

Covid-19 Information Sheet – Conveyancing Transactions – Information for the Buyer

This information sheet has been produced by students from BPP's Pro Bono Centre under the supervision of legally qualified staff members. The aim of this sheet is to provide clarity to those seeking to buy a house during the COVID-19 pandemic. The information contained in this document is accurate as of 9th April 2020.

Contents of this document

[Buying a house – Pre-Offer](#)
[Impact on conveyancing – making an offer](#)
[Impact on funding a purchase](#)
[Impact on conveyancing – After exchange](#)
[Moving into my new property](#)
[Further Information](#)

Buying a house – Pre-offer

Can I still buy a property during COVID-19?

On 23rd March 2020, the UK Government announced strict social distancing measures that placed restriction on non-essential activities. This included the closure of some workplaces and restrictions on physical interaction with others. Understandably, the conveyancing industry has been affected by the measures, with many practitioners now forced to work from home.

In terms of buying property, the Government's measures do not automatically mean that your transaction will be placed on hold. But you should expect significant delays as the conveyancing industry adapts to working remotely.

Many of the formal steps that need to be taken to purchase a property, including drafting contracts and some searches, can still continue with the use of technology.

What if I have already started the process of buying a house?

If you are already in the process of buying a house, the next steps will depend on how far in you are. If you have exchanged contracts already and a date has been set for completion – you may still be able to go ahead and move into your new property. This is covered in more detail below.

If you are still in the drafting contracts stage of your purchase, Conveyancers and Estate Agents are being encouraged to be as flexible as possible in setting dates for exchange and completion. It is also recommended that any drafted contracts make clear provision for any potential COVID-19 related delays or issues that might arise before exchange.

Impact on conveyancing process – making an offer

Can I still view properties I am interested in?

The Government's stay-at-home measures means you should not be physically viewing a property during COVID-19. This is because it is almost impossible to maintain social distancing whilst viewing a property – and a property visit does not fall within one of the Government's 4 reasons for being out of your house.

This does not mean that you cannot express an interest in properties during this period. Many properties are still listed on agents sites, you are able to browse through what is available in your desired area, and you can view all the property details online (if available). In some cases, you may even be able to arrange a virtual tour of the property for the time being.

Can I still make an offer on a property?

At the moment, there is no rule against making an offer on a property if you are interested and want to purchase. However, it is always advisable to view a property before making any formal offer.

Estate Agents and conveyancers will try to support you as much as possible to continue to process transactions during COVID-19, but you should consider carefully whether you should make an offer.

You should also make sure that you can secure funding before making any offer.

If your offer is accepted, you need to make sure that any contract drafted by your conveyancer clearly makes provisions for any delay and added costs arising from COVID-19.

Will there be a delay between making an offer and exchanging contracts?

Yes. Before exchanging contracts, a number of searches need to be completed to ensure enough is known about the property. This includes local authority, water, utility and environmental checks. All of these need to have been carried out before exchanging contracts.

As many of these searches require a physical inspection of the property by a qualified person – they are currently being limited to urgent-only inspections (where the property is occupied). As a result, you can expect a significant delay to this stage of the conveyancing process.

Impact on funding a purchase

Can I still apply for a mortgage?

Yes. Banks and other lenders are still operating during this period. However, COVID-19 has had a large impact on the global economy. You can expect all major banks and lenders to be much more cautious in making mortgage offers.

Due to social distancing measures, you will not be able to have a face-to-face meeting with any lender during COVID-19. Many lenders are prepared to hold remote meetings to discuss

mortgage applications. Continue to do your research into different types of mortgages online and use technology to speak to lenders if available.

There may be a delay as lenders cannot do physical inspections or searches of property in order to undertake a mortgage valuation. Check this with your mortgage provider as they may not need to do a physical search and may be happy to obtain details about the property online to provide you with a mortgage valuation.

My lender requires a survey, can this still be done?

Some lenders will ask for a property survey before giving you a valuation and offering funding. This is particularly the case where you are seeking to purchase an older, listed or unusual property; a property with a unique feature (thatched roof for example); or the property gives rise to a specific concern.

A surveyor will thoroughly inspect the property to identify any concerns. This can relate to the structure or condition of the property. As this will require the surveyor to be physically present at the property – this will be subject to delays during the COVID-19 pandemic to ensure compliance with social distancing measures.

Surveyors should only visit occupied properties if the survey is urgent and they can remain 2 metres away from the occupants throughout. They should not attend if anyone in the household is showing symptoms of COVID-19. For details of what the symptoms of COVID-19 are visit the NHS website: <https://111.nhs.uk/covid-19/>.

For unoccupied properties, surveys may still go ahead, however, given the need to prioritise urgent surveys, this may be subject to some delays.

I have a mortgage offer, but it will expire before we can complete due to COVID-19 delays?

Most mortgage offers have a time limit attached to them and you may have found that they are due to expire before any new date for completion due to COVID related delays.

Your first step should be to speak to your mortgage provider. UK finance have worked with major lenders to find ways to agree to extend mortgage agreements for up to 3 months. This may enable you to still go ahead with completion with secure funding. Your lender should also be able to help support you by discussing your financial circumstances during this period.

You will also need to speak to your agent and the seller, particularly if you are a part of a chain transaction (multiple properties being sold and bought) as your circumstances may impact others.

I am using CHAPS to make payment, will this be a problem?

If you're buying a property, you will most likely have decided that deposit money and the remaining balance for the sale will be transferred to your solicitor by CHAPS (Clearing House Automated Payment System). Usually, CHAPS is a secure method of ensuring payment is transferred and can allow payment on the same day that it is requested.

While CHAPS is an automated system, it still relies on a number of individuals to trigger and confirm payment, namely your payment service provider and your solicitor. Moreover, when setting up a CHAPS payment with your bank, you may need to visit a branch of your bank and take some ID with you. As such, the government restrictions on unnecessary travel and requirements regarding self-isolation could affect the ability of both you and your solicitor / payment service provider to set up and process the CHAPS payment.

If payment is delayed, this could bring purchasers into default on their contracts when payments haven't reached the vendor by the completion date.

How can the risk of CHAPS delay be reduced?

If customers are concerned that they may be impacted by CHAPS disruption, they could discuss an alternative payment method with their solicitor. Alternatively, if CHAPS is still the most appropriate mode of payment, they could discuss ways to extend the payment date to allow more flexibility and avoid penalty payments for defaulting. This could include an agreement to extend the period between exchange and completion, to allow more time for a CHAPS payment to process.

Impact on Conveyancing – After Exchange

We have exchanged contracts, can we now complete?

Exchanging contracts creates a legal agreement to purchase the property. During COVID-19 estate agents and conveyancers should fully support you with all the information about the benefits of delaying exchange of contracts until strict social distancing measures have been eased.

If you have already exchanged and you have purchased an unoccupied property – you are able to proceed and complete the purchase. If however, the property is occupied, you and your agents should work to try and negotiate a delay to completion with the seller. This may create additional costs and funding issues, however, see the information above on how you can approach funding issues.

We are due to complete but I want to delay due to Government advice?

The UK Government does encourage delay to any completions until social distancing is eased. It also recommends against any completion where either party (buyer or seller) has symptoms of COVID-19, or where the removal process could not be completed with adequate social distancing measures in place.

However, if you are the party that seeks a delay, this may place you in default of the contract if no delay has been negotiated and agreed upon. You may incur financial penalties arising from the contract if this is the case. You should fully discuss this with your agent, conveyancer and the seller to try to explore all the options to ensure completion can proceed in a safe manner.

In some cases, it may be completely impossible to complete – both parties may be required to self-isolate for example. In these circumstances, it might be possible to argue that the

contract has been 'frustrated'. This is where an unforeseen event has made it impossible to fulfill contractual obligations but neither party is at fault. Neither party will be penalized if this is the case. Frustration will not apply to all cases and you should discuss this fully with your conveyancing solicitor.

We have exchanged contracts, but I want to make sure the property is decontaminated?

Decontamination is something that may be negotiated with the seller. If contracts have been exchanged and no provision has been made for something like this, both parties will need to agree who is to cover the cost of any decontamination. In many cases, if the buyer is insisting this step is taken, the buyer will normally have to incur the cost. You should speak to your conveyancing solicitor who can try to negotiate an extension to the completion date and provisions for decontamination.

If you have not yet exchanged, Government advice stresses the importance of making provision in your contract for COVID related issues like decontamination. You can ensure that this is included in your contract along with which party will have the burden of paying for decontamination.

How can the completion date be altered if we, or the seller, don't want to complete yet due to COVID-19?

In the first instance, an informal, common sense solution is the best starting point. This is because there are challenges in formally changing the completion date once contracts have been exchanged. A change in the completion date may unintentionally bring about a new contract, as opposed to a variation – in which case, there may be a requirement to inform a party's insurers and this may have an impact on any insurance agreement.

Nonetheless, a properly varied contract might be able to move the completion date until it is safe to complete, even if exchange has already occurred. Once parties have agreed to a new completion date, the parties' conveyancers will need to exchange a written agreement to vary the contract. To avoid the need for physical signatures, e-signatures should be used, or you can authorize your conveyancer to sign as an agent on your behalf. This is a formal exchange process: all parties should be explicit that this agreement is to vary the existing contract, not create a new one.

What if my signature needs to be witnessed?

Most signatures can now be fulfilled with e-signatures or authorising your conveyancing solicitor to sign a document on your behalf. However, some documents, do still require a physical signature, and for this to be witnessed. At the moment, remotely witnessing a signature is not recommended.

If it is the case that a document does need to be signed and witnessed, you should discuss negotiating a delay with the seller and your conveyancing solicitor so that signing can take place at more appropriate time.

What if I no longer wish to buy?

You should speak to your estate agent and conveyancing solicitor. If contracts have been exchanged, you have entered into a legal agreement to purchase the property. Withdrawing from this may give rise to a financial penalty, so ensure you have sought advice about this fully before making a decision.

Moving into your new property

Can I move into my purchased property?

If you have purchased an unoccupied property and moving can be done with adequate social distancing measures in place, then yes, you may still move into your new property. However, the Government advice is, where possible, if you can delay moving then do, as this will minimise the risk of anyone involved in the process contracting COVID-19.

If the property is occupied, buyers and sellers should discuss delaying the move to ensure minimal risk of transmitting COVID-19. No move should go ahead if anyone involved has symptoms of COVID-19.

We had hired a removal company, will they still working?

If moving is unavoidable, removers should still honour their existing commitments where it is clear that the move can be done safely for the client and their own staff. This will include making sure that Government guidance about keeping 2 metres apart can be followed.

If the move would put anyone at risk, or could be delayed – removers may be able to refuse to fulfil their commitments. No work should be done by anyone with COVID symptoms even if they are only mild.

If this is the case, you should speak to your agents, conveyancing solicitor and seller as soon as possible. A delay could be negotiated until a more appropriate time.

Further Information

BPP Pro Bono Centre has produced a series of Factsheets looking at how COVID-19 impacts on a range of different people. All of our factsheets can be viewed on the Pro Bono Centre Blog here: <http://probono.bppuniversity.ac.uk/blog/bpp-students-demystify-covid19/>

Help and Advice

- Shelter - <https://www.shelter.org.uk>
- The Law Society - <https://www.lawsociety.org.uk>
- Citizens Advice - <https://www.citizensadvice.org.uk>

Information and Updates

The UK Government publishes a number of documents and updates as part of the ongoing response to Covid-19. These can be found on the UK Government website here: <https://www.gov.uk/coronavirus>

Specific advice from the UK Government on buying and selling a house during COVID-19 can be found here: <https://www.gov.uk/guidance/government-advice-on-home-moving-during-the-coronavirus-covid-19-outbreak>

Wellbeing

This is an extremely difficult time for everyone. There is much uncertainty and a lot of anxiety. Along with your physical health, it is important to look after your emotional wellbeing during this period.

If you need support, you can contact:

Mind - 0300 123 3393 (Monday to Friday, 9am to 6pm) www.mind.org.uk