

UK Legal News Analysis

Conveyancing Quality Scheme - Should Small Firms Sign Up?

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Abstract

The Law Society's Conveyancing Quality Scheme is expected to become a requirement for membership of lenders' panels. Selena Masson talks to Peter A. Westbrook, a partner in the residential property team at Attwaters Solicitors, about the implications of the scheme for conveyancing practitioners

Analysis

Since it launched in January 2011, more than 700 firms have applied to join the quality assurance scheme. It is intended to create a trusted conveyancing community that will prevent fraud, acknowledge high-quality services for home-buyers and lenders, and deliver a tough assessment procedure.

So what are the implications of this for conveyancing practitioners? Peter A. Westbrook says the impact will be hugely significant for solicitors that offer conveyancing services. "It is Attwaters Solicitors belief that unless you are a member of the Conveyancing Quality Scheme (CQS), lenders may well seek to restrict non-member firms from their panels," he explains. He adds that lenders have been actively seeking to reduce the number of solicitors from their panels, leading to large numbers of law firms across the country simply not being able to offer conveyancing services to their past, present or future clients. "This, along with the Law Society allowing the payment of referral fees to introducers, has led to a funnelling of large numbers of instructions to 'conveyancing farms'."

According to Westbrook, if lenders make it a pre-requisite that to be on their panel you must be on the CQS then law firms will simply have no option but to join, or not undertake conveyancing work. "The cost of joining the CQS is expensive and may be prohibitive to many firms. A pre-requisite of joining the CQS is that a detailed application form needs to be submitted which asks for information on historical complaints, claims records, PI information and, an issue that may vex many employees, Criminal Records Bureau checks against all relevant members of staff."

Westbrook feels it is very desirable that there should be the CQS, however. "It will be seen as a benchmark that solicitor firms can use to market to members of the public. By being part of the CQS clients will believe they are using a solicitor's firm that meets the very highest standards of integrity and competence."

So should all firms be seeking to sign up for the CQS as a result of this development? "If solicitor practices fail to take up the CQS in numbers and lenders continue to restrict members of their panels this could prove catastrophic to the traditional high street solicitors' practice that offer conveyancing services," says Westbrook. "Solicitor firms should seek to become members of the CQS and the Law Society should actively

work on its members' behalf in ensuring lenders will not restrict solicitors that are part of the CQS from being removed from their panels."

What do solicitor firms need to do and how should they go about it? "Solicitor's firms should contact the Law Society and ask how to become a member of the CQS. The Law Society should seriously consider drastically reducing the application fee, as well as giving assurances that they have procured agreements from all lenders that if you become a member of the CQS you will not be removed from their panel," concludes Westbrook.

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