



ANTI MONEY LAUNDERING GUIDE

WHAT ARE ANTI MONEY LAUNDERING CHECKS?

Your conveyancer is required by law to carry out what is known as “Client Due Diligence” or (“CDD”) on every client. A conveyancer will commit serious criminal offences if they fail to follow the extensive obligations in the Anti-Money Laundering and Counter-Terrorist Financing legislation.

Conveyancers have been jailed for turning a blind eye to suspicious circumstances. We are required to notify any suspicious circumstances to the National Crime Agency without our clients’ consent of knowledge. We would also commit the offence of “tipping off” if we do anything that would alert our clients that we have made the notification. As a result conveyancers take this very seriously indeed.

HOW BIG IS THE PROBLEM?

Money laundering is the world’s third largest business being worth perhaps a couple of trillion dollars a year. The Treasury has estimated that in the UK alone at least £10 billion a year is laundered through the regulated sector, meaning conveyancers, accountants, banks and estate agents. Of course the precise figure will never be known. Property transactions are a very suitable way of laundering criminal money and are often used by money launderers as a way of hiding their cash.

WHO IS AFFECTED?

Conveyancers must take steps to verify the true identity of all clients without exception even though they may have acted for them for years. Usually we will expect to see a driving licence or passport and some other form of verification such as utility bills to link you to the property. We may also carry out electronic verification using external companies and agencies to satisfy ourselves that you are who you claim to be.

SOURCE OF FUNDS ENQUIRIES

We also need to be satisfied that there is nothing unusual about the source of the money you are using to buy the property (known as ‘Source of Funds’ enquiries shown attached to this form). Please do not be offended by this or think that it is none of our business as we are required to do this by law. For example, a person of modest means suddenly buying a million pound property for cash could be the result of an inheritance or a lottery win but it could also be a result of criminal activity.

CONSTANT MONITORING

Our obligations continue through the entire transaction not just at the beginning. We have to consider constantly whether anything is or becomes suspicious. This includes changes in the attitude of the client to the transaction, sudden unexplained urgency, changes of parties or price, of where the money is coming from or going to etc.

EXTENDED CDD

Conveyancers have to apply what is known as Extended Customer Due Diligence in some cases. Where this applies we will need to go further to check your identity using other methods of identity verification. This may include electronic searches and enquiries. This will apply where for example we do not meet you face to face at the start of the transaction. It will also be required where you (or your family or associates) are involved at a senior level in politics or industry.

EXAMPLES OF DOCUMENTS PROVING IDENTITY

We will usually want at least two sources of verification from you. We also need to be sure that you are the person named in the documents. There are other recognised documents that may also be used to verify your identity if you do not have any of these:-

- Current signed passport
- Birth certificate
- Current photocard drivers Licence
- Residence permit issued by the Home Office
- Benefit book or original notification from the DWP
- Council tax bill, utility bill or statement
- A recent original mortgage statement from a recognised lender
- Local council or housing association rent card or tenancy agreement
- HMRC self-assessment statement or tax demand
- House or motor insurance certificate

COMPANIES, CHARITIES, ESTATES AND TRUSTS ETC

There are also special rules we have to follow when acting for companies, partnerships, clubs, associations, trusts the estates of deceased persons and so on

As well as checking the bona fides of the company representatives or trustees we may also have to identify who controls or owns the shares of the organisation. In relation to estates, trusts, and charities we may need to identify not just the trustees but also consider who are the beneficiaries.

Talk to us!

Please ask us to explain anything in this guide or discuss any unusual circumstances. We can then advise on what is best for you.

This is a general guide only, and each situation may be different and may need specific advice.