

Prime Minister

16 November 1983
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(1)

PRIME MINISTER

Would you prefer to write now
or await H's final conclusions?

DMS
16/11

Write now
MB

CONVEYANCING FOR REWARD

H Committee's meeting was rather rushed and not wholly satisfactory. Willie's summing up asked officials to examine the pros and cons of extending to employed solicitors the right to offer conveyancing services.

This would be an effective short-term solution, giving banks and buildings societies the chance to offer "one-stop" housing purchase and so to drive down the level of fees. More competition and an end to the monopoly enjoyed by firms of solicitors. So far, so good.

But the solicitors' profession would still enjoy a monopoly of the work. And we would be missing the historic opportunity of land registration to open up the field. Even the Lord Chancellor admits that the conveyancing of registered land requires less skill (although he enters a caveat on flats in apartment blocks).

At the same time, H was unanimous that any widening of the field must contain sufficient safeguards for the consumer. There would clearly have to be regulations laid down by the Secretary of State for Trade and Industry, an Institute of Conveyancers with a code of conduct, professional standards, and a compensation fund. Membership of the Institute would need to be a condition for obtaining a licence from the Office of Fair Trading. If we are ever to make progress, work on the mechanics of this ought to start now.

You may prefer not to intervene until H Committee has concluded its deliberations. But there is a case for writing now to Willie:

- (a) welcoming the H decision to pursue the idea of extending to employed solicitors the right to offer conveyancing services;
- (b) expressing doubts as to whether this alone would satisfy public discontent, particularly if the registration of land is speeded up, which would be highly desirable;
- (c) asking whether the official group could also investigate the possibilities of providing the essential consumer protection, upon which H Committee was rightly insistent, for the conveyancing of registered land by persons other than solicitors. It was possible to envisage arrangements for

safeguards involving professional standards, a compensation fund and supervision by the DTI and OFT. It would take time for such arrangements to be evolved. It is therefore all the more important to establish as soon as possible whether they would be practicable, particularly in the light of the need to respond to the House Buyers' Bill sponsored by the Consumers Association, and due to be presented for a Second Reading by Austin Mitchell on 16 December, since this Bill outlines safeguards of this type.

- (d) expressing the hope that the No.10 Policy Unit might be associated with this work.

FERDINAND MOUNT

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