



The Law Society

## **Campaigner Briefing**

Lobbying your MP: conveyancing panel membership

September 2012



## 1. Overview

Over the past 12 months a number of mortgage lenders including Santander, Nationwide and Lloyds Banking Group have taken potentially adverse steps to manage the number of solicitors firms on their approved panel for conveyancing transactions.

For example, in July 2012 Santander announced that they would be removing several hundred firms from their conveyancing panel. The removals are being based on the number of conveyancing transactions firms have carried out specifically for Santander, although the bank has failed to disclose the precise numerical criteria it is applying nor whether that number is varied between rural and urban firms. The decision to remove firms from the panel comes despite many firms having paid an annual application fee of between £99 and £199 in order to remain on the panel in the last six months.

The Law Society has sought to engage with the main lenders and the Council of Mortgage Lenders to seek a sensible and practical long-term solution, in a similar vein to the recent successful agreement with HSBC. As part of this dialogue, the Society is also engaging with the Government to secure the support of Ministers and civil servants to work with us and the mortgage industry to broker a long term solution that is in the interests of consumer, lenders and the profession.

This briefing sets out how you can contribute to this process by lobbying your own, or your firm's local Member of Parliament (MP), in order to raise your concerns about the removal of conveyancers from the lender panels of major banks.

## 2. Writing to your MP

Section 5 provides an example letter outline, which you may choose to use when writing to your MP. It should provide a framework by which to set out your primary concerns regarding the banks' decisions, as well as requesting a meeting with your MP to explain your concerns in more detail. However, in order for your letter to prove most effective – and receive the warmest response – it is important that you strive to make the letter as personal as possible. MPs receive several hundred letters and email every week, so please only use the example letter as a guide.

You can find out who your local MP is as well as their contact details by entering your postcode into <http://www.findyourmp.parliament.uk>

You may be concerned at including any commercially sensitive information in your letter, for example details of any cross-subsidy between your conveyancing work and other areas of legal practice. However, it should be noted that letters between constituents and MPs are not subject to freedom of information requests, since MPs do not constitute “public bodies”. Subsequent letters between MPs and ministers may be subject to FOI requests, but it is unlikely that your MP will include any such information and, in any case, you can request that they do not at your meeting.

## 3. Meeting your MP

The suggested letter includes a request to meet with your local MP in order to discuss in detail your concerns. Once you have arranged an appointment to meet with your MP, you should prepare a short list of the issues you wish to raise. The aim of the meeting will be to

demonstrate to the MP the effects of the banks' decisions on your firm and on the local legal services market.

Some MPs, such as those with Ministerial responsibilities, may be busier than others, and therefore may only be able to dedicate no more than 10-15 minutes to hearing your concerns. This is particularly likely to be the case if you meet your local MP at one of their constituency surgeries. If you are able to arrange a meeting at your firm's offices you may potentially have longer with your MP, perhaps 30 minutes to an hour. However, most MPs will be more than happy to meet with local constituents and local businesses.

The following points should be considered before any meeting with a local MP:

- **Don't presume knowledge** – MPs deal with several dozen issues every day, and may therefore have very little, if any, knowledge of the banks' actions.
- **Highlight your local concerns** – Explain your concerns regarding the detrimental of the banks' decisions and the effect upon your firms financial stability, and the resultant effect on the provision of quality legal services locally.
- **Highlight the proactive steps the profession has taken** - The Society has entered into constructive dialogue with lenders and has created its own professional led safeguards via the Conveyancing Quality Scheme.
- **Urge them to write to the Secretary of State for Business, Innovation and Skills, Dr Vince Cable** – Encourage your MP to write to the senior minister with responsibility for business matters setting out concerns you have raised.
- **Suggest a follow up action between yourself and the MP** – this could include the MP forwarding any response from the Minister; each of you agreeing to update each other on any future developments; and also perhaps meeting again.

#### **4. Meeting your MP**

Your work is essential to moving forward the Law Society's lobbying to persuade the banks to reverse their decisions. It would therefore be helpful if you could provide a brief report of your meeting, and the proposed follow up actions, to the Law Society's Government and Parliamentary Affairs Unit who are co-ordinating the profession's lobbying of MPs and ministers.

The Unit can be contacted on 020 7316 5527 or [parliamentary@lawsociety.org.uk](mailto:parliamentary@lawsociety.org.uk).

## 5. Suggested letter

<<Name>> MP  
House of Commons  
London  
SW1A 0AA

<<Date>>

Dear <<Mr/Ms/Sir etc Surname>>,

### **Mortgage lender conveyancing panel membership**

As a solicitor and provider of employment in <<your town>> I am writing to inform you about the potential adverse actions of a number of banks in restricting access to their conveyancing panels and would welcome the opportunity to discuss with you the nature of my concern.

For example, in July this year the major mortgage lender Santander announced without warning that several hundred firms would be removed from their conveyancing panel, based on 'low volume' of transactions carried out specifically for the bank.

In common with other lenders who have taken similar action, Santander have not released the criteria they have used as the basis for making the decision. While some lenders have offered an appeals process, the manner of the appeal is neither public nor open. The impact of the substantial reductions in panel membership will be a restriction on clients' freedom to instruct a solicitor of choice, the sustainability of my practices and the jobs I create in <<your town>> and may, in some areas, leave a very limited choice of local providers.

### *Your personal section*

You may like to add a section, containing some of the following points, outlining your concerns about the mortgage lenders' actions:

- The 'blunt' nature of the criteria being applied by many of the major mortgage lenders when making decisions about panel composition, in particular the size of the firm.
- Volume of transactions is a particularly blunt instrument which does not take account of market conditions or the various business models within the legal profession. For example Santander are only looking at the volume of work carried out on Santander mortgages, and not those of other lenders;
- The action is likely to have significant and disproportionate implications for small businesses. Removal from a major lender's panel can seriously harm the income and reputation, and thus viability, of smaller firms.
- Choice will be affected, as clients will have fewer options available to them without incurring additional cost. There is a risk –e.g.in rural areas where firms may not reach the required transaction volume – that people will be unable to choose a local solicitor.

- The mortgage lenders have usually taken this action without giving firms any prior warning and without making any attempt to consult the profession via the Law Society.

You may wish to include a section detailing the actions that the profession has taken in order to combat fraud and reassure lenders:

- Concerns raised by lenders about the probity and quality of conveyancing providers are legitimate, but removal based on 'blunt' proxy measures such as firm size or volume of transactions are not the best response.
- The Law Society launched, in January 2011, a Conveyancing Quality Scheme (CQS) in order to create a trusted community of conveyancing providers.
- The process of obtaining CQS accreditation includes the collection of information and verification and the use of a sophisticated scorecard, which takes into account issues such as transactions volumes. The CQS scheme therefore represents a considerably more reliable proxy measure to address the lenders' concerns.

*You may wish to include some of the following points relating to your own firm in the letter:*

- The length of time your firm has been in the local community, The length of time your firm has been on the individual lenders' panels; and the number of staff at your firm, and the number engaged in conveyancing work;
- Emphasise the fact that you have no claims or complaints by the lender/s (if applicable) and the importance you attach to risk management and combating fraud.
- State what percentage of your work is attributable to conveyancing;
- State what impact (or potential impact) removal from the panel will have on your business, e.g. not being able to undertake work for existing clients, possible staff redundancies etc.
- If applicable, do you cross-subsidise your legal aid department with income from conveyancing? What will be the impact on the former from a reduction in the latter?

I would appreciate an urgent opportunity to meet with you in the next few weeks in order to discuss the likely impact of the mortgage lenders' decisions on the provision of quality legal services in <<your town>>. I am particularly keen to discuss ways in which I can support you in raising these issues within Parliament and with the Government via the Department of Business, Innovation and Skills.

I would be happy to host a meeting at our offices in <<your town>>, or to meet with you at one of your constituency surgeries.

Yours sincerely,  
<<your name>>  
<<your position>>  
<<your contact details>>