

CONFIDENTIAL Prime Minister⁽¹⁾

Minute from the Lord President attached.

Agree Policy Unit recommendations

25 October 1984

at X and Y?

PRIME MINISTER

CONVEYANCING FOR REWARD

Non-Solicitor Conveyancers

Yes
Ems
26/10

There is now broad agreement amongst colleagues on the approach to non-solicitor conveyancers. It is a pity that a regulatory body is necessary but if we must have a Council, let it do its job with as light a touch as possible. Your intervention helped to secure agreement to arrangements which should ensure this. The legislation will emphasise the need for an efficient and economical service. The Council will not be bound by the Farrand Committee's proposals, which are excessively restrictive.

The best guarantee that we stick to this arrangement is that the Lord Chancellor should consult Norman Tebbit, and through him, the Director General of the OFT. The Lord Chancellor does not dissent from this in his reply, but he does not explicitly acknowledge it either. You might wish therefore to round off this correspondence along the lines:

You are content with the arrangements for non-solicitor conveyancers which have been agreed, on the understanding that the Lord Chancellor will consult colleagues, and in particular the Secretary of State

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for Trade and Industry, on the rules proposed by the Council.

Employed Solicitors

The Lord Chancellor agrees to urgent consideration of safeguards. His forecast that "large and wealthy corporations" will drive "small competitive independent firms of solicitors" out of business is understandable but overstated. There will be powerful safeguards against unfair competition by building societies. Moreover, solicitors are already getting into shape to deal with the threat. The Law Society has agreed to allow advertising. Some solicitors are planning one-stop housebuying centres. This will provide a badly needed jolt to the estate agents. A new source of competition is probably the only way to undermine estate agents' rigid fee structures.

The Lord President cautions against pushing legislation on employed solicitors through in this Session. It would therefore be worth commenting in your reply that we must reaffirm our commitment to legislation on employed solicitors, to retain the initiative.

to propose will be ill-received.

I fear the decision

Nicholas Owen
NICHOLAS OWEN

** While recognising the force of his concern about ill digested legislation,*