

HM Land Registry Fees and Charging Structure (England and Wales) – Call for evidence

Response from Propertymark

April 2024

Background

1. Propertymark is the UK's leading professional body of property agents, with over 18,000 members representing over 12,800 branches. We are member-led with a Board which is made up of practicing agents and we work closely with our members to set professional standards through regulation, accredited and recognised qualifications, an industry-leading training programme and mandatory Continuing Professional Development.

Consultation – overview

2. HM Land Registry (HMLR) is in the process of reviewing its services to ensure that they meet their objective to provide a digital, efficient and secure service to the property market and to maximise the potential of the data it holds. As part of this, HMLR is considering how its fee structure could be a barrier to access to its services and ways in which its fee structure could be improved.

Propertymark response – summary

3. Propertymark welcomes the opportunity to respond to HM Land Registry's Fee and Charging Structure consultation. HMLR provides vital information for property agents during the sales process of a property and through listing properties to let and sell. Propertymark promotes that agents obtain this information as best practice, as many members have reported that sometimes the information provided by landlords or homeowners can be inaccurate. Members have in fact stated that they use HMLR's services for every property sale. Propertymark therefore is keen to ensure that the services that HMLR provide are accessible and affordable, especially considering the programme launched by the National Trading Standards Estate and Letting Agency Team on improving material information on property listings for sales and lettings. New guidance under Parts A, B and C has been published to ensure property agents are meeting their obligations under the Consumer Protection from Unfair Trading Regulations and as such, agents are expected to find more detailed information about properties¹.

¹ <https://www.nationaltradingstandards.uk/work-areas/estate-agency-team/material-information/>

4. Propertymark raised the questions and the topic of HMLR fees with our Regional Executives as part of a focus group session.² Our broad response following member feedback can be summarised through the following four key points:

- **Property agents will need to use HMLR services more frequently to verify more difficult information** – with the introduction of Parts B and C of the Material Information, property agents are requesting more information from consumers, which they need to verify with HMLR.
- **The fee structure should encourage property agents and consumers to use HMLR services** – the current fee structure of payments per property split into different services actively discourages agents from verifying the information consumers provide, which can lead to unexpected fall throughs.
- **We recommend a subscription or alternative payment model** – a subscription model or ability to purchase use of services in bulk at a lower cost will encourage agents to make more effective use out of HMLR’s data, reducing potential fall throughs.
- **We recommend that HMLR provides additional services around improving the home buying and selling process** – HMLR should look at competing organisations that provide a greater number of services around improving the speed and reducing that chance of fall throughs within the home buying and selling process with the view of adopting some of their services.

Questions

Question 1: How do you or your organisation use HM Land Registry data? How important is HM Land Registry data to you or your organisation? How do we compare with the five organisations that you most often obtain land and property data from?

5. HM Land Registry data is essential for both sales and letting agents. Many Propertymark members have stated that they use HMLR data for every property transaction, be they sales or lettings. This information is vital for property agents and has recently become more so, with the new guidance and enforcement of Parts B and C of the Material Information, which requires that property agents now display specific and more detailed information on property listings. While Propertymark

² <https://www.propertymark.co.uk/about-us/board-and-governance.html>

members work with sellers and landlords to obtain the information required, the information provided by clients is not always correct or known, which makes HMLR an invaluable resource to ensure all information on a property listing is accurate. Beyond material information, information about how much the property was last sold for, the tenure, whether the property has a mortgage and the type of mortgage, and restrictive covenants help to establish the rental or sale price of the property.

Question 2: What other data would you find useful if it was available (including data held elsewhere or not currently collected) and what would you use it for? How important is it to you?

6. Propertymark would welcome additional data around planning permission within the surrounding area that could potentially impact the property. This would be highly beneficial to ensure that agents can inform potential home buyers of new projects which would impact their enjoyment of the property. This would help agents to comply with the Consumer Protection from Unfair Trading Regulations 2008³, as clients would likely be unaware of any outstanding development close to the property, especially if the development had not started.

Question 3: What concerns, risks or opportunities do you see in making our land and property data more open/available?

7. Making land and property data more open and available would be considerably beneficial to agents and potential tenants or home buyers. When information about a property is provided to the agent by their client, the agent has to make a choice whether or not to verify this information. If data is more open and available, they are more likely to do so which helps to ensure the agent is compliant with the Consumer Protection from Unfair Trading Regulations 2008 and the potential tenant or buyer receives accurate information about the property.

Question 4: Is paying for data a barrier?

8. Yes, paying for each property search, title register, and title plan is expensive for many agents. This is because they are restricted in the fees that they can charge and often cannot recuperate the costs of the property search. This leads to cases where an agent does not verify the information about a property that they have already been provided with, hoping that the information is true rather than incurring the cost to verify the information with HMLR. While £6 (for Title Register and

³ <https://www.legislation.gov.uk/ukxi/2008/1277/contents/made>

Title Plan) may not seem significant, if agents deal with thousands of property transactions a year, the costs can be considerable. This is especially the case if agents have to be sent a large quantity of title plans by post because some title plans cannot be downloaded online with a charge of £7 per document.

Question 5: Are there any other barriers or challenges in obtaining and using HM Land Registry data? Please provide examples.

9. Yes, Propertymark members have raised in the past the difficulty in verifying if the data from HMLR is up to date, especially when receiving contradictory information from clients. This is the only other barrier or challenge that Propertymark is aware of.

Question 6: To what extent would you agree that it easy to calculate the exact fees and charges for HM Land Registry's services?

10. This is not an issue that Propertymark members have raised, we understand that it is easy to calculate the exact fees and charges for HMLR services. It is the frequency of payments and the total amount charged which are the key two issues.

Question 7: Does the structure of HM Land Registry's fees and charges create barriers and challenges? Please provide examples.

11. Yes, some members have raised the implications for charging per property. This, as mentioned earlier, discourages agents from using the service to verify that the information they have received about a property is correct. This is vitally important to resolve, as one Propertymark member highlighted a case where a client provided an incorrect length of their lease, which would have drastically impacted the property's price and appeal to potential buyers. Had the agent sold the property believing the lease was second decades longer than it was, they would have been liable for an offence.

Question 8: If you were to create a new fee structure, what would it look like? For example, this could be introducing a single fee for a property transaction event as opposed to charging for individual services, or standard flat fees, or scaled fees.

12. When discussing a fee structure, one popular suggestion that many Propertymark members have agreed with is establishing a monthly subscription fee for the use of services, with discounts for

businesses that are legally required to provide accurate property information. This would be cheaper for agents and encourage them to verify information about homes that has been provided by clients.

Question 9: How easy or difficult is it to make payments for HM Land Registry services? (Please think about making payment and payment channels but not calculating the fee.) How does HM Land Registry compare with other organisations?

13. We are unaware of any members facing difficulties making payments to HMLR.

Question 10: Do you foresee any negative impacts if we stopped taking cheques and postal orders as a payment method? What would help mitigate these impacts?

14. No, we do not envision that agents would be impacted if HMLR stopped taking cheques and postal orders as a payment method. This may, however, negatively impact some agents' clients who are looking to obtain information about their property. Although this would be in the vast minority of clients, with agents able to obtain the information from HMLR on their behalf if the client is unable to pay HMLR.

Question 11: Should HM Land Registry set fees differently for specific customer groups or services? If yes, which group/services do you think should pay more? For example, individuals, second homeowners, property development industry, local authorities, conveyancers, PropTech or fast tracking, account management support, pre-lodgement checking, and so on.

15. Yes, we would recommend reducing fees for organisations that require property information for legal or compliance reasons. As mentioned before, property agents are required to secure information on a property from the owner, which they then in the majority of circumstances verify with HMLR in order to be compliant with Consumer Protection Regulations and to avoid sales fall throughs. Reducing the cost of doing this can help to ensure more agents verify the information about a property with HMLR, which ensures potential buyers and sellers receive accurate information about the property. This prevents fall throughs, disputes after the purchase or tenancy and ensures agents are compliant with their legal requirements.

Question 12: Our fee structure is complex. Do you or your organisation currently utilise (or know of) other fees and charging models (for example subscription-based) that are used by other

organisations and you think might work for HM Land Registry? Please provide details of the fees and charging models including the name of the organisations and their advantages and disadvantages.

16. Three organisations that members referred to as providing a more affordable service were [hipla](#), [Landmark](#), and [Gazeal](#). The charging models from these organisations are more subscription-based, but the main appeal of these organisations is that agents have access to a greater amount of information and services that serve to prevent sales fall throughs and for agents to meet their compliance requirements on top of HMLR data. The combination of greater services and access for paying for a subscription, which encourages agents to use the services more to get their money's worth out of the service, has led to some agents using these services over HMLR data. The disadvantage is that agents would be required to pay more compared to HMLR data if they were only looking for data on a property. Additionally, if an agent didn't use the services provided by a subscription model in a particular month, they would still be required to pay for those services.

Question 13: Should customers who provide complete and accurate application data, requiring less HM Land Registry staff checking time, be charged lower fees for making applications? Would lower fees incentivise you or your organisation to sign up to a process enabling this?

17. Yes, we are supportive of HMLR implementing measures that better reflect the cost of processing the data. Considering the benefits of lower fees that we have already outlined in this consultation; we would be open to the prospect of promoting that our membership signs up to a process enabling this.

Question 14: Are there any additional services or commercial propositions that HM Land Registry might develop to support you and/or more widely, improvements in the property market?

18. Yes, HMLR should look at the services provided by the organisations that we shared in question 12. These organisations provide a range of services aimed at improving the speed of the home buying and selling process, which the UK Government (and therefore HMLR) has a vested interest in as reducing fall throughs and times helps to reduce costs to consumers and businesses. If HMLR can provide services aimed at improving the home buying and selling process, at an affordable cost or at no cost to agents and consumers, then more agents and consumers will utilise the services provided by HMLR, which would in turn improve the home buying and selling process across England and Wales.