

38. We further agree that property agents should provide clear and transparent information about the costs involved in purchasing a leasehold property. As a minimum, all leasehold properties must be clearly marked as such in marketing information and state the remaining period left on the lease. Sellers are required to provide a leasehold information pack to prospective buyers, which sets out key aspects of the lease such as ground rent and service charges.

Failure to highlight onerous terms

It was extremely concerning to hear from so many leaseholders that their developer-recommended solicitors had failed to advise them of onerous terms in their leases. Such evidence suggests that some conveyancing solicitors have become too close to developers and did not put their client's interests first. This does not, however, absolve developers of the blame for taking advantage of their dominant position and creating such leases in the first place. Buyers should be encouraged to ensure that they seek independent legal advice. (Select Committee Report Paragraph 72)

39. The Government notes the conclusions of the Committee.

Routes to redress

The Government needs to act on its promise to help leaseholders seek redress where they have been let down by their conveyancing solicitors. *The Government should undertake a review within the next six months to determine whether existing routes, including to redress the Legal Ombudsman's scheme, are satisfactory or whether a new Alternative Dispute Resolution (ADR) scheme should be established for leaseholders with legitimate claims against their solicitors.* (Select Committee Report Paragraph 78)

40. In the 21 December 2017 response to the consultation *Tackling unfair practices in the leasehold market*, the Government committed to “work with the redress schemes and Trading Standards to provide leaseholders with comprehensive information on the various routes to redress available to them, including where their conveyancer has acted negligently”. The Government has worked with Trading Standards to ensure that the information is available, and they recently published helpful guidance for leaseholders seeking redress.²⁰

41. We note that part of the Committee's report focuses on leaseholders who may wish to sue conveyancing solicitors for negligence. However, it is important to note there are existing routes for complaint and redress if a consumer is unhappy with the

²⁰ National Estate Agents Trading Standards, Leasehold redress guidance for consumers, <https://en.powys.gov.uk/article/4850/Consumers-Information-NTSEAT>