## WORKING WITH THE LENDER COMMUNITY



#### A DIFFERENT MODEL

**OUR** history makes us fundamentally different from other players in the field of legal services regulation, because as an independent regulator the CLC has no institutional links to bodies representing legal professions. We also have a forward-looking approach to the regulation of innovative and client-led provision of legal services. Lenders are clients too!

**WE** are committed to working closely with lenders to:

- Share intelligence
- Foster innovation and growth
- Identify risk accurately
- Agree effective and proportionate actions
- Support a well-functioning property market.

### HIGH STANDARDS THROUGH SPECIALISATION

**OUR** most notable feature is that we are a specialist regulator. We regulate individuals and entities based on the service they provide rather



than by dint of their professional status. Our Level 4 and Level 6 Diplomas in just one area of law gives the practitioner enormous strength and depth of expertise and provides consumers with a very significant guarantee of quality.

**THIS** level of specialist education and training, allied to practical experience, means that a further quality scheme in our field is irrelevant. Being a Licensed Conveyancer is the mark of quality, as there is no need for additional accreditation schemes. Extremely positive feedback from lenders backs that up.



### **SMART REGULATION**

**THE** owners and managers of CLC-regulated entities are subject to the most rigorous identity, fraud and financial checks currently permitted under UK law.

**WE** collect key information about practices at licence renewal time, through their annual submission of accountants' reports and through our Annual Regulatory Return exercise. This is in addition to intelligence we receive from a wide range of sources, including periodic thematic reviews focusing on particular issues.

**WE** have an exemplary record in regulation, and promote high standards in legal services, with the capability and expertise to regulate a wider range of legal service providers.

**BECAUSE** of our specialisation we are able to be a smart regulator. We can quickly react to the evolving

issues particular to conveyancing, being nimble in response to the changing environment and risk profile of the community that we regulate and taking a proportionate approach that supports commercial operations.



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### SUPPORT AND ASSISTANCE

**WE** take a rigorous but supportive approach – what might be termed 'assisted compliance'. This means that we are able to help firms avoid problems, but that we act quickly and robustly where they do arise. The low incidence of fraud against lenders in conveyancing undertaken by our regulated community is proof that our approach works.

**IN** addition, our Regulatory Assistance scheme ensures that each practice that the CLC regulates is allocated their own Regulatory Supervision Manager (RSM). The RSM's role is to help the practice to understand their regulatory responsibilities and to assist them in their compliance with the CLC Code of Conduct and the Overriding Principles.

### **RISK AWARENESS**

AS the market fluctuates, firms may be tempted to take on more transactions than their staff and systems can safely manage in a timely fashion or, conversely, cut rates to win work. By flagging the consequent risks with firms, we expect them to manage their workload sensibly, and alert us if they think they are heading into difficulties.



AS an example of our proportionate approach, we have not banned referral fees in relation to conveyancing work because; as long as there is effective transparency we can see no consumer detriment or other prejudice that arises.

This is backed up by our own research as well as work by the Legal Services Board and Legal Services Consumer Panel. It is very unlike the position in relation to personal injury work that other regulators needed to deal with and where referral fees were giving rise to a dubious industry and fuelling a compensation culture.



### FINANCIAL PROTECTION

**OUR** Compensation Fund Arrangements differ slightly from the SRA's as we do not apply a formal hardship test to claims for compensation. As a result, where we are satisfied a lender has suffered loss at the hands of a licensed conveyancer, a compensation payment can be made.



## PROFESSIONAL INDEMNITY INSURANCE (PII)

**OUR** Participating Insurance Agreement sets out the terms and conditions of PII for CLC practices. Please visit: www.clc-uk.org/Regulation-by-CLC for further details.

**THE** work of the CLC is overseen by the Legal Services Board.