

Property and Law Roundup

Purpose: For noting

Author: Director of Strategy and External Relations

Summary

The quarterly round up of key developments affecting the legal services regulated by the CLC. This is a supplement to the weekly reports on the economy and housing market that are circulated to Council Members by the Chief Executive.

Recommendation

The Council is asked to note the contents of this report.

Financial impact

None arising from the paper, but information contained can help plan for future impacts.

Diversity and inclusion impact

None arising from the paper, but information contained may help identifying upcoming issues.

Communications requirements

This paper is published on the CLC website.

Introduction

This is the regular update for Council on key developments in the economy, housing market, law and the legal sector. It builds on the information and insight provided weekly in the Chief Executive's update to Council.

Relevant CLC Principal Risks

Information in this paper could help inform the status and mitigation of the following risks.

PR1- Loss of significant practice fee income caused by depressed market conditions, practice churn or practice closure

PR2 - Unplanned increase in the cost of regulation to the point where expenditure exceeds income

PR6 - Not delivering on the CLC Strategy

PR7 - Practices are not able to secure Professional indemnity insurance or terms are unaffordable or unacceptable to the CLC

MODERNISATION AND DIGITALISATION OF LEGAL SERVICES

Transformation of Home Buying and Selling

The CLC's annual roundtable on the evolution of conveyancing took place in May, not long after National Trading Standards estate and letting agency team withdrew its Material Information guidance. This was because it had been based on estate agents' obligations under the Consumer Protection from Unfair Trading Regulations 2008, but these were superseded and replaced by the Digital Markets, Competition and Consumers Act 2024 (DMCC), which is policed by the CMA.

Beth Rudolf, director of delivery at the Conveyancing Association and co-chair of the Home Buying and Selling Council, expressed her frustration that the media coverage of this implied that MI was being ditched in some way – also releasing conveyancers from the focus on it – when in fact the underlying requirements on agents have not changed. But they need interpreting now without the specific property-related guidance.

At the same time, she pointed out, the CMA has far greater enforcement powers than National Trading Standards. "What we hope is that, if CMA does not, the industry will come together to produce an update on that guidance," she said – but fundamentally the content would not be different to what came before.

Sally Holdway director of technology consultancy Teal Legal and co-founder of the Home Owner's Passport, said: "The rules are absolutely there in the DMCC. It is very clear what you have to adhere to, but the challenge we have is the lack of visible enforcement, or clear guidelines."

What was needed, participants agreed, was a couple of hefty fines from the CMA to focus minds. Beth Rudolf explained: "The moment we see the big fines coming down, the agents are on board. I'm confident the CMA will start by asking for undertakings from agents to comply and, if they do not

comply, then they will be fined. That’s what they did with the new-build developers and the mis-selling of leasehold properties.”

But while uncertainty persists, the fear is that such momentum for MI as had been built up will dissipate. One way to counter this, she said, would be to include it in the Law Society’s national conveyancing protocol. While this cannot influence estate agent behaviour, it heavily influences conveyancers.

Epi Pearce, risk manager (property risk) at Nationwide Building Society highlighted too a recent announcement by Nationwide and Rightmove to pull in the MI from the site to provide real-time information about the likelihood of getting a mortgage on a home before even viewing it. “That is the biggest step forward that we have had in a while,” she said.

Stephen Ward, director of strategy and external relations at the CLC, said this was “an example of the prizes that are scattered across the process that are already there for the taking now”.

He said the Digital Property Market Steering Group – a coalition of government and industry partners that aims to accelerate the adoption of digital technology – was “our best hope”.

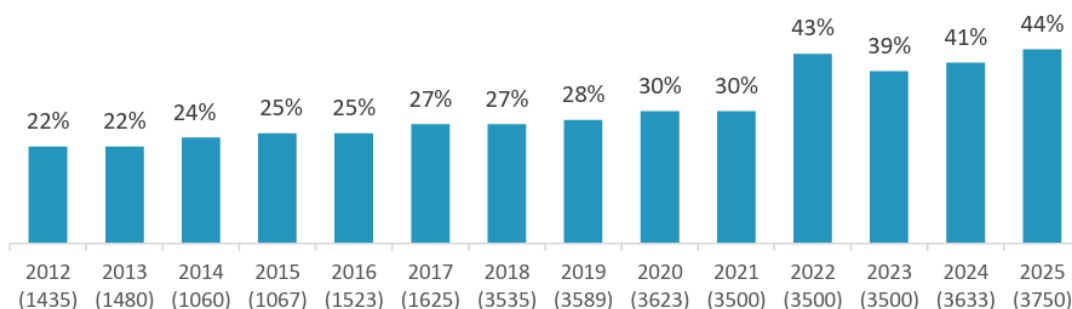
He continued: “But we need some real unity there so that all of the organisations involved and driving this transformation are truly working in concert. We need a coordinated campaign to ensure that the people who are delivering this on the ground, whether it is the estate agents, the conveyancers, the mortgage brokers, or the staff at the lenders, understand the benefits of this change for them and their clients and are confident about what they can do.”

The roundtable covered multiple other issues, including the amount of time lawyers spend chasing, the prospect of single ID checks that can be relied upon by all involved in a property sale, the performance of HM Land Registry, and digital signatures. The full write-up can be read [here](#).

Consumer Empowerment

The reports on the [Legal Services Consumer Panel’s annual tracker survey](#) were published this month. The report on choosing legal service providers shows that shopping around for legal services continues to grow, as shown by these charts extracted from the report.

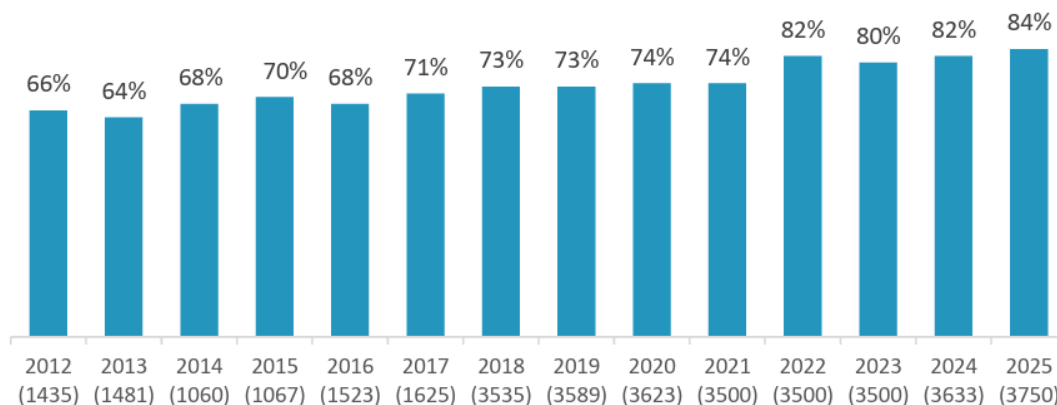
Figure 1. Did you shop around for the provider you chose?* (Base size in brackets, by year. Showing those who shopped around.)



*Question wording was changed from 2023 onwards, so data from previous years is not directly comparable.

It is interesting that many more consumers know that they have a choice, (as shown in figure 4, below) than actually shop around for a legal services provider. This may indicate where the sector needs to take more action to help more consumers exercise the power they are already aware they have.

Figure 4. How much choice did you feel you had? (Base size in brackets, by year. Showing those who felt they had a choice.)



ECONOMIC OUTLOOK AND INTEREST RATES

UK GDP Shrinks in May

The UK economy contracted by 0.1% in May 2025, following a 0.3% drop in April, marking two consecutive months of negative growth, according to [ONS statistics released in July](#).

Declines were most pronounced in manufacturing, construction, oil & gas extraction, and pharmaceuticals, while the services sector edged up modestly. Over the three months to May, GDP rose 0.5%, supported by gains across all major sectors—services, production, and construction.

With weak growth and reduced investment, tax increases are being anticipated despite previous political pledges to avoid them. Measures under consideration include freezing tax thresholds and reforming inheritance or capital gains tax.

ONS also reported that the annual rate of pay growth in the three months between March and May slowed to 5%, according to ONS.

The unemployment rate has risen to 4.7%, its highest in four years, while the number of job vacancies has now been falling continuously for three years.

The Bank of England's Monetary Policy Committee is widely expected to cut rates to 4.0% at its August meeting to support the economy.

CONSUMER CONFIDENCE

Consumer confidence has improved marginally recently, but is still lower than a year ago (on some measures, very markedly lower). GfK's consumer confidence index showed a small increase in the June report. However, as the company commented in releasing the findings: *"...confidence is still fragile because the dark shadow of inflation is a day-to-day challenge for so many of us. With petrol prices set to rise in the coming weeks following the escalation of the conflict in the Middle East, and with ongoing uncertainty as to the full impact of tariffs, there is still much that could negatively impact consumers. With so much volatility, now is certainly not the time to hope for the proverbial 'light at the end of the tunnel'."*

UK Measures	↑↔↓	June 2025	May 2025	April 2025	June 2024
Overall Index Score	↑ 2	-18	-20	-23	-14
Personal Financial Situation over last 12 months	↔	-7	-7	-10	-10
Personal Financial Situation over next 12 months	↔	2	2	-3	4
General Economic Situation over last 12 months	↑ 3	-43	-46	-47	-32
General Economic Situation over next 12 months	↑ 5	-28	-33	-37	-11
Major Purchase Index	↔	-16	-16	-19	-23
Savings Index <small>(commented on but not used in Overall Index Score)</small>	↓ 1	27	28	30	22

HOUSING MARKET

Financial Regulation changes to boost home ownership

Speaking at a conference in Leeds and in her Mansion House speech this week about the need for deregulation to boost industry and the economy, the Chancellor welcomed changes to the loan-to-income limit on mortgage lending being made by the Financial Policy Committee of the Bank of England. Rachel Reeves explained:

"...the PRA and FCA are implementing immediately that means tens of thousands more people could be able to get a mortgage in the next year alone with Nationwide already offering its 'Helping Hand' mortgage to more first time-buyer, supporting alone an additional 10,000 each year."

CLC Quarterly Confidence Tracker

Analysis of the CLC's third quarterly Confidence Tracker, which was in the field for the beginning of July, shows that 65% feel confident in the stability of the current market. It is down from 72% when the same question was asked three months ago.

Buyers' confidence has suffered a similar dip, down from 46% to 38%, according to the 158 respondents, although the largest proportion (45%) said clients were neutral.

The stamp duty hike in April, which saw the thresholds at which homebuyers are exempt from paying the tax slashed significantly back to past levels, may have dampened the mood of the market after a spike in activity in the run-up to the change.

Nevertheless, confidence has improved considerably from the findings of the first tracker survey at the start of the year when 56% of conveyancers and 29% of buyers reported feeling confident.

Experts are predicting that the current slowdown in house prices, coupled with further expected interest rate cuts, will drive confidence levels back up.

Practices are also being urged to engage with opportunities to try and improve the conveyancing process after it emerged that the large majority of respondents still did not feel confident that speed and efficiency had improved and was not getting worse. The number of respondents feeling unconfident or neutral has peaked at 85% and, of those, one in four (25%) described themselves as 'very unconfident'.

The average transaction time for the large majority is still consistently between three and four months, although almost one in 10 report waiting longer.

RICS Residential market Survey

The June 2025 RICS UK Residential Survey results painted a slightly more positive picture, with measures of buyer demand moving out of negative territory for the first time in several months. It found that, 'sentiment regarding the near-term outlook for sales volumes has turned marginally positive, albeit momentum is still expected to remain quite subdued over the months ahead.' It highlighted:

- Indicators on buyer enquiries and agreed sales turn from negative to neutral
- House prices still display a flat/marginally negative trend at the aggregate level
- Near-term sales expectations brighten somewhat over the month

ends