety requirements for landlords of higher-risk buildings.

Higher-risk buildings are:

- at least 18m or 7 storeys high,
- with 2 or more residential units.

**Anti-money Laundering (AML)** – legal due diligence checks that must be made to confirm the identity of a customer.

**LPE1s and FME1** – forms used by conveyancers to collect information held by landlords and managing agents and management companies on leasehold and freehold properties.

**Upfront Information Group** – a sub-group of the Home Buying and Selling Group which has worked on the development of upfront information for marketing properties.

**Industry pledge** – recommends that sellers instruct a property solicitor on the day they market their property and fill in the property information forms as soon as they can.



To find out more about the participants of the HBSG,  
please visit <http://homebuyingandsellinggroup.co.uk>

