

# **CHIEF EXAMINER REPORT**

## **JUNE 2025**

## **LEVEL 6 UNIT 17 – CONVEYANCING**

The purpose of the report is to provide candidates and training providers with guidance as to the key points candidates should have included in their answers to the June 2025 examinations.

The 'suggested points for responses' set out points that a good (merit/distinction) candidate would have made.

Candidates will have received credit, where applicable, for other points not addressed.

#### **Chief Examiner Overview**

The higher-scoring candidates exhibited similar characteristics, in that they possessed both good knowledge and understanding of the academic law underlying the issues presented, as well as the relevant procedures of conveyancing, and brought this knowledge together to offer practical advice to the client.

Higher-scoring candidates had clearly made good use of the opportunity to consider the Case Study Materials in advance of the exam and ensured that they understood all the relevant provisions, and clauses, in those materials. Lower-scoring candidates failed to show an understanding of the relevant provisions, and clauses, provided in the Case Study Materials.

Generally, there were a high number of candidates who dealt with conveyancing procedures in a satisfactory manner, although a minority of candidates struggled with the correct procedure and knowledge. It is always advisable to ensure that candidates have a working knowledge of time limits for pre-completion searches, for example, and post completion matters, as these matters are essential in practice and in examination questions. A good working knowledge of what should be in a contract package is also essential.

#### Candidate Performance and Suggested Points for Responses

It is noted that the low numbers of candidates taking the Level 6 exams limits the scope for constructive feedback to be given and for firm conclusions to be reached. Therefore, feedback on candidate performance may be limited.

Question 1(a) 6 marks

Those candidates who identified that the question was discussing a new property buildings indemnity scheme (such as NHBC) did well on this question (although a number of students did not fully apply the law to the question here by identifying what stage of cover the property was at). For candidates who did not identify that this question was about NHCB cover (or an alternative cover), it was impossible to pick up any marks. Candidates must read the questions very carefully to ensure they understand what the question is asking for.

- The lease was granted on 3 June 2019 so the property has been built within the last ten years.
- Therefore the Buyers' lawyer will require new property buildings standards indemnity scheme insurance cover.
- The most common form is NHBC cover (although can credit an alternative type of cover).
- For Highview Road, the relevant stage of cover is 3-10 years which will provide insurance to cover structural defects in the building.
- This cover pass to the Buyers without any need for express assignment.
- Therefore documentation relating to this should be supplied to the Buyers' lawyer (the NHBC certificate of insurance and policy documentation (or equivalent)).
- A copy of the planning permission, buildings regulation approval and certificate of compliance for the apartment block.

Question 1(b) 16 marks

Generally, candidates identified the vast majority of documents that needed to be provided in the contract package and successfully explained what those documents show, which was commendable. That said, lower-scoring candidates often did not explain why they were providing those documents, and so did not manage to achieve full marks on this question.

## Suggested Points for Response:

According to Step 13 of the Protocol we will send the Buyers' lawyer the following:

- Draft contract (in duplicate).
- which is the document that sets out the terms and conditions of the sale and/or will make the parties contractually bound to sell/buy the property on exchange.
- Official copy of the Register and the Title Plan of the property/the leasehold title.
- which shows the entries/title matters that affect the property/the leasehold title (or that it shows the clients as the registered owners of the lease).
- A copy of the lease of the property (including the lease plans).
- as this creates the legal title in property and also contains tenant's covenants which bind the lessee/it details the terms under which the property is held.
- Official copy of the Register and the Title Plan of the freehold title.
- which shows the entries/title matters that affect the freehold property and could therefore affect the leasehold property too.
- The Fittings and Contents Form (TA10).
- to show what is included in the sale (as, for example, carpets and curtains are included in the sale price).
- Replies to the Property Information Form (TA6).
- which shows information that occupiers of a property would know i.e. have there been any disputes with neighbours etc.
- Replies to the Leasehold Information Form (TA7).
- which contains information about the lease such as whether there have been permitted alterations etc.
- The EPC.
- which is an energy efficiency report on the property.

#### Question 1(c) 5 marks

Most candidates were able to identify that Juliet and Chosen could use the deposit from their sale for their corresponding purchase, however many candidates struggled with explaining why. A number of candidates did not appreciate the importance of a seller's solicitor holding the deposit as a stakeholder and therefore this was not identified or discussed.

- Under condition 2.2.1 of the Standard Conditions of Sale, a 10% deposit must be paid on exchange.
- We must therefore ensure that the deposit is specified as a lower figure on the front page of the contract as a reduced deposit is being paid.
- The deposit must be held by the sellers' lawyer as stakeholder under SC 2.2.6.
- However SC 2.2.5 allows a deposit to be used on the purchase of a new residence, provided it is similarly held by the lawyers as stakeholder.
- Therefore the Boatengs can use the deposit from Highview Road to pay the deposit on Hawksmoor Cottage.

Question 2(a) 5 marks

Generally, candidates scored well on this question, with many obtaining full marks. Most candidates read the question properly and provided an explanation for the purpose of each search, which was commendable.

## Suggested Points for Response:

- Local Land Charges (LLC1) to determine if there are any local land charges affecting the property.
- Optional enquiries of the Local Authority (CON290), as the property is next to an open area of grass used by the public which may be common land or a town or village green.
- Drainage and water search (CON29DW), which will determine whether the property has mains drainage and water supply and is attached to the public sewerage system.
- Environmental search to determine the possibility of contamination being present.
- Chancel repair search as the property has not been transferred since 2013 which will determine whether the property is subject to chancel repair liability.

Question 2(b) 16 marks

Candidates should note that where a question asks you to draft requisitions on title, you are expected to give us the draft wording of those requisitions. The vast majority of candidates were able to identify the 3 core areas where requisitions were needed here (the restrictive covenant on the title, the planning permission and the building regulation approvals) however a number of candidates lost marks by not explaining why these were problems very well i.e. going into the detail of why planning permission would have been needed for the kitchen extension.

- "Please provide the required consent from the owner of the land to the west of the property to the extension that has been added to the property."
- This requisition should be raised as there is a covenant on the title that prohibits alterations or additions to the property without the consent of the adjoining owner.
- We need to ascertain that this consent has been obtained as otherwise there will be a breach of this restrictive covenant.
- The restrictive covenant will pass to our clients on purchase of the property and...
- The neighbouring owners could therefore take enforcement action for breach of the covenant.
- "Please provide the planning permission for the extension that has been added to the property."
- We are told that a 9-metre extension has been added to the property with a new kitchen installed in it.
- Under the Town and Country Planning Act 1990 permission is required for development of land.
- Development includes building operations.
- Therefore planning permission should have been obtained for the erection of the 9-metre extension.
- The replies to the CON29 enquiries do not show any planning permissions so we need to ask the sellers whether there is permission.
- If there is no permission, then the local authority could take enforcement action against our client as the extension was only built 6 months ago which is within the time limit for enforcement (10 years).
- "Please provide the building regulation approvals and building regulation completion certificates in relation to the extension and the new kitchen at the property".
- The extension and/or the installation of the new kitchen (if it included new central heating, for example) would require building regulations approval under the Building Regulations 2010.
- Again, the Replies to CON29 enquiries do not show any approvals or completion certificates.
- If there is a breach of Building Regulations, the local authority can take action against our clients as this is still within the enforcement period of 10 years.

Question 3(a) 12 marks

Most candidates were able to identify that Formula C would be appropriate for a chain transaction, however many candidates struggled with explaining exactly how this formula works.

## Suggested Points for Response:

- Kempstons will exchange contracts with the solicitors (Estates LLP) acting for Peter and Jane Garside, the sellers of Hawksmoor Cottage, using Formula C.
- Formula C will be used because the Garsides are buying another property/this is a linked/chain transaction for the Garsides.
- Formula C has two stages.
- In the first stage, each solicitor confirms they hold a signed contract.
- The completion date is agreed and the sellers' solicitor (Estates LLP) notifies the buyers' solicitor (Kempstons) who the deposit should be paid to.
- The buyers' solicitor (Kempstons) undertakes that they will continue to hold the part contract signed by their clients to the sellers' solicitor's order until the latest time agreed for exchange of contracts that day and, if so required, activate Part II of the formula.
- The sellers' solicitor (Estates LLP) can now proceed to exchange contracts on their clients' own purchase, knowing that they can then exchange on their sale at any time up to the agreed time.
- Part I of the formula will then be followed up the chain until exchange of contracts on the top transaction takes place, and the solicitor of the buyer of that property can telephone their own client's buyer's solicitor and activate Part II of the formula.
- In Part II the sellers' solicitor (Estates LLP), having exchanged contracts on their clients' purchase, telephones the buyers' solicitor (Kempstons) by the agreed latest time and requests that Part II be activated.
- Both solicitors undertake to hold the part contract in their possession to the order of the other and exchange is effected.
- The solicitors also undertake to despatch the contract to the other that day...
- and the buyers' solicitor (Kempstons) also undertakes to despatch the deposit that day to the sellers' solicitor, or to some other solicitor further up the chain if requested.

Question 3(b) 6 marks

Lower-scoring answers showed a lack of accuracy when describing the official search of whole with priority i.e. stating, for example, that the priority period is 30 days rather than 30 working days.

- An official search of whole of the title with priority ...
- using form OS1 ...
- which reveals whether any new entries have been added to the register since the date of the official copies ...
- and which provides a priority period of 30 working days in which to register the transfer of the property at HM Land Registry.
- Completion Information and Undertakings Form/Completion Information and Requisitions on Title (Form TA13) will be sent by the sellers' lawyer (under the Protocol).
- This contains information relating to discharge of existing mortgages, vacant possession, method of completion, amount needed for completion etc.

Question 3(c) 5 marks

Many candidates were able to identify that an indemnity needed to be given against a breach of the covenant on the title, and so picked up some marks on this question, however lower-scoring candidates suggested entering into a brand new covenant, or were confused as to who would give this indemnity i.e. they mixed up the transferee and transferor.

## Suggested Points for Response:

- The Transferees covenant (by way of indemnity only)
- to observe and perform the covenants referred to in Entry Number 1 of the charges register
- and to indemnify and keep the Transferors and their estate indemnified
- against all actions, proceedings, costs, damages or expenses incurred or suffered by the Transferors or their estate
- in respect of future breach, non-observance or non-performance of the covenants.

Credit any wording that has the same effect.

Question 4(a) 8 marks

Most candidates identified that there was a restriction on the title that meant that Juliet and Chosen held the beneficial title as tenants in common, and most candidates identified that a second trustee would need to be appointed. However candidates should ensure they can explain the law in relation to overreaching and why a second trustee is needed.

- Entry number 2 of the Proprietorship Register for Highview Road shows that Mr and Mrs Boateng owned the property as beneficial tenants in common.
- The legal title will pass to Mrs Boateng by survivorship ...
- but when Mr Boateng died his beneficial share passed by will or intestacy to his estate.
- A second trustee is needed to give good receipt for the purchase monies.
- This would then overreach ...
- Mr Boateng's beneficial interest which means that the interest then moves from the property to the proceeds of sale.
- Mrs Boateng will therefore need to appoint a second trustee (by deed of appointment, or in the TR1 itself).
- The TR1 will need to be redrafted in any event to add the second trustee as a seller.
- The buyers' lawyer will also require us to provide them with a certified copy of Mr Boateng's
  death certificate as proof of death will be needed by the Land Registry to permit overreaching
  to occur.

Question 4(b) 9 marks

Most candidates identified lots of the provisions of the Standard Conditions of Sale that deal with delayed completion, and identified that a notice to complete could be served, and the consequences of this, however many students had a lack of detail in explaining these provisions i.e. stating that compensation would be paid, but not on what i.e. at the contract rate on the purchase price less the deposit.

## **Suggested Points for Response**

- Completion should occur on or before 2pm on 27 June 2025 (SC 6.1.2) otherwise there will be late completion and a breach of contract by our client as buyer.
- Time is not of the essence for completion and so the sellers cannot force Mrs Boateng to complete on 27 June 2025 (SC 6.1.1).
- However Mrs Boateng will be required to pay compensation/interest to the sellers at the contract rate on the purchase price, less the deposit (SC 7.2.2).
- The sellers also retain their rights to sue for damages but any claim is to be reduced by any compensation paid (SC 7.2.3).
- The sellers can make time of the essence by serving a notice to complete (SC 6.8.1).
- This gives Mrs Boateng 10 working days to complete making time of the essence (SC 6.8.2).
- A deposit of less than 10% was agreed on Hawksmoor Cottage and so under SC 6.8.3, Mrs Boateng must make the deposit up to 10%.
- If Mrs Boateng fails to complete, the sellers may rescind the contract, forfeit the deposit and claim damages (SC 7.4.2).
- The sellers also retain their other remedies (i.e. can sue for breach of contract) (SC 7.4.3).

Question 4(c) 12 marks

Generally, this was answered well. Most candidates identified the registration and SDLT requirements and identified that evidence of the discharge of the seller's mortgage would need to be provided to the Land Registry.

- Send SDLT 1 to HMRC (or electronically) ...
- within 14 days of completion ...
- along with payment of the SDLT due.
- Send Form AP1 to HM Land Registry along with ...
- A certified copy TR1 ...
- To register the transfer of the property to Mrs Boateng.
- The SDLT 5 ...
- To show payment of the SDLT due
- Form DS1 ...
- To discharge the sellers' mortgage on the property
- (unless the electronic discharge has been used in which case this is noted on the AP1) ...
- all within 30 working days of the OS1 priority search result certificate.
- Chosen's death certificate would also be sent to the Land Registry.