



## Department for Business, Innovation & Skills

### Introduction of a Land Registry service delivery company: Consultation response form

This consultation response form is available electronically on the consultation page:  
[www.gov.uk/government/consultations/land-registry-new-service-delivery-company](http://www.gov.uk/government/consultations/land-registry-new-service-delivery-company)

Alternatively, this form can be submitted by email or by letter to:

Kirun Patel  
Shareholder Executive  
Department of Business, Innovation and Skills  
1 Victoria Street  
London  
SW1H 0ET  
Email: [bis.lr.consultation@bis.gsi.gov.uk](mailto:bis.lr.consultation@bis.gsi.gov.uk)

This closing date for this consultation is **20 March 2014**.

The Department may, in accordance with the Code of Practice on Access to Government Information, make available, on public request, individual responses.

---

Name: David Woodward  
Organisation (if applicable): Property Codes Compliance Board (PCCB)  
Address: 7 Kingfishers, Sudbury, Suffolk CO10 2BE

The Property Codes Compliance Board (PCCB) is the independent body responsible for regulatory oversight of search companies registered as subscribers to the Search Code. In particular, PCCB monitors how registered search firms maintain compliance with the Code.

The Search Code:

- provides protection for homebuyers, sellers, estate agents, conveyancers and mortgage lenders who rely on the information included in property search reports undertaken by subscribers on residential and commercial property within the United Kingdom
- sets out minimum standards which firms compiling and selling search reports have to meet
- promotes the best practice and quality standards within the industry for the benefit of consumers and property professionals
- enables consumers and property professionals to have confidence in firms which subscribe to the code, their products and services.

Please tick the box from the list below that best describes you as a respondent. This allows views to be presented by group type.

|          |   |
|----------|---|
| <b>x</b> | Business representative organisation/trade body |
|          | Central government                              |
|          | Charity or social enterprise                    |
|          | Individual                                      |
|          | Large business (over 250 staff)                 |
|          | Legal representative                            |
|          | Local Government                                |
|          | Medium business (50 to 250 staff)               |
|          | Micro business (up to 9 staff)                  |
|          | Small business (10 to 49 staff)                 |
|          | Trade union or staff association                |
|          | Other (please describe)                         |

### Question 1

Do you agree that by creating a more delivery-focused organisation at arms length from Government, Land Registry will be able to carry out its operations more efficiently and effectively for its customers?

☐ Yes

☒ No

☐ Not sure

Comments:

PCCB is not aware of evidence to suggest that the Land Registry's present organisational arrangements inhibit the performance of its key functions. Indeed, the perception is that it performs these functions efficiently and effectively and enjoys high consumer and stakeholder confidence. It is not clear how this would be improved by changing the present organisational arrangements.

### Question 2

Do you agree that the OCLR should retain exclusive responsibility for the functions set out in paragraph 49?

☒ Yes

☐ No

☐ Not sure

Comments:

Yes, regardless of whether the Land Registry is restructured. The question makes very broad and premature assumptions about the possibility of a service delivery company, which PCCB believes is unhelpful and against the spirit of genuine consultation.

### Question 3

Are there additional functions that should be retained in the OCLR? Please explain what and why.

Comments:

It is confusing that this consultation is taking place alongside a separate Land Registry consultation on centralising local land charges registers. The proposals in both consultation papers are inter-related and in many respects inter-dependent.

In its response to the Land Registry consultation PCCB has expressed the view that the interests of the consumer and property professionals are best served if the Land Registry continues to concentrate on providing land registration and associated services as efficiently as possible and in addressing related areas where the market is not functioning efficiently. For example, the problems experienced with leasehold property transactions. By acting as a central repository for leasehold information the Land Registry could do much to remove longstanding market problems and inefficiencies.

### Question 4

What are your views in respect of the proposals for shared functions set out in paragraphs 50-51?

Comments:

There are inherent dangers to the public interest in the OCLR and a service delivery company sharing functions unless it is clearly established that the 'policy' responsibility retained by the OCLR includes regulatory oversight of the service delivery company. This is particularly important in view of the proposal that the service delivery company could be in the private sector, in which case the company's primary focus would be on generating profit than protecting the public interest. The public interest must be of paramount.

### Question 5

What are your views on the proposed approach to service delivery company functions in paragraph 52?

Comments:

The approach outlined in paragraph 52 is very sketchy and leaves much unstated. Again, this illustrates the complexity caused by inter-dependence with the outcome of the proposals in the Land Registry consultation. A number of important issues need to be resolved before this question can be answered - in particular, where responsibility would lie for any new activities.

### Question 6

Do you agree that the overall design provides the right checks and balances to protect the integrity of the Register and safeguard the provision of indemnities and state title guarantee? If not, please state your reasons why not.

☐ Yes

☒ No

☐ Not sure

Comments:

A 'no' response is given here because without first settling important issues relating to the future functions of the Land Registry – not least whether or not local land charges registers are to be centralised by the Land Registry – it simply is not possible to comment meaningfully on the proposed restructuring of the Land Registry. There is just not enough information available currently to enable informed views to be reached.

### Question 7

Would you be comfortable with non-civil servants processing land registration information provided they do so within the framework set out by the OCLR through the service contract? If not, please explain your reasons why not.

☐ Yes

☐ No

X ☐ Not sure

Comments:

There are very major public interest issues at stake here. Could a 'service contract' provide sufficient safeguards and guarantee no drop in standards and information integrity? Could it genuinely ensure that the public interest is fully protected in all circumstances? Any failure on the part of the service delivery organisation could have very serious consequences for the property market and public protection. This risk must not be underestimated. BIS and the Land Registry must undertake a thorough, independent risk assessment before developing any plans further.

### Question 8

Are there any situations, other than those set out in this consultation, in which you would want to see an escalation process to the OCLR? Please explain what and why.

Comments:

This question puts the cart before the horse in that it doesn't take account of the outcome of Land Registry's consultation seeking wider powers. It is difficult to provide a response without knowing the implications of wider powers proposals.

### Question 9

Do you agree with the proposed approach for handling complaints, as set out in paragraph 56? If not, please explain your reasons why not.

☐ Yes

x ☐ No

☐ Not sure

Comments:

The interests of the consumer are not adequately represented in the proposed structure outlined in paragraph 56. PCCB has arrangements in place whereby dissatisfied consumers and their representatives have a right to take their case to a free independent dispute resolution service established for that purpose. Free (or low-cost) access to dispute resolution is of course an important principle of consumer protection. Public rights under the consultation proposals should be no less robust. This is particularly important if the Land Registry is to be given wider powers.

### Question 10

Do you agree with the escalation process set out for objections in paragraph 56? If not, please state your reasons why not.

☐ Yes

☒ No

☐ Not sure

Comments:

Please see the response to Question 9

### Question 11

Do you think the Rule Committee should include a representative from the service delivery company? Please explain why or why not.

☐ Yes

☐ No

☒ Not sure

Comments:

It is difficult to express a view without knowing what arrangements are proposed for ensuring (and enforcing) compliance with the Rules. In relation to the Search Code, compliance and enforcement is the responsibility of the public interest directors of the PCCB Board. The focus is on protecting the public interest, and accordingly directors representing the search industry do not participate. Similar principles should apply in relation to these proposals.

### Question 12

The Data Protection Act will protect personal data that is provided to the service delivery company. Would you like to see any protections beyond this, and if so please explain what and why?

☐ Yes

☐ No

☒ Not sure

Comments:

It is not clear why additional protections might be needed. The requirements of the Data Protection Act are well established and appear to operate effectively.

### Question 13

What are your views on the proposed system for safeguarding customer service issues and the continued role of the Independent Complaints Reviewer?

Comments:

See the response to Question 11. It is PCCB's view that any consumer redress arrangements must be fully independent. The consumer interest is not well served where supplier or other vested interests have any influence over the outcome of the process.

### Question 14

Do you think there is a difference between the opportunities and risks depending on whether operational control over the service delivery company is entrusted to Government or a private sector company? If yes, what?

☒ Yes

☐ No

☐ Not sure

Comments:

In the case of Land Registry functions the answer must be 'yes'. This is a very high risk area in terms of the impact of any failure or fall in standards on the property market and the wider public interest. High service standards are essential. It is difficult to see how devolving power to a 'profit focused' private sector organisation could be achieved without increased risk.

### Question 15

Do you think there is a difference between the opportunities or risks depending on whether the service delivery company is owned by the Government or a private sector company or both? If yes, please explain your reasons.

☒ Yes

☐ No

☐ Not sure

Comments:

See the response to Question 14.

### Question 16

What do you think are the constraints and dependencies for Land Registry's successful delivery of the business strategy?

Comments:

The proposals presented in this consultation and the related Land Registry consultation represent far-reaching changes which, if pursued and implemented in a way which fails to safeguard fully the public interest, would have a potentially very damaging impact on the property market and the wider economy. This is not an area to experiment with wholesale changes without understanding fully their impact. Frankly, neither this nor the Land Registry consultation paper provides any confidence that those impacts have been properly thought through and potential pitfalls addressed.

In particular, the proposals set out in Land Registry consultation paper display a worrying lack of understanding about how the property search process operates. This lack of understanding highlights the Land Registry's lack of expertise and competence which could cause very real problems if the Land Registry were to centralise property search information. The PCCB is conscious also that the Land Registry's track record in seeking to deliver projects outside its

core activities is far from reassuring – e-conveyancing and the ‘chain matrix’ initiatives went badly wrong and had to be abandoned. This raises knock-on concerns about the service delivery company proposals set out in this consultation.

### Question 17

Do you have any other comments on the proposals contained in this consultation?

Comments:

Whilst not stated, it seems clear that the proposals put forward in this and the Land Registry consultation paper are principally aimed at paving the way for privatisation of the Land Registry and providing new powers to make the sale as attractive as possible and to maximise sale revenue for the exchequer.

PCCB has no strong views about privatisation. Indeed PCCB regulates a highly effective private sector search industry. However, it is of crucial importance that any consideration of wider powers for Land Registry is aimed at enhancing the efficiency of a fully competitive property market. Great care needs to be taken to ensure that new powers are not provided where there is a genuine risk that they could be used in a way which would damage efficiency or competition in an existing market. In particular there must be no question of providing by statute wider powers which would facilitate the creation of a dominant market force which would then be sold off into the private sector. That could increase the ‘value’ of the Land Registry as a privatisation candidate but it would be highly detrimental to the efficiency of the property market and ultimately the public interest.

### Question 18

Do you have any other comments that might aid the consultation process as a whole? Please use this space for any general comments you may have. Comments on the layout of this consultation would also be welcome.

Comments

It should have been made transparent in the consultation paper that the objective is to pave the way for privatisation.

The consultation paper has failed genuinely to focus on and address the needs of the consumer.

The timing of this and the Land Registry’s consultation on wider powers and the Local Land Charges Register centralisation should have been better co-ordinated. The result has been vague proposals presented without clear information about the practical implications. This can only devalue both the questions posed in the consultation papers and the content of responses.

Thank you for your views on this consultation. We do not intend to acknowledge receipt of individual responses unless you tick the box below.

Please acknowledge this reply x☐

At BIS we carry out our research on many different topics and consultations. As your views are valuable to us, would it be okay if we were to contact you again from time to time either for research or to send through consultation documents?

x☐ Yes

☐ N



© Crown copyright 2014

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. Visit [www.nationalarchives.gov.uk/doc/open-government-licence](http://www.nationalarchives.gov.uk/doc/open-government-licence), write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk).

This publication is also available on our website at <https://www.gov.uk/bis>

Any enquiries regarding this publication should be sent to:

Department for Business, Innovation and Skills  
1 Victoria Street  
London SW1H 0ET  
Tel: 020 7215 5000

If you require this publication in an alternative format, email [enquiries@bis.gsi.gov.uk](mailto:enquiries@bis.gsi.gov.uk), or call 020 7215 5000.

**BIS/14/510RF**