



## THE CONVEYANCER'S CODE FOR COMPLETION

### 1. SUMMARY

1.1 The Code is intended to provide a better completion day experience for all parties by facilitating the transmission of the completion funds to the seller's conveyancer the working day before legal completion to ensure that completion can take place on the Completion Date set out in the contract.

1.2 To achieve this, the seller's conveyancer will provide certain undertakings to the buyer's conveyancer to protect them and client assets, be they the assets of the buyer, lender or the property owner.

1.3 The Code can be used by any regulated person by agreement and where it is in the best interests of their respective clients to use the Code. Reference to a conveyancer includes any such person whether regulated by the Solicitor's Regulatory Authority, Council for Licensed Conveyancers or Chartered Institute of Legal Executives.

1.4 In the event of a conflict between the Code and the terms of the contract, the contract shall prevail.

1.5 Any dispute in the application of this Code between the conveyancers shall be referred to an independent arbitrator agreed by the conveyancers or, in the event of a failure to agree between the parties, one appointed through the Chartered Institute of Arbitrator's Presidential Appointment process.

1.6 Any variations to the Code should be agreed in writing between the conveyancers prior to Completion.

### 2. PROCESS

The steps in the operation of the Code are as follows:-

1. The conveyancers obtain approval from their client to use the Code.
2. The conveyancers agree between themselves to use the Code.
3. The buyer's conveyancer notifies the lender that the Code will be used.
4. The seller's conveyancer provides replies to requisitions on title and completion information at least 5 working days before Completion together with a completion statement confirming the amount due to complete.
5. The buyer's conveyancer verifies the seller's conveyancer's bank account details.
6. The buyer's conveyancer collates the completion amount in good time to transmit funds to the seller's conveyancer the working day before the Completion Date.
7. The buyer's conveyancer transmits the funds to the seller's conveyancer at the earliest opportunity the working day before the Completion Date.
8. The seller's conveyancer confirms receipt of the completion monies
9. The seller's conveyancer confirms Completion at the specified time on the day of Completion
10. The seller's conveyancer complies with the completion arrangements.

**STEP 1:** The conveyancers advise their respective clients of the operation of the Code and the advantages to them of adopting the Code and, where they are taking a mortgage, that this may incur

additional interest payments for which the client will be responsible. This may be within their terms of business or separate correspondence<sup>1</sup>.

**STEP 2:** At the earliest opportunity, the conveyancers should notify the other party's conveyancer of their intention to use the Code. For example, the buyer's conveyancer should include notification within their confirmation that they are instructed. The seller's conveyancer should highlight to the buyer's conveyancer their intention to use the Code as soon as possible, this may be with the provision of the draft contract or at a later stage if they become aware that the Code is to be used in an onwards transaction.

A conveyancer should confirm their acquiescence to use the Code upon receipt of the request from the other party's conveyancer and approval from their client.

**STEP 3:** When submitting their certificate of title and funds request, the buyer's conveyancer should notify the mortgage lender of their intention to utilise the Conveyancer's Code for Completion and will therefore require the mortgage funds to arrive in their client account the second working day before the Completion Date and confirm that the borrower has been made aware that interest may be charged for the period between release of funds from the mortgage lender to the conveyancer and the Completion Date. The lender should be advised that their submission of funds on this basis indicates the lender's agreement to the funds be transmitted to the seller's conveyancer the working day before completion to be held to the order of the buyer's conveyancer for the purpose of completion on the next working day.

**STEP 4:** The seller's conveyancer provides replies to requisitions on title and completion information at least 5 working days before the Completion Date together with a completion statement confirming the amount due to complete, or in the absence of a completion statement, the amount will be in accordance with the contract, including any payment required for late completion as specified in the conditions of sale.

If using the Law Society standard Form TA13 Completion Information and Undertakings (2<sup>nd</sup> edition), the seller's conveyancer will leave question 3.2 unchecked and confirm that they will be using the Conveyancer's Code for Completion in place of the Law Society Code for Completion by Post.

In using this Code the seller's conveyancer undertakes that:-

- A. They are authorised by the seller to receive the amount due to Complete
- B. They are authorised by the proprietor of each financial incumbrance to be redeemed to receive the amount required to repay it and that they have identified the proprietor of each financial incumbrance to be redeemed as required by the Money Laundering Regulations and the Land Registry rules operable at the time of Completion
- C. They will advise the buyer's conveyancer as soon as they become aware that the authorities referred to above will not be granted or if authority is withdrawn.
- D. Until they have the necessary authorities as stated above they will not Complete without the buyer's conveyancer's instructions
- E. They will comply with the buyer's conveyancer's instructions on Completion as regards the marking and delivery of documents of title or other items to which the buyer is entitled for example keys, rents, deposits, management company shares and Stock Transfer Forms or items in compliance with the seller's covenants for title
- F. Upon receipt of the monies from the buyer's conveyancer, they will hold the funds to the order of the buyer's conveyancer in accordance with this Code pending completion of the transaction on the Completion Date.
- G. Where the seller requires completion monies to be utilised to fund the purchase of another property with a contemporaneous Completion Date, the seller's conveyancer will not release part or all of the completion monies to the conveyancer's acting for the sellers of that property until Completion has taken place unless they agree to use this Code for Completion.

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<sup>1</sup> see the suggested wording in Schedule A

H. Prior to releasing all or part of the completion monies for the purposes set out above, they verify the client account details of the company to which the money is being sent and will have obtained their written undertaking to hold the monies to order in accordance with the terms of the Code pending Completion on the Completion Date and, should completion not take place, to return the monies immediately upon demand without deduction.

**STEP 5:** Upon receipt of the seller's conveyancer's client account bank details, the buyer's conveyancer will verify that the account belongs to the seller's conveyancer prior to transmitting monies to that account.

**STEP 6:** The buyer's conveyancer will collate the completion amount in good time to transmit the completion funds the working day before Completion. For example, they request that the mortgage funds and required balance from the buyer are transmitted to their client account the second working day before completion.

**STEP 7:** The buyer's conveyancer will transmit the funds to the seller's conveyancer at the earliest opportunity the working day before the Completion Date. This is to ensure that where there are onwards transactions as referred to at section G above, there is sufficient time for the funds to be transmitted the day before Completion so that Completion may take place across all transactions on the Completion Date.

**STEP 8:** The seller's conveyancer will confirm receipt of the completion monies upon receipt of the same and that they are held to the buyer's conveyancer's order, pending completion on the Completion Date.

**STEP 9:** The seller's conveyancer will complete at the earliest opportunity on the day of Completion unless the parties have agreed a later time for completion or the buyer's conveyancer requests before the completion has been confirmed that the monies should continue to be held to the buyer's conveyancer's order.

**STEP 10:** The seller's conveyancer complies with the agreed completion arrangements to:-

- Immediately confirm to the buyer's conveyancer that Completion has taken place
- Notify the key holders of Completion and authorise them to release those keys to the buyer immediately
- Comply with their undertakings given to redeem the financial incumbrances which they have undertaken to redeem and notify the buyer's conveyancer as soon as confirmation of the discharge of the financial incumbrance is received from the proprietor of the financial incumbrance
- Comply with the buyer's conveyancer's instructions referred to in section F
- On or before the end of the day of Completion deliver or send by a secure method at the buyer's conveyancer's risk the documents agreed to be provided to the buyer's conveyancer including but not limited to the document transferring title to the buyer properly executed by the seller together with the documents and items referred to in Section F above.

## **SCHEDULE 1**

### **EXAMPLE WORDING FOR SEEKING BUYER CLIENT APPROVAL**

"We recommend using the Conveyancer's Code for Completion. Using this Code we will arrange for the purchase monies on Completion to be transferred between lawyers the day before Completion so that you have certainty on the day of Completion that you will be legally entitled to the keys to the property on or before 2pm.

This means that you will need to ensure that your contribution to the purchase price is cleared in our account at least 2 working days before Completion and, if you are taking a mortgage, we will request that the lender provide us with the mortgage monies 2 working days before Completion. Your lender will charge you interest from the time that they release the monies to us and you will be responsible for this interest whether it is demanded by the lender from you or from ourselves.

The reason we recommend this is because occasionally monies get caught in the banking system, and this can result in home movers being unable to move into their new home either until very late at night or not until the next working day. As well as the huge amount of stress and inconvenience that this can cause you, you could also be charged penalties under the contract for late payment of funds.

Therefore, whilst, if you are taking a mortgage, this will result in you paying additional mortgage interest, in our experience that is far outweighed by having certainty of the completion time.

If you would prefer not to utilise this method then please let us know but please be aware that we would still need to receive all monies the day before Completion, and it would mean that there would be no guarantee that you would become legally entitled to the property, by the contractual completion time and this could result in penalties under the contract and additional charges in connection with the additional work in dealing with a delayed completion. ”

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