



## YOUR PURCHASE TRANSACTION

This sheet is designed to give you an overview of the procedural and financial aspects of your conveyancing transaction. Please familiarise yourself with the information it contains and if you have any questions, please contact the person conducting your matter for a fuller explanation.

Usually a conveyancing transaction is split into two “events”:-

The first of these is **exchange of Contracts**. At any time before exchange of Contracts takes place, either party can withdraw from the transaction without penalty. It is only once exchange of Contracts has taken place that you are bound either to buy or sell. Failure then to do so would mean that you would be in breach of Contract.

Normally a 10% deposit is paid over by the buyer upon exchange of contracts, although a lesser amount may be agreed as being acceptable by the seller. Should a lesser amount be accepted the seller is nevertheless entitled to the balance of the full 10% deposit in the highly unlikely event that the transaction does not proceed to completion.

The second event is called **completion**. At exchange of Contracts, a date is agreed for completion of the Contract. This is when the balance of the purchase price, normally funded by a Mortgagee (Bank or Building Society), is due and paid over to the seller. It is at this point that the Deed transferring the property and the keys are passed to the buyer. The completion date is a firm date and if the buyer fails to hand over the amount required on that date then interest on the unpaid balance is chargeable by the seller on a daily basis. Completion usually takes place a few weeks after exchange although, in some cases, it can happen on the same day as exchange of Contracts or a few days thereafter (depending on a number of factors).

We, as your Solicitors, have to pay over the deposit and the balance of the purchase price as “cleared funds”. This means that we must clear any cheques presented to us through our own Bank account before we can draw a firm’s cheque. Your personal cheque will take one week to clear through our account. Please bear this in mind when giving us a cheque, either as a deposit or the balance of the purchase price.

Between exchange of Contracts and completion, we will draw up a Completion Statement setting out in full the monies received and paid on your behalf as well as any balance needed to complete. We will present this to you in advance of completion so that you are fully informed of the financial details of the transaction. You will be given an itemised breakdown of the anticipated costs of the transaction in your Client Care Letter sent to you at the outset of the matter.

It is this firm's practice to collect our fees prior to completion along with disbursements that we are required to pay on your behalf (e.g. Stamp Duty, Land Registry fees, etc.) in order to finalise the matter.

Given the level of Local Authority charges for conducting searches, it is our usual practice to ask clients to pay the costs of the initial search fees at the beginning of the purchase transaction.

You will need to let us have funds for the deposit allowing time for your personal cheque(s) to be cleared through our account. Once we have exchanged Contracts, we will request the Mortgage Advance from your lender. The time taken for your lender to process the request and for us to receive funds varies from lender to lender, but most Banks and Building Societies will do their best to meet tight deadlines. Nevertheless, we have to take these time constraints into account when agreeing a completion date with the seller's Solicitors in liaison with yourself. However, we will endeavour to agree with the other parties to the transaction the completion date that is most convenient to you.

### **Stamp Duty and Registration**

We have a thirty day period after completion within which to pay any Stamp Duty that is due. Penalties will be imposed by HMRC for late payment so it is essential that we are in funds at completion. We will send you the Stamp Duty Declaration for signature and would ask that you return this to us as soon as possible. Thereafter, we will deal with registration of your title at The Land Registry. This process can vary in length from a few days to a few weeks depending on the particular transaction required.

### **Generally**

We should point out that we will deal with your matter as expeditiously as possible and we aim to keep you fully informed of progress throughout.

If you have any questions concerning your particular transaction, please contact us.