

The Conveyancer's Guide to Money Laundering and Mortgage Fraud

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The Conveyancer's Guide to Money Laundering and Mortgage Fraud

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Executive summary

NEVER HAVE the risks for firms and advisers of providing a property law service been so great. Recent Law Society research reveals increasing anxiety by conveyancers as to the growing burden on them from a range of legislative, professional and industry requirements. Solicitors and their staff face the risks of criminal liability for unintentional involvement in frauds by their clients and sanctions for failure to follow the ever-growing volume of professional guidelines, along with the resulting increases in professional indemnity premiums from an insurance sector now highly wary of this area of legal practice.

This book provides guidance on the disparate obligations that solicitors now face in providing a property law service. Money laundering compliance involves maintaining the necessary systems and procedures required by the Money Laundering Regulations 2007 and remaining alert to the signs of criminal and terrorist activity that would contravene the Proceeds of Crime Act 2002 and the Terrorism Act 2000. Mortgage fraud is simply one form of money laundering activity, and the most common area of illegality that most firms will face. The practical steps to be taken to counter mortgage fraud include reporting to the Land Registry on the identity of those involved and strict compliance with the published requirements of the Council of Mortgage Lenders and the Building Societies Association. The position is made all the more complex as the identity evidence

required by the Law Society practice note on money laundering will not necessarily satisfy the requirements of the lending institutions – nor will adherence to the various professional guidelines necessarily exonerate the firm from subsequent allegations of negligence by lenders or others.

Primarily this is a book about risk management, and therefore professional compliance. Risk needs to be managed by compliance with the Code of Conduct and all the many guidance notes and contractual obligations that affect property work. Looking forward, these obligations are set to increase as the new Land Registry portal arrangements take effect. Solicitors accessing the new services will be required to indemnify the Land Registry for errors for which they are responsible. Effective measures need to be in place to safeguard the firm from the damage done by claims that result from a lack of awareness of the risks and poor supervision of staff and processes.

About the author



MATTHEW MOORE is a law teacher and solicitor by background, with over 20 years' experience of law firm management consultancy and training. In recent years most of his work has been concerned with risk compliance and quality management issues. He was for many years the principal trainer for the Law Society in the Lexcel standard, and has also advised a wide range of firms on applications for recognition under all of the major quality compliance programmes. In addition he has written and advised extensively on the need for money laundering awareness in law firms and how their obligations should be addressed.

Matthew is a director of Web4Law which he co-founded in 2003 as a basis for his consultancy and training work. In addition he is also retained as a consultant solicitor with the regulatory team at Townshends LLP in Birmingham. He is one of the longest serving presenters for Central Law Training where he was also formerly head of management training. His other titles include the last four editions of the Law Society's *Office Procedures Manual* – the standard template manual for law firms' office and risk manuals, and the Ark Group reports *Compliance for Law Firms* (2008) and – with Diane Price – *Money Laundering Compliance for Law Firms* (2008). Earlier titles included *Quality Management for Law Firms* and *Marketing for Lawyers*. He provides training and advice on all of the issues contained in this title and can be contacted at matt@web4law.biz.

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Thanks are due to Janet Baker, John Verry and Jayne Willetts for support and comments received, and also to Anna Shaw of Ark Group.

Sample procedures and forms for compliance programmes on the topics covered in this publication can be found in the *Lexcel Office Procedures Manual* (Law Society Publishing) by the same author.

Disclaimer

IT IS for each firm to consider its position carefully in the light of all the information sources that are open to it and to seek specific professional advice if appropriate. This book contains information and commentary that is appropriate so far as we are aware but must not be construed as specific legal information in any particular case or situation. The authors and publishers will accept no liability for any actions taken or not taken in consequence of anything appearing in the publication.

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