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INVESTING IN THE UK: COMPLETE GUIDE TO THE CONVEYANCING PROCESS

This guide provides an overview to Investors on the legal process when purchasing a property in the UK.

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What is conveyancing?

Conveyancing is the term used for the legal process of transferring property ownership from one person to another. It will be carried out by a solicitor or licensed conveyancer.

Stages of the conveyancing process

There are multiple stages of the conveyancing process when investing in the UK. Here is our step-by-step guide to help you throughout process.

Stage 1: Instructing a conveyancing solicitor

It is important to use a trusted legal professional to assist you in purchasing a property. Often the selling agent will refer you to a solicitor they work with regularly, however you can use any legal firm that is regulated by the SRA (solicitors regulation authority). To “instruct” a solicitor means to formally confirm you want them to act on your behalf and agree to their associated fees, which is often done by signing their terms of business/ client care pack.

Stage 2: Draft contract and sending enquiries

The beginning of the conveyancing process involves your solicitor reviewing the draft contract pack and any other relevant key information issued by the sellers’ solicitor. Any concerns or information missing, enquiries will be raised by your solicitor until they are satisfied with proceeding. You, as the buyer, are also expected to read over the information as soon as your solicitor is ready to send their report out to you and raise any questions you may have.

Stage 3: Conducting a full set of searches or an indemnity policy

Property searches are checks commissioned by your legal representative to provide information on the property you intend to buy. These include, but are not limited to, local authority searches, water and drainage searches, and environmental searches. In some instances, you can purchase a no search indemnity policy if the searches have not been received and the parties need to exchange contracts. This helps to speed up a transaction significantly, however not all mortgage lenders will accept this, so it is worth taking legal advice.

Stage 4: Anti-money laundering checks

Often referred to as AML checks, there are a legal requirement for solicitors to conduct to ensure the client is using funds from a legitimate source. Due to the large sums of money changing hands throughout property purchasing transactions, conveyancing is susceptible to fraud, with people using money from the proceeds of crime to purchase property, so it looks "clean." Solicitors have a duty to conduct AML checks on each client.

For your AML check, your solicitor will require certified copies of your photo ID, proof of address, and source of funds documents to show how and where the funds have accumulated. Some solicitors will use apps such as Thirdfort or CREDAS to allow you to do this electronically.

Often, solicitors will require 6 months' worth of bank statements; however, they may ask for up to 12 months if the funds have come from savings. They may even request additional documentation if the funds have come from a house sale, inheritance, pension release, etc.

The most common misconception is that solicitors are just being nosey and snooping on your spending habits. This is not the case. Solicitors have an obligation to ensure they can satisfy where your funds have come from and are liable to criminal charges, hefty fines, or even having their licence revoked if they fail to comply with the law.

Stage 5: Report out, signing contracts and sending deposit monies

Since receiving the draft contract pack issued by the sellers' solicitors at the beginning of the conveyancing process, before your solicitor can report out to you to sign the contracts, they would need to ensure the following:

- All AML checks are completed, including checking your evidence of funds, ID checks, etc. (refer to stage 4).
- All enquiries have been answered and satisfied.
- The completion date has been agreed upon.
- The agreed deposit amount is transferred to your solicitor's client account prior to the exchange of contracts. Your solicitor will provide you with an exchange statement detailing their legal costs, third-party costs, and the agreed deposit amount.

Once you have read over all relevant information your solicitor has provided to you, sign the contracts in wet ink and scan and courier the hard copies back to your solicitor's company address.

Stage 6: Exchanging contracts

Exchanging contracts is one of the most important stages of the whole conveyancing process, your solicitor and the sellers' solicitor will agree on a date and time to exchange contracts. Your solicitor will email you requesting for 'authority to exchange' prior to exchanging contacts which is required on the same day of the agreed date. At this point the deposit will be sent to the seller's solicitor.

Stage 7: Completion

This is the exciting part, where the outstanding purchase funds are transferred to the seller's solicitor, the property is legally yours and you can collect your keys.

The buyer's conveyancer then has 14 days to register the buyers' ownership with the land registry and pay the Stamp Duty Land Tax due to HMRC.

Interested in investing in UK property?

If you are looking to invest in UK property, get in touch with the team today!

You can always give us a call on 01133808930 or visit and enquire on our website.