



Coronavirus, moving home and your legal position – client guidance

This advice sets out the main changes to the conveyancing process as a result of the COVID 19 pandemic.

If you have sold or purchased before, you will find that the conveyancing process has adapted and changed to deal with the current situation. Whilst our staff are doing everything they can to move your transaction forward, there will be other people or organisations in the process that we are waiting for information / documents / searches from. These organisations may have furloughed staff, be working from home or closed and are not able to provide their usual service. This means parts of the process are taking longer than usual and your transaction may be impacted by this, these delays to your case are beyond our control but we are working as hard as possible to minimise and work round them.

In accordance with Government advice, we are currently working remotely. As the office is closed, please do not deliver any post to our office as our letterbox has been sealed. You can still send post through Royal Mail as our post has been diverted. We would request that your team's email address is used as the primary method of communication rather than hard copy correspondence. We will deal with much of the transaction via email and telephone. If you are unable to print documents for signature, please let us know so we can make alternative arrangements.

Our contact details remain as set out in all correspondence and as shown on our website.

Government advice to us as your Conveyancer states the following:-

- *Conveyancers can open for business and can take on new instructions. They should make sure their clients are aware of the differences in completing transactions during this period.*
- *Conveyancers should aim to conduct as much of their business remotely as possible.*
- *Conveyancers should do what they can to promote flexibility making provisions for the risks presented by coronavirus, for example when advising their clients who are ready to move not to exchange contracts on an occupied property unless they have made explicit provision for the risks presented by the virus.*
- *Conveyancers should prioritise support for anyone who is clinically vulnerable or shielding, or with symptoms of coronavirus or self-isolating to agree a new date to move.*

We are committed to helping those who want to buy and sell property to do so in a way which minimises risk and also reflects the **Government Advice**. Every transaction will be different.

The impact of COVID-19 is causing significant uncertainty not only for buyers and sellers but also for us, as your conveyancer.

The position will probably continue to be uncertain for some time as the UK government monitors the effect of the changes it's introducing and amends its guidance in accordance with the results.

Government Advice

The most recent advice from the government, which is updated as soon as they change their guidance, can be found here:

<https://www.gov.uk/guidance/government-advice-on-home-moving-during-the-coronavirus-covid-19-outbreak> :

It includes:

“People are free to move home, however the process of finding and moving into a new home is likely to be different, as those involved in the process will need to adapt practices and procedures to ensure that the risk of spread of coronavirus is reduced as far as possible. It is vital that everyone stays alert and safe.”

And:

“Once you have agreed to move home by exchanging contracts or signing a tenancy agreement, you have entered into a legal agreement to move. We encourage all parties to be as flexible as possible over this period and be prepared to delay moves if needed, for example if someone becomes ill with coronavirus during the moving process or has to self-isolate. You should not expect to move into any home where people are ill or self-isolating.

Your legal adviser should be able to help you to ensure that any contract you enter into has sufficient flexibility to allow the purchase to be delayed in the event that an individual in one of the parties contracts coronavirus or has to self-isolate.

We encourage you to be as flexible as possible if you are asked to delay your move, and in turn, you can speak to your legal advisor about this.”

Please also refer to the [pan-industry consumer guidance](#). You may also find the general government guidance on [how to buy](#) and [how to sell](#) useful.

Exchange of Contracts

This guidance is intended to explain the options open to you when you are ready to exchange contracts. It is important that you read it carefully and ensure that you fully understand these options and the advantages and disadvantages associated with each. If you are unclear it is essential that you ask and we will be happy to explain further

The Buyer and Seller each sign an identical contract. When the Property Lawyer acting for each of them exchanges the two parts of the contract a completion date is fixed and the transaction becomes binding on both parties.

The impact of Covid 19:

During the lockdown period a number of people who had exchanged contracts were unable to complete on the agreed date for a variety of reasons. The fact that Covid 19 is likely to be a problem for some time to come means that there are new risks to buying or selling a property.

New Risks:

The new risks which have arisen are:

- You or your buyer/seller or someone in your or their household may be unable to move out, either through illness or the need to self-isolate
- You or your buyer/seller may be in hospital
- There may be a further lockdown which prevents you or your buyer/seller from moving
- Moving might be in breach of government regulations or contrary to government guidance
- There may be difficulties in obtaining removal services
- Your or your buyer's mortgage offer might be withdrawn, or the financial position might change of one of the parties
- The UK financial system fails to deliver the purchase or mortgage money
- Any of these problems might occur to another party in the chain of transactions on which your move is dependent.

There may be other risks arising from Covid-19 of which we are not currently aware.

If the number of Covid-19 cases continues to fall these risks will be less prevalent but will continue to exist for some time. When you are in a position to exchange contracts, you have three options available.

First Choice:

You enter into a standard contract in the same way as you would have done prior to Covid-19.

Risk:

You, your buyer/seller or someone in the same chain of transactions as you is unable to complete on the date agreed for **Completion**. If it is you, you will suffer a significant financial penalty. The longer the chain of transactions, the greater the loss. Even if it is not your fault you will not be able to move, will suffer considerable inconvenience and possibly financial loss as well. To minimise the risk the period between **Exchange of Contracts** and **Completion** should be as short as reasonably possible.

Second Choice:

Exchange of Contracts and **Completion** take place on the same day.

Risk:

You will have to arrange to be ready to move on the date agreed by all parties in the chain for **Completion**, including booking removers but will not know for certain until the day whether **Completion** will take place. If it does not, you may lose any deposit you have had to pay to your removers. You will not be entitled to compensation from the party who is not ready to move, but equally if it is you, you will have no liability to any other party in the chain.

Third Choice: (this is designed to achieve as far as possible the flexibility contained in the government advice)

If all parties in the chain agree we can add a clause to the contract which specifies certain situations (which may reflect some or all of the **New Risks**) in which **Completion** can be delayed if one of the stated situations arises after **Exchange of Contracts**. It will be necessary for all contracts in the chain of transactions to contain similar provisions. If as a result of one of the **New Risks** you are unable to proceed with the transaction you will not have any financial liability to the other parties in the chain.

Risk:

Although contracts have been exchanged it will still be a possibility that completion will not take place on the agreed **Completion Date** if you, your buyer/seller or someone in the chain is affected by one of the **New Risks**. It is also possible that the chain could collapse if one party is not able to proceed as a result of one of the **New Risks**. If that occurs you may not be entitled to any compensation from the defaulting party and may end up in a protracted argument, as to who was at fault, which would lead to further legal costs and could be time consuming and stressful. Any litigation or further legal costs would not be included the conveyancing costs and you would need to instruct a litigation Lawyer to act on your behalf.

If at any time before or after exchange of contracts any of your personal circumstances change or you believe that you won't be able to complete then please let us know immediately, for example, you have been furloughed from your job, put on reduced working hours, you need to self-isolate etc. This is important as we may need to advise your lender of the change in circumstances and/or advise all parties that a DELAY Event has occurred and delay the contract formally / delay exchange of contracts. If we do not do this, then you would be in breach of contract and liable to lose your deposit and/or pay any losses suffered as a result of that breach which, this could include, if your seller can only sell the property for less, the difference between the price you agreed to pay for the property and the price they managed to sell it for. Please ensure that you check the status of your mortgage offer throughout the transaction, as a mortgage offer can be withdrawn right up to completion, even if you have exchanged contracts.

Completion:

The date that is agreed between the parties when contracts are exchanged when the Seller moves out of the property and the Buyer moves in.

For a variety of reasons there are occasions when one of other of the parties is unable to complete the transaction on the completion date and very occasionally the transaction is never completed. In these circumstances the party who fails to complete suffers a financial penalty which can be very substantial especially if the transaction is one of a chain of transactions.

Please ensure that if you are planning to do so you arrange life insurance to cover your mortgage payments before you authorise me to exchange contracts.

If you are purchasing and not moving straight into the property, then please ensure that your house insurance will cover unoccupied properties BEFORE authorising exchange of contracts. Please remember that the property may end up being unoccupied for longer than you expected so make sure you understand all of the rules your insurer has around empty properties.

Executing documents

When signing some documents, you will need a witness. Your witness should be an adult, unrelated person who will need to be physically present when you sign. They will then need to sign and add their name, address, and occupation to the document. When witnessing documents please ensure all steps are taken to avoid transmission, for example, encouraging hand washing and not sharing pens and other objects, especially with vulnerable people.

Please speak to us as soon as possible if you believe that this could be a problem.

Be fraud aware

Whilst it feels like everything is changing some things are staying the same and sadly the risk of frauds is one of them. In these challenging times we would like to reiterate to our clients that they should be very careful when sending money to us. [Our bank details will not change](#) and if there is any doubt as to whether they should send money to us we would ask that they phone the office using the usual number to check. Please be aware of cyber crime and do not send sensitive information via the internet. We will send you details of how to use our MyLegalSpace and DPS Safechat, which is a secure method of communication. Please use this where possible.

Stamp Duty Land Tax

Please note that we cannot guarantee that your matter will complete on or before 30 September 2021 which is when the Stamp Duty Land Tax holiday is currently due to end. We will work to try and ensure that it does, but you should be aware that due to matters outside our control this may not be possible.