



SLC RESPONSE TO THE CLC CONSULTATION ON IMPLEMENTATION OF CMA TRANSPARENCY RECOMMENDATIONS

Question 1

To help achieve Outcome 3.3 (Clients have the information they need to make an informed decision),

we propose including an additional specific requirement at CoC 3(q) to state:

“You provide Cost Information on your website and by other reasonable means on request.”

‘Cost information’ means:

- a) the total cost of the service or, where not practicable, the average cost or range of costs;
- b) a description of the service offered;
- c) your fee, or where not practicable your average fee or range of fees
- d) whether your fees are determined as a fixed sum or by reference to hourly rates;
- e) a description and the value of disbursements, including Land Tax. Where the actual cost of a disbursement is not known, a range of the likely cost of that disbursement;
- f) whether VAT is payable on your fees or disbursements and if so in each case the amount of VAT payable;
- g) whether you have referral arrangements with third parties, whether a referral fee is paid and, if so, the fee or average referral fee payable.

‘Land Tax’ means Stamp Duty Land Tax payable in England or Land Transaction Tax payable in Wales.

Do you agree?

Answer: We do not agree with the proposed requirements. Many conveyancers receive instructions from a variety of sources be they direct or referral and prices will vary due to location, referral source and other factors. To display this information on a website could be even more confusing to clients and will require a significant amount of changes to websites at a significant cost to firms.

There is reference to best practice guidance this should have been included in the consultation so that firms could reply to the consultation on with full knowledge.

The concern for all CLC regulated firms is that by taking this path, without other regulators implementing similar rules at the same time, they might be at a disadvantage. The CLC must ensure that all regulators follow a similar path both to ensure that the consumer can compare on a like for like basis. The CLC must also ensure that implementation of any changes is made at the same time as other regulators to ensure that no firm is at a disadvantage.



Question 2

To help achieve Outcome 3.3, we propose amending paragraph 8.4 in the Estimates and Terms of Engagement Code to state:

“8.4 a description of, and likely cost of, any disbursement likely to be included on the basis of the instructions received (with VAT separately itemised). Where applicable, Land Tax should be separately itemised.”

Do you agree?

This change is agreed. Although a clarification of description is required. Is a list of the disbursements enough or will an explanation of each one be required.

Question 3

To help achieve Outcome 3.3, we propose amending paragraph 13.3 in the Estimates and Terms of Engagement Code to state:

“13.3 the name, experience and, if applicable, qualifications of the individual having day-to-day conduct of the matter and, where applicable, of the individual responsible for its overall supervision.”

Do you agree?

No definition of experience is given so it is difficult to answer this question. If experience means no of years having undertaken the work, this is not an accurate reflection on ability. Further clarification is required.

Question 4

To help achieve Outcome 3.3, we propose including an additional paragraph in the Estimates and Terms

of Engagement Code to state:

“13.5 a clear description of the services included in the price, including

- a) the key stages of the transaction
- b) indicative timescales for the transaction
- c) a summary of services included in the price, and
- d) a summary of services which are not included in the price.”



Do you agree?

We agree that key stages of the transaction can be given. However it is potentially dangerous to give an indication of timescales. There are many external factors that will be unknown (How long is the chain? Is there a leasehold property in the chain? Is the chain complete?) this could lead to complaints from clients if indicative timescales are given.

Question 5

To help achieve Overriding Principle 6 (Promote equality of access and service), we propose including

an additional paragraph in the Estimates and Terms of Engagement Code to state:

“13.9 in respect of paragraphs 13.5-13.8, this information must also be made available on your website

and by other reasonable means on request.”

Do you agree?

We do not agree that this information is required to be added to websites. Currently this information is given within the terms of engagement and specific to that client. Should a client complaint it will also be set out fully in the complaints procedure. We do not see how this increases or promotes equality of access and service. Complaints information should be tailored to each client. Having the information on the website could also mean that 3rd parties seek to contact the firm to express dissatisfaction where they have no right to do so.

Question 6

To help achieve Overriding Principle 6, we propose amending CoC 6(j) to state:

“From the outset you advise Clients in writing of their right to make a complaint, how to make it, to whom, and the timeframes involved. You also make this information available on your website and by

other reasonable means on request.”

Paragraph 12 of the Complaints Code would also be updated to reflect the amendment.

Do you agree?

No Please see the reply given to Question 5.

Question 7

To help achieve Overriding Principle 6, we propose amending CoC 6(k) to state:



“You advise Clients in writing of their right to have their complaint escalated to the Legal Ombudsman

and provide them with contact details and timeframes of that body. You also make this information available on your website and by other reasonable means on request.”

Paragraph 13 of the Complaints Code would also be updated to reflect the amendment.

Do you agree?

No please see the reply to question 5.

Question 8

We propose amending CoC 1(o) to state:

“All business communications, websites and office premises display information confirming the entity is

regulated by the CLC, the practice licence number, and the names of the Managers (identifying those who are Authorised Persons).”

a) Do you agree?

This is agreed.

We are also considering removing the requirement to display the names of the Managers in CoC1(o) on the basis that it is for each CLC Practice to determine whether it considers that this is information which consumers will wish to see on their website.

b) Do you have any comments?

We agree that this is appropriate. For some companies this information takes up a large amount of room on the website which is unnecessary.

Question 9

We propose adding a specific requirement to CoC 1(p) to state:

“You must display the CLC secure badge in a prominent place on your website.”

‘Secure badge’ means:

A validation logo supplied and controlled by the CLC which enables consumers easily to check that the practice is regulated by the CLC.

Do you agree?

We agree that this requirement should be added. The secure badge is an additional fraud protection at no cost to the consumer or regulated firm.