

# Howard Hyman & Co

S O L I C I T O R S

## TERMS OF ENGAGEMENT & ADVICE FOR CONVEYANCING

### *Terms of Business*

We are required to fully comply with the provisions of the Proceeds of Crime Act 2002 and the Money Laundering Regulations.

It is necessary for us to establish the ID of all clients and to follow the identification procedures at the outset. In the circumstances, you will be required to provide to verify your name one of the following:-

- **Current Passport / Full UK Driving Licence**
- **National or HM Forces Identity Card**
- **Resident Permit issued by the Home Office to E.U. Nationals**

Furthermore, to confirm your address, one of the following:-

- **Council Tax /Telephone/Water/Gas/Electricity Bill**
- **Most recent Mortgage/Bank/Building Society or Credit Card Statement**
- **Voters Roll Documentation**
- **Current UK Driving Licence (where not used as evidence of name)**

In view of recent changes in the Regulations, we have to establish the bona fides of your ID and will request you to complete an ID Check form which we have to then check against various databases. If we are not satisfied that you have provided satisfactory evidence of your identity, we would not be able to act further for you.

The Proceeds of Crime Act 2002 places a heavy obligation on solicitors to report to the National Criminal Intelligence Service (NCIS) any suspicion of any criminal activity involving funds or property which includes tax evasion.

Failure on our part to strictly consider such issues and make a report to NCIS, could give rise to this firm being subject to proceedings and a potential 14 year term of imprisonment for the solicitor handling the case in respect of any serious breach.

If a matter needed to be reported, we would not be permitted to notify our client at the time (except in rare instances where the irregularity has been rectified with the Inland Revenue or Customs & Excise) as this itself would constitute an offence of "tipping off", which could prejudice any investigation.

These provisions are extremely onerous and it is most important that you are aware of these professional obligations on our part since it does sometimes come to light in dealing with such matters that there are issues in relation to benefit fraud, payments off the books, other forms of tax evasion and indeed money laundering.

***On the basis that we can act our terms are as follows:-***

1. All fees quoted where applicable are exclusive of VAT and disbursements. They do not include acting for your mortgagees or petty disbursements unless specified. The cost of disbursements may increase at any time without notice.
2. The fee quoted is on the basis that the property being bought/sold is for residential purposes and is a house or flat with an existing registered freehold leasehold title. *(It does not apply to new leases or transfers or leases of part unless this has been mentioned to us at the time of the quotation and it was given on this basis)*
3. If the property does not fall into the category outlined in paragraph 2 then we reserve the right to recalculate the legal fees. Any recalculation will be on the basis set out in paragraph 7.
4. The fee quoted is on the basis that the transaction proceeds in a straightforward way and time table.
5. There will be additional legal fees as calculated in paragraph 7 if :-
  - (i) There is more than one charge to register or discharge.
  - (ii) The property is commercial or semi commercial.
  - (iii) The property or part of the title is unregistered or there are missing documents of title or title problems.
  - (iv) If the property is leasehold and the lease is defective and requires any amendment by deed or otherwise or requires a landlord's licence or consent.
  - (v) There are problems with service charges and/or disputes with the landlord or managing agents and/or retentions need to be made on completion.
  - (vi) The terms of the transaction are not as originally indicated to us in which event we reserve the right to decline to act for you.
  - (vii) There are one or more abortive sales or purchases or you instruct us to send out one or more contracts on a sale or instruct on one or more purchases.
6. If you or the seller or buyer withdraw from a purchase or sale then you will have to pay a proportion of fees calculated in accordance with paragraph 7 hereof.
7. Any additional time will be charged at £200 per hour plus VAT, letters sent at £20, letters received at £10, routine telephone calls at £12.50, photocopies at 20p per page and faxes sent at £1 per page.
8. Cheques sent to us for completion must be in our possession **6** clear banking days before completion otherwise we reserve the right not to complete the

transaction. Other monies may be sent by CHAPS payment and our bank account details will be supplied on request. If you are remitting payment to our bankers, it is essential that you quote your surname and our file reference so that payment can be easily identified.

9. On all purchases we recommend full surveys and that you forward any survey report to us. We shall not be responsible for any loss or damage if you fail to disclose your survey report to us if the report indicates that there are matters which should be brought to our attention which have not been mentioned to us. Please note, we do not, as a matter of course receive a copy where applicable of your mortgage valuation report.
10. If the purchase/sale price of the property is not being contributed equally between you and a co-purchaser/seller then you must both advise us in writing of the relevant contributions to the purchase/sale price so that these can be properly documented. We cannot be held responsible for any loss if you fail to disclose to us the inequality of contributions to the purchase/sale price.
11. All life and insurance policies should be on risk at the date of exchange of contracts. We cannot be held liable for any loss or additional costs if you are arranging a life policy direct with your lender or other party and fail to advise us that you do not have life acceptance.
12. If you are purchasing then building insurance should be effected by you for the full rebuilding cost recommended in any survey or valuation from the date of exchange when you have an insurable interest in the property other than when this is arranged by our mortgagees or the property is already covered by a block policy which normally only applies to leasehold flats
13. Should completion be delayed or not take place or you are unable to complete and it is necessary for a notice to complete to either be sent or should you need to mount or receive a claim for damages for failure to complete then additional legal fees will be payable calculated in accordance with paragraph 7.
14. It will be a condition of our completing this transaction for you that all fees and disbursements are paid **in full** prior to completion taking place. If we are not in funds for all fees and disbursements then we reserve the right not to complete the transaction.
15. On a sale if there are monies due to you and you require these to be sent by CHAPS payment there will be a bank/administration charge of £50 plus VAT.
16. In respect of leasehold property where it becomes necessary to deal with a service charge retention there will be an administration charge of £50 plus VAT.
17. Any mortgage guarantee premium payable in connection with a mortgage advance entitles the Guarantee Company to look to you personally in the event of default under the mortgage, and only covers your mortgagee.
18. On completion if you are the seller you must make arrangements to give the keys either to the estate agents (if any) or direct to the buyer only when we have informed you we have received the completion monies. If you are the

buyer, then you should make arrangements to collect the keys direct from the seller, and you should satisfy yourself that the property has been left in a proper condition. If you do not inspect the property we cannot be held liable for any loss, damage or inconvenience. It is necessary for you to remove your belongings from the property (including any loft, shed or outhouses) by about noon on the day of completion, if possible.

19. If you are the buyer, our obligation to you is to transfer the completion monies to the seller's solicitors by the contractual completion time, usually 2pm but it can be earlier or later. We are dependent on the banking system and co-operation from all parties to ensure the keys are handed to you without undue delay. There may be a delay on completion and your receiving the keys. We send the completion monies as early as we can but actual completion taking place depends on the vendor's solicitors being notified by their bank that the monies have been received and the vendors moving out and giving vacant possession. If you are the seller and you fail to move out on time on the day of completion you may be liable to the buyer for damages.
20. We will only complete a conveyancing transaction when we have sufficient funds and this is a strict term of us acting. If you are required to remit moneys by us for a transaction it is imperative that these funds are credited in ample time and cleared by our bank prior to completion. If the funds are being remitted to our client account please ensure that your name and or the file reference number are quoted when making payment and that the funds are sent to us at least one working day **prior** to completion. Problems arise when payments are not received in adequate time which can give rise to the other parties in the chain claiming additional removal, storage and hotel charges, besides interest for late completion and other damages for loss
21. It is essential if you are selling your property that you vacate by about noon on the day of completion if you are not leaving beforehand. The buyer, if buying with vacant possession, will require access the same day and would normally expect to take up occupation by early afternoon. If you have a large amount of household contents please make sure that you hire a sufficiently large van so that the property can be cleared speedily. If satisfactory arrangements are not made the buyer may incur additional removal expenses due to the delay in obtaining possession and may look to you for this expense. We suggest that if you foresee any problems arising you discuss matters with your buyer or seller to avoid any difficulties arising.
22. If you cannot get the keys on the day of completion you must advise us straight away. We cannot be held liable for any delay on completion if we are not informed by you that you have been unable to obtain the keys or if the vendor's solicitors' bank has not informed the vendor's solicitors that the completion monies have not been received. We will however try and ensure that any delay is kept to a minimum.
23. We should be informed of any change in any circumstances relating to the property as you may be liable to the buyer if you fail to disclose something material e.g. notices, disputes with neighbours, problems with heating, planning matters, etc.
24. Please note that we do **not** give advice in relation to tax matters and you should consult your accountant or financial advisor about any potential liability for Capital Gains Tax or any other tax.

25. We normally, other than on a re-mortgage, carry out an environmental search but not always a water search if it is evident the property is connected to mains drainage and sewerage. The cost of an environmental search on a residential property is about £50 (over £100 for commercial properties) and a water drainage search about £50, or so. If your property is built on a "brown field site" or possible flood plain please let us know so that appropriate searches can be put in hand. If you believe that a property being bought or sold is in an existing or former mining region, could be affected by radon gas or there are other environmental factors which could influence a sale you **must** let us know in writing at an early stage in the transaction as we will not be responsible if we are not informed of the need for such a search.
26. Please note that the Local Search will usually only provide planning history for the property being purchased and not others in the locale. We can undertake a Plan Search which will reveal planning applications in the vicinity of the property which costs about £25 if this is requested by you. Unless we are informed that you wish us to carry out such a Search, this will not normally be undertaken.

## **CLIENT CARE**

This firm aims to offer all its clients an efficient and effective service and is confident in its ability to do so. However, should there be any aspect of the service with which you are unhappy please let us know as soon as possible and we will look urgently into any matter with which you are not satisfied in conjunction with professional colleagues from another firm and attempt to resolve any problems.

**We strongly advise that you obtain a valuation/survey report on any property you are purchasing as it is better to be 'safe rather than sorry'.**

**It is essential that if you are buying a property for a specific use or wish to carry out any specific modifications which may require consents that you discuss matters with us at an early stage and set out your intentions in writing. There can be restrictive covenants or planning issues which could prevent you from carrying out your intentions and you could decide not to proceed for this reason.**

**Unless this is mentioned to us at a very early stage we may be unable to safeguard your position and protect you.**

July 2008

***VISIT OUR WEBSITE FOR MORE INFORMATION ON OUR SERVICES ETC.***

**[www.howardhyman.com](http://www.howardhyman.com)**

# Howard Hyman & Co

S o l i c i t o r s

I ..... (insert printed name) of  
..... (insert address) confirm  
that I have received and read the Business Terms for my solicitors, Howard Hyman &  
Co and that by signing and returning to them this receipt I am bound by the terms  
and conditions unless specifically varied in writing between us.

Signed .....

Dated .....