

Department for Environment, Food and Rural Affairs

Water Bill: Part 4 – Flood insurance

Homebuyers and their flood risk

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Summary

This note provides a summary of the information on flood risk currently available to home-buyers

Who has responsibility to inform home-buyers of potential flood risk?

Surveys/investigations into flood risk are not required by law. It is a well-established principle of the conveyancing process that the onus is on the buyer of a property to conduct their own searches and investigations into the potential risks to that property.

Underlying this principle, the membership bodies of those professionals most active in the home buying process provide advice on how to flag up potential risks to property buyers. The Law Society has published guidance to its members in relation to flood risk, promoting good practice for solicitors acting in conveyancing transactions. The Law Society guidance states:

In all conveyancing transactions, when acting for a prospective buyer, tenant or lender in residential and commercial transactions, you should mention the issue of flood risk to your client and, if appropriate, make further investigations.

Once an offer on a property has been accepted, most lenders will require a valuation, which may require takes flood risk into account. The purchaser can determine how detailed the valuation survey will be, taking into account factors such as the age of the property, the state of its condition and the price of the survey.

Additional options available to purchasers

Environment Agency mapping

The Environment Agency's flood risk mapping provides a freely accessible resource of flood risk information for an area. Anyone may access the Environment Agency website, search a postcode and view the risk to that postcode of flooding from river and sea or surface water. The Agency's mapping does not yet enable property specific flood risk assessments however it will give a good indication of the level of risk in the area of the property. The maps are available at:

<http://www.environment-agency.gov.uk/homeandleisure/floods/default.aspx>

A Flood Risk Survey

Purchasers could decide to commission a separate Flood Risk Survey. Such a survey can help to determine what can be done to reduce or mitigate exposure to flood damage and confirm that any existing flood measures have been fitted correctly by the installer. This type of survey not only provides an assessment of the flood risk to a property but also considers the ways in which flood water can enter that property and what can be done to prevent this or to limit the damage which might be caused. Currently there is no formal assurance scheme for professionals carrying out Flood Risk Surveys; however certain professional organisations can assist in finding a suitably experienced individual to conduct one. Such organisations include the Royal Chartered Institute of Surveyors (RICS), the Institution of Civil Engineers and the Chartered Institution of Water and Environmental Management.

Commercial searches

There are many other flood risk searches, alongside a variety of other property searches, offered by commercial entities. Such private companies take information from the Environment Agency, Land Registry, Local Authorities and the British Geological Survey and combine it with their own data-sets to provide a report for a fee. They may be commissioned by the purchaser themselves or by the solicitor working on the behalf of the purchaser or lender. There are no rules stating what must be included in such 'desktop flood searches', with each provider presenting data according to their own preferences. The Council of Property Search Organisations (CoPSO) represents the majority of the operators in this market and sets a code of ethics for its members.

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