

The Negotiator Conference & Expo 25

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Session 8

Sales process reform – policy or pipedream?



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Who should drive the buying & selling reform?

CM: Both Government and industry should be helping drive reform. We need the pain points to be made clear. Digitising records came about because of industry pressure and MHCLG responded, so industry can be proactive. Change will come as the Government legislates and invests.

TT: Changes are already happening in Norway due to collaboration, so this approach works. Industry should be coming up with innovative products and the data sharing framework that would revolutionise their industry - agents and their suppliers should lead the charge. Some aspects, however, are for the remit of the Government and it will legislate where required.

KF: I was shocked that people thought it was all the Government's responsibility. Those in the industry should be telling the Government what they need. We now have an industry that talks well to each other. There are now more than 40 organisations that manage and monitor the home moving industry but if we don't get stuff mandated, the dial won't shift. We also need to regulate agents so business is won by good agents and not the bad. There are about 7 Government

departments to work with to get everything through, so it is a collaborative job. We have everyone around the table and I am hopeful of getting this through, despite all the false starts.

TT: The MHCLG gets lots of letters from consumers moaning about the moving process. The other party pulling out, with no explanation, late in the process is the most common complaint. There are high costs attached to failed transactions. Conveyancers and agents are losing £1 billion a year on fall throughs - these are serious monetary consequences. We are consulting on early binding contracts but we acknowledge that there needs to be lots of change before that becomes a safe prospect. Agents should support this model as there is more certainty and less time spent on transactions that fall apart.

Is more upfront info the answer?

TT: There is a growing body of evidence that shows upfront info creates a better moving experience: it creates more speed and leads to less fall throughs. Extra upfront info is also in the interest of agents and conveyancers. In Scotland, home reports have had a positive impact. Ditto Norway. There is, however, an educational and

cultural journey that we are going to have to take consumers on. We know some agents and conveyancers are already gathering more upfront info. When they explain this process well to consumers, it becomes a fairly easy sell.

CM: I share in the optimism. The data required for the old Home Information Pack was hard to obtain and that may be the case with the upfront info required in the new reform. Therefore, we have to invest to get to the really resilient state that digitisation requires. Digitisation is the way forward.

RB: At present, each party holds their own information in their own bubble. Too many buyers are finding out the nasties and quirks of a property too far down the line. Why can't we be honest and upfront? Yes, the prep may take longer, but you will see fall through rates decrease, and lower fall throughs make agents more profitable. A little more legwork and transparency will pay dividends.

KF: There are some people who want everything upfront but there is a cost attached to that. Would a cost damage the number of sales? Is a £1,000 upfront fee too big? Or should we start with just some upfront information. We may also need indemnity insurance policies to protect against hidden faults not disclosed. ▶

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CM: We need to hear the results from the buying and selling consultation instead of second guessing about pain points. There is a difference between getting all the upfront info about a property versus getting the relevant upfront info. We need info from agents regarding what the buyer would like to see upfront.

What part will digitisation & standardisation play?

KF: In any other market you would have one system that handles the entire process but property IT doesn't talk to each other, plus we don't have the data to input into it. We need to do what has been done in Open Banking. All data should be trusted so it can

be confidently shared. Sellers will need to go through a cultural change regarding honesty. We also need to get the media onside. Journalists are keen to learn more.

RB: Digitisation is not there to replace people - there needs to be a mix of tech and human. A lot of systems don't coherently work together. Clients are paying multiple fees when they shouldn't have to. Conveyancing tends to be the weakest link in the moving journey. It's archaic. The fees are the same but processes are getting slower, despite the tech. Fix My Legals is cherry-picking collaborators who align with its goal. There is a lack of clarity and conviction on both agency and conveyancing sides. Each law firm can have its own processes. The

enquiries raised can differ on every single property - there is no consistency.

KF: And no sale or purchase is the same. Also the info that is required and the lack of consistency is a nightmare - we have to get to grips with that.

Q&As

Q *Who is paying for all of these reforms?*

A The seller will pay for any upfront information pack - we'd be bringing the cost forward and switching the responsibility from the buyer to the seller. The seller should recoup this cost as there is less chance of a fall through, and avoids the costs associated with remarketing and starting conveyancing over again. ■