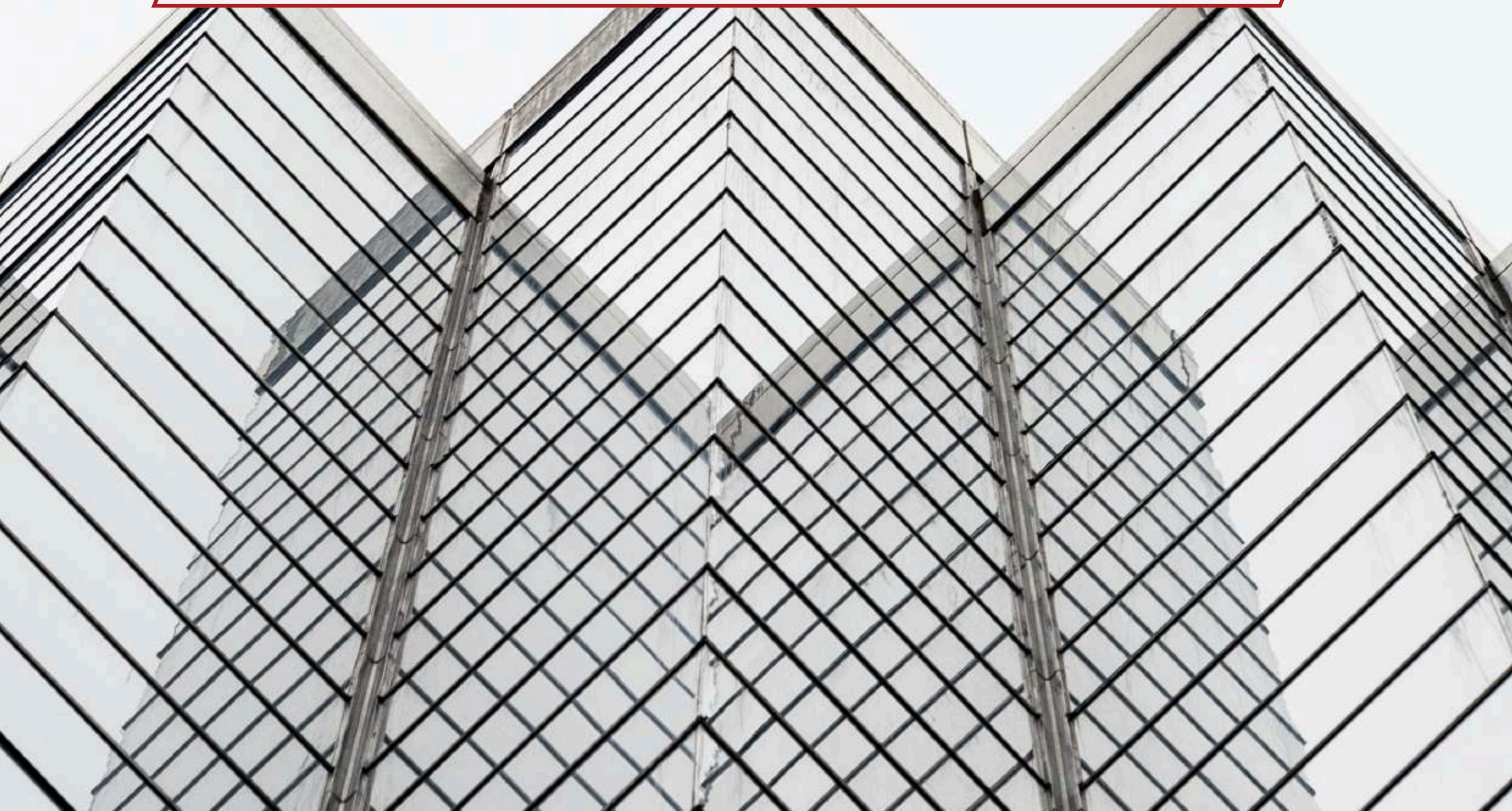
VERSUSLAW
SOLICITORS

# Your Guide to BUYING PROPERTY at Auction

## Expert Advice for a Successful Auction Purchase



www.versuslaw.co.uk property@versuslaw.co.uk 01612495087

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# Why choose Versus Law to **advise on auction property?**

Buying property at auction is fast-paced, high-risk, and often legally complex. Many general solicitors aren't equipped to deal with the tight timeframes, unusual contract terms, and incomplete information typical in auction sales. That's where we come in.

At Versus Law, we specialise in acting for clients purchasing property at auction — both residential and commercial — and offer a tailored, efficient service designed to protect your interests at every stage.

## AUCTION EXPERTISE

- We review auction legal packs daily, spotting hidden issues that non-specialists may miss — including restrictive covenants, missing consents, short leases, and unregistered titles.

- We're familiar with Common Auction Conditions and Special Conditions of Sale, and can explain how they affect your risk.

- We know how to act quickly and decisively to meet 14- or 28-day deadlines, ensuring you don't lose your deposit or breach the contract.

## RISK-BASED ADVICE

Our job isn't just to "process the paperwork" — it's to help you:

- Understand what you're buying.
- Identify legal, financial, or physical risks.
- Make informed decisions before you commit.

We give clear, commercial advice — whether you're a first-time buyer or seasoned investor.

## END-TO-END SERVICE

From pre-auction reviews through to post-completion registration, we offer:

- Fast-track legal pack reviews (often same-day service).
- Help arranging searches, surveys or indemnity insurance.
- Support with mortgage or bridging finance.
- SDLT return and Land Registry registration.

Whether you're bidding tomorrow or already under contract, we can step in and help — fast.

## TRUSTED BY BUYERS AND AGENTS

We're based in Manchester but act for auction buyers across England and Wales. Our clients include:

- Individual investors
- First-time buyers
- Limited companies and SPVs
- Property agents and sourcing firms

Many of our new clients come through recommendations from satisfied buyers and repeat investors.

### SUMMARY

Auction property purchases are not routine — and neither is our service. At Versus Law, we combine speed, accuracy and specialist knowledge to help you buy confidently and legally secure your property. If you're buying at auction, speak to us first — before the hammer falls.

# What is **our Role** as your Conveyancer in **Auction Purchases?**

When you buy a property at auction, you are legally committing to the purchase as soon as your bid is accepted — this happens the moment the auctioneer's hammer falls. At that point, contracts are deemed to be exchanged, and you are bound to complete the transaction. This is very different from a standard property purchase, where legal investigations and negotiations happen before any contract is signed.

Because of this unique process, our role as your solicitor is more limited than in a typical property transaction.

## WHAT WE WILL DO FOR YOU

- **Review the auction legal pack:** We will review the documents provided by the seller, such as the title documents, searches (if included), the contract, special conditions, and any additional papers.
- **Identify legal risks:** We will highlight any serious legal issues or risks in the title that could affect your ability to mortgage, sell, or enjoy the property in future.
- **Prepare for completion:** We will handle the legal process to ensure completion happens on time, including preparing the financial statement and arranging for the transfer of funds.

## WHAT WE WILL NOT DO

- **We do not assess commercial suitability:** We cannot advise you on whether the property is a good investment, or whether it has been valued appropriately. That is for you, your agent, or surveyor.
- **We do not raise enquiries with the seller:** The seller is under no obligation to answer further questions after the auction. The property is sold on an "as seen" basis, and contracts are already legally binding.
- **We do not negotiate terms:** The contract and special conditions in the auction pack are usually fixed. There is no scope for renegotiation once the auction has taken place.
- **We do not inspect the property:** We rely solely on the documents provided in the auction pack. You must arrange your own survey or inspection prior to bidding.

### IMPORTANT TO REMEMBER

By instructing us after you have successfully bid at auction, you are asking us to support completion of the purchase. We will give you an honest assessment of what's in the auction pack, but we cannot stop or undo the purchase if legal risks are discovered after the auction.

If a serious issue arises and you are considering withdrawing, you may need to take separate litigation advice — but doing so may result in forfeiting your deposit and further liability for the seller's costs and losses.

# How to Instruct us and **What Happens Next**

Instructing a solicitor promptly is essential when buying at auction. At Versus Law, we specialise in auction transactions and offer a streamlined process to get things moving quickly — often on the same day as the auction.

Here's what to expect when you instruct us:

## STEP 1:

### INITIAL CONTACT

- Get in touch by phone, email or through our website at *www.versuslaw.co.uk*.
- Let us know the property address, the auction house, and whether you've already won the auction or are considering bidding.
- If you haven't yet bid, we can review the legal pack in advance and provide risk-based advice.
- If you have won, we'll prioritise your file immediately to meet the 14- or 28-day completion deadline.

## STEP 2:

### ONBOARDING AND IDENTITY CHECKS

To comply with legal and regulatory requirements, we will need:

- Proof of your identity and address (e.g. passport and utility bill).
- If buying as a company, corporate documents (e.g. certificate of incorporation).
- Details of your lender or bridging finance (if applicable).
- A signed terms of engagement document, confirming our instructions and fees.

We offer remote onboarding for convenience — everything can be done by email or secure portal.

## STEP 3:

## LEGAL WORK BEGINS

**Once you are on board:**

- We'll review the memorandum of sale, special conditions of sale, and TR1 transfer deed.
- We'll liaise with the seller's solicitor to clarify any outstanding issues.
- We'll order priority searches or use indemnity policies if time is limited.
- If finance is involved, we'll liaise with your lender or broker to meet funding deadlines.
- You'll receive regular updates and a completion checklist so nothing is missed.

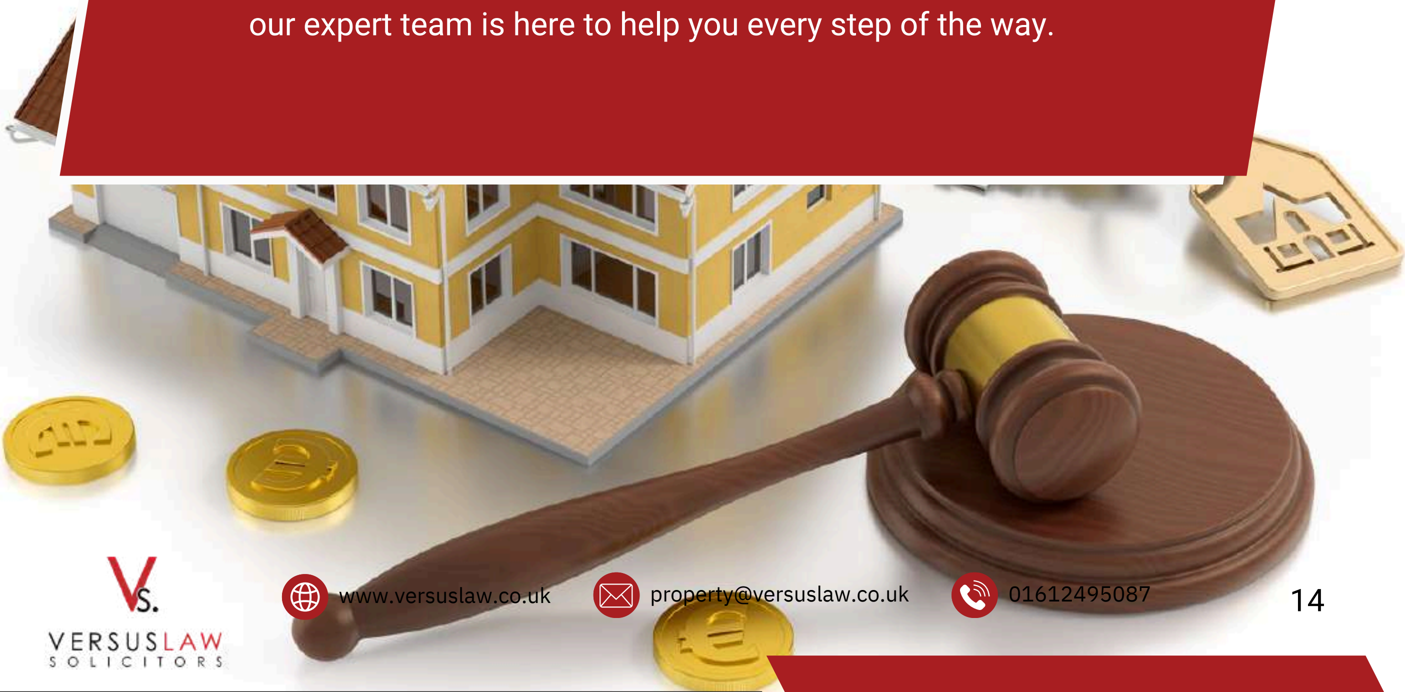
## STEP 4:

## COMPLETION AND REGISTRATION

- We'll arrange the transfer of funds to complete on time.
- We'll handle the post-completion work, including submission of the SDLT return and registration with HM Land Registry.
- You will receive confirmation of ownership, and all final paperwork.

### SUMMARY

Instructing us is simple — and acting quickly helps protect your investment. At Versus Law, we manage auction purchases every day and understand the urgency involved. Whether you need a pre-auction pack review or full post-auction completion, our expert team is here to help you every step of the way.



# How quickly should I instruct **my solicitor after winning?**

Immediately. Once you win a property at auction, contracts are exchanged on the spot, and the countdown to completion begins — typically 14 or 28 days, depending on the terms set out in the Special Conditions of Sale.

This means you must instruct your solicitor on the same day or as soon as possible thereafter. Any delay can lead to serious consequences, including breach of contract, financial penalties, and even loss of your deposit.

## WHY THE URGENCY?

Unlike traditional purchases — where contract exchange happens weeks after an offer is accepted — auction purchases are legally binding from the moment the hammer falls.

**From that point, your solicitor needs to:**

- Confirm the completion deadline.
- Request and review memorandum of sale and auction paperwork.
- Liaise with the seller's solicitor to obtain the final contract and transfer.
- Order final searches, if applicable.
- Handle mortgage drawdown or liaise with bridging lenders.
- Ensure funds are ready and transferred in time.
- Arrange for registration at HM Land Registry post-completion.

Every day counts. Many completion periods are just 14 days — which leaves no room for administrative delays.

## RISKS OF DELAY

- You may miss the completion date, which is a breach of contract.
- The seller can charge you daily interest or refuse to grant extensions.
- You risk losing your 10% deposit and being sued for losses or resale shortfall.
- Your finance provider (if applicable) may refuse to lend in time, leaving you without funds.

## HOW VERSUS LAW HELPS

At Versus Law, we understand the time-sensitive nature of auction purchases. When instructed promptly, we:

- Begin the post-auction process within hours.
- Coordinate with lenders, agents, and search providers efficiently.
- Identify any outstanding legal issues from the auction pack.
- Work to tight deadlines to protect your interests and avoid costly delays.

### SUMMARY

Instructing your solicitor immediately after winning is not optional — it's essential. The clock starts ticking the moment the gavel falls, and delay could cost you thousands. Let Versus Law handle the process quickly and professionally to ensure a smooth completion.

# What documents do I **need to provide with you?**

To proceed efficiently with your auction purchase, we need to collect a number of documents and details from you. These are essential for us to comply with legal requirements, satisfy your lender (if applicable), and complete the transaction on time — especially given the strict 14 or 28-day completion windows typically imposed in auction sales.

## IDENTITY AND ANTI-MONEY LAUNDERING DOCUMENTS

To comply with legal and regulatory standards (including anti-money laundering laws), we will ask for:

- **Photo ID:** e.g. valid passport or UK driving licence
- **Proof of address (dated within the last 3 months):** e.g. utility bill, bank statement, or council tax letter
- **For companies:** Certificate of Incorporation, recent confirmation statement, and details of beneficial owners

We may also carry out electronic verification checks or request source of funds information, particularly if the transaction involves a high-risk jurisdiction or large cash deposits.

## AUCTION DOCUMENTATION

**You should send us:**

- A copy of the memorandum of sale (you will usually be given this immediately after the auction).
- A copy of the auction legal pack, if available (some auctioneers allow this to be downloaded).
- Any special conditions of sale or buyer notices issued by the auctioneer.

These documents form part of the binding contract and are crucial for our review and advice.

## FINANCIAL INFORMATION

If you are using mortgage or bridging finance:

- Let us know the lender's details.
- Provide a copy of the mortgage offer (or decision in principle, if available).
- Give us the contact details for your broker or lender's solicitor, if known.

This ensures we can liaise with them early and avoid last-minute delays in drawdown or registration.

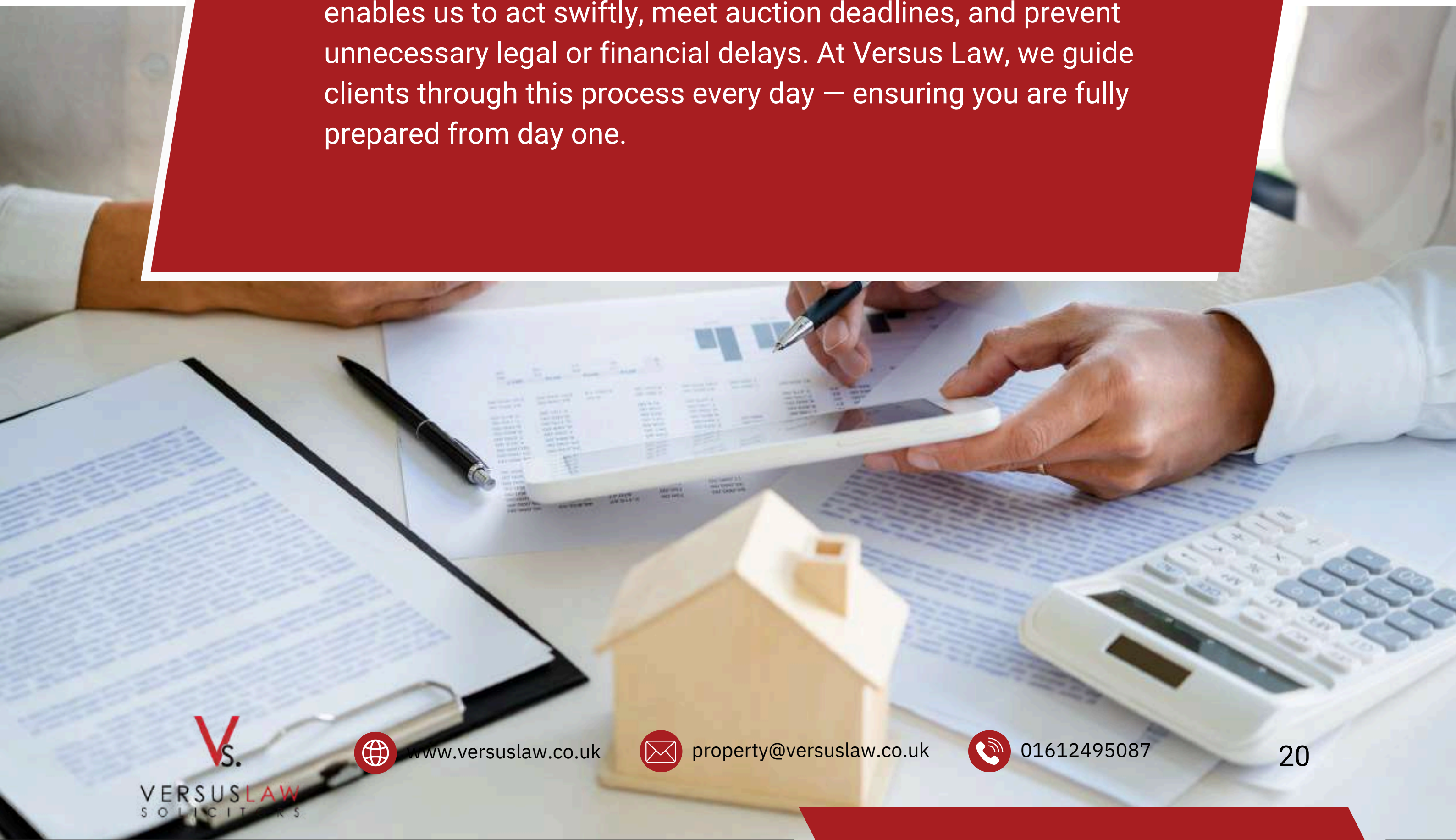
## PURCHASE DETAILS

**We will ask for:**

- The name(s) in which the property is to be registered (this must match the auction purchase name unless the contract allows a change).
- Whether you are buying alone or jointly, or through a company.
- Whether the property will be your main residence, investment, or company asset.

### SUMMARY

Providing complete and accurate documents from the outset enables us to act swiftly, meet auction deadlines, and prevent unnecessary legal or financial delays. At Versus Law, we guide clients through this process every day — ensuring you are fully prepared from day one.



# What is an ID check **and why is it necessary?**

When you instruct a solicitor to act on your behalf in a property transaction — especially one as time-sensitive as an auction purchase — you'll be asked to provide proof of identity and address. This process, often called client due diligence (CDD) or ID verification, is a legal requirement and must be completed before any legal work can begin.

## WHY DO SOLICITORS NEED TO VERIFY YOUR IDENTITY?

Under the Money Laundering Regulations 2017 and other regulatory frameworks, solicitors must confirm:

- Who you are – to ensure you're not impersonating someone else or using a false identity.
- Where your money is coming from – to ensure it is not the proceeds of crime.
- That you are legally capable of entering into the transaction.

This helps prevent fraud, money laundering, terrorist financing, and identity theft. It also protects you and the law firm against scams or unlawful dealings.

## WHAT DOCUMENTS WILL YOU NEED TO PROVIDE?

We will ask for:

### 1 PHOTO ID

- Passport
- UK Driving Licence
- EEA national ID card (if applicable)

### 2 PROOF OF ADDRESS (DATED WITHIN THE LAST 3 MONTHS)

- Utility bill
- Bank statement
- Council tax bill
- Tenancy agreement (in some cases)

### 3 FOR COMPANIES

- Certificate of incorporation
- ID and proof of address for directors and shareholders
- Share register or confirmation statement

### 4 FOR TRUSTS OR OVERSEAS BUYERS

- Additional due diligence may be required depending on the risk profile.

We may also ask questions about the source of funds, especially for cash buyers, and we will carry out electronic verification checks to confirm authenticity.

## WHY IT'S URGENT FOR AUCTION PURCHASES

In auction transactions, there is no time to delay. The legal deadline is fixed (usually 14 or 28 days), and we must be fully compliant with ID checks before we can handle your funds, communicate with the seller's solicitor, or submit legal forms.

Any delay in completing this step can hold up the entire transaction — and risks you breaching the auction contract if completion is missed.

### SUMMARY

ID checks are a legal requirement that protect everyone involved in the transaction. At Versus Law, we make this process quick and convenient using secure electronic verification — but we must complete it before we can act. Please ensure you provide accurate documents promptly so that we can progress your purchase without delay.

# What is 'source of **funds' and why is it important?**

As part of our legal and regulatory obligations, we must confirm not just who you are, but also where your money is coming from. This process is known as verifying the source of funds, and it is required under UK anti-money laundering (AML) laws.

If you are buying a property — particularly at auction where large deposits and quick completions are involved — you should be prepared to demonstrate and document the origin of your money before we can proceed.

## WHAT DOES 'SOURCE OF FUNDS' MEAN?

'Source of funds' refers to the actual origin of the money being used to buy the property. This includes:

- The 10% deposit paid on the day of the auction
- The balance of the purchase price payable on completion
- Any costs, including legal fees and stamp duty

## ACCEPTABLE SOURCES OF FUNDS

Examples of legitimate, verifiable sources include:

- Savings from employment (supported by payslips, bank statements, or P60s)
- Sale of another property (with evidence of completion)
- Inheritance (copy of the will or solicitor's confirmation)
- Dividends or investment income
- Release of equity or remortgage proceeds
- Loan from a regulated lender (with a copy of the mortgage offer)
- Gift from a family member (with a signed gift letter and ID for the donor)

We will usually ask for bank statements showing the movement of funds and any documents that explain how they were built up over time.

## WHY IT MATTERS — ESPECIALLY FOR AUCTION BUYERS

If you cannot verify the source of your funds:

- We are legally prohibited from continuing with the transaction
- Your file may be reported as suspicious activity, even if unintentionally
- You may be delayed or unable to complete on time, risking loss of your 10% deposit

This is particularly critical in auction transactions, where deadlines are fixed and inflexible.

## WHY ARE WE ASKING SO MANY QUESTIONS?

We understand that our questions can sometimes feel intrusive or repetitive. You may be asked for the same information more than once, or for detailed explanations of financial transactions that seem obvious to you.

Please understand:

- 🛡️ We are not being difficult — we are legally obliged to ask these questions under anti-money laundering rules.

- 🕵️ Solicitors who fail to investigate source of funds can face fines, sanctions, or regulatory action.

Every client — whether a first-time buyer or seasoned investor — must go through this process.

## CONFIDENTIAL BUT MANDATORY

We treat all personal financial information with the utmost confidentiality. Nothing is shared beyond our legal team and regulators if required. However, we must complete these checks in full before we can act on your behalf or hold client money.

## SUMMARY

Verifying the source of funds is a legal requirement for every property transaction — especially auction purchases, where timing is critical. It's not about suspicion or judgement — it's about compliance. At Versus Law, we'll guide you through this process clearly and respectfully, and we thank you in advance for your cooperation.

# What should I expect **when contacting my solicitor?**

At Versus Law, we pride ourselves on providing a responsive, professional service to all our clients. However, it's important to understand how communication works during a busy and time-sensitive transaction like an auction purchase.

You may not always get an instant response, but rest assured — your matter is being handled carefully, and we are working to protect your interests at all times.

## WHY WE MAY NOT ALWAYS ANSWER IMMEDIATELY

Auction files are time-critical and often involve urgent deadlines, simultaneous completions, and direct dealings with mortgage lenders, auctioneers, and opposing solicitors.

During peak periods or while handling another completion:

- Your solicitor may be on a call, in a meeting, or signing off on legal documents.
- Work may be prioritised by deadline or risk, rather than on a first-come basis.
- Your file may be progressing behind the scenes, even if you haven't had a message yet.

We understand this can be frustrating — but please know that we aim to respond as quickly as possible, and no file is ever left unattended.

## HOW WE MANAGE YOUR MATTER EFFICIENTLY

Even if we are not always available by phone, we ensure:

- All key tasks are completed within the required timescales.
- You receive regular updates, especially before and after critical stages like exchange, searches, and completion.
- Emails are read and actioned promptly, even if we cannot respond immediately.
- Our support team is available to help with general updates or non-technical queries.

If something is urgent, please clearly state this in your message or call and we will prioritise accordingly.

## WORKING TOGETHER

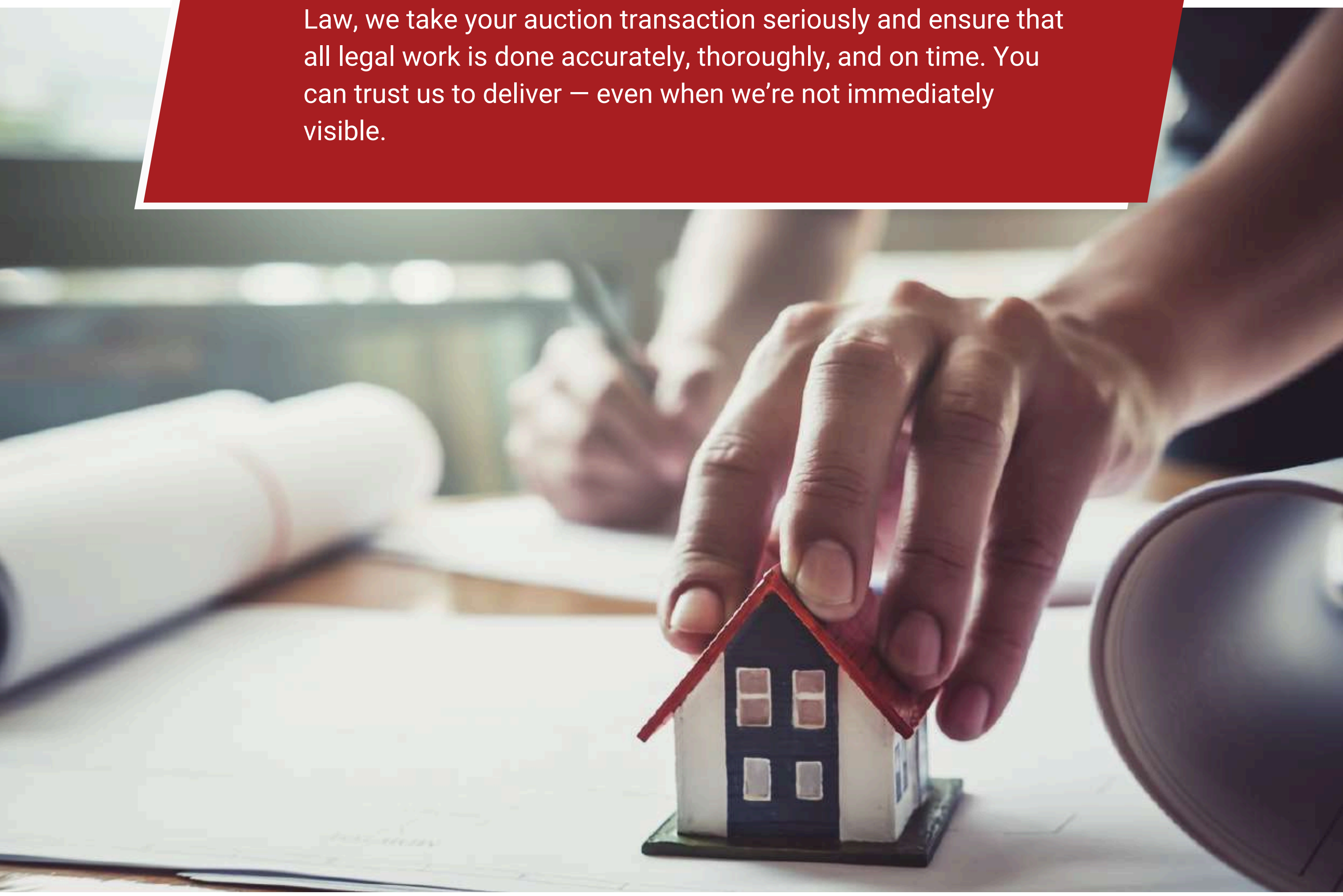
You can help us stay on track by:

- Sending documents and ID information as early as possible.
- Responding promptly to any requests for clarification.
- Avoiding unnecessary repeat emails or calls — we promise, we haven't forgotten you.

We're here to support you — and by working together, we can complete your transaction successfully and smoothly.

### SUMMARY

We may not always be available the moment you call or email — but behind the scenes, your matter is progressing. At Versus Law, we take your auction transaction seriously and ensure that all legal work is done accurately, thoroughly, and on time. You can trust us to deliver — even when we're not immediately visible.



# Why is the property being sold at auction – **should I be worried?**

Many clients ask why a property is being sold at auction, and whether that means something is wrong with it. While auctions can attract distressed or problematic properties, that is not always the case.

There are many perfectly valid reasons a property ends up at auction — and some of them have nothing to do with the condition or title. However, auction purchases carry fewer protections than normal transactions, so it's always important to approach with informed caution.

## COMMON REASONS PROPERTIES ARE SOLD AT AUCTION

1. **REPOSSESSION**

The lender has taken possession and is seeking a quick sale. Often sold "as is" and with no warranties.

2. **PROBATE SALE**

The seller is acting under a will or grant of probate. They may have limited knowledge of the property's history.

3. **INVESTMENT DISPOSAL**

A landlord is selling part of their portfolio, often tenanted properties or HMOs

4. **DEVELOPMENT OPPORTUNITY**

The property has planning potential, structural issues, or may be unmortgageable in current form.

5. **UNUSUAL OR NICHE PROPERTIES**

Properties with quirks (e.g. flying freeholds, commercial elements, short leases) often don't sell well on the open market.

### 6 QUICK TIMELINE REQUIRED

The seller may need a guaranteed sale within a fixed timeframe and is willing to accept a lower price.

### 7 LEGAL ISSUES OR MISSING PAPERWORK

The seller cannot resolve a defect before sale (e.g. no building control certificate or missing easement), so they opt for an “as seen” disposal via auction.

## SHOULD I BE CONCERNED?

Not necessarily — but you should be realistic and cautious.

Auction sales are often “no comeback” transactions, meaning:

- You are responsible for all due diligence
- You take the property as it stands, physically and legally
- There is no obligation on the seller to improve or clarify anything

That’s why it’s essential to instruct a solicitor before bidding, review the legal pack thoroughly, and make sure any hidden or missing information is assessed.

### SUMMARY

Just because a property is at auction doesn’t mean it’s problematic — but it does mean the seller is not offering any guarantees. At Versus Law, we help you understand what you're really buying, identify any legal or financial risks, and guide you on whether to proceed with confidence or caution.

# What it means to be a **successful bidder at auction**

At a property auction, the legal process is very different from buying through an estate agent. As soon as your bid is accepted — when the auctioneer's hammer falls — you are legally bound to buy the property.

This moment counts as exchange of contracts. There is no cooling-off period and no chance to change your mind or renegotiate terms. You are committed to completing the purchase in accordance with the contract and auction conditions.

## WHAT YOU'RE AGREEING TO

When you successfully bid at auction, you are agreeing to:

- Exchange contracts immediately.
- Pay a deposit on the day – usually 10% of the purchase price.
- Complete the purchase within a fixed period, typically 14 or 28 days, as specified in the special conditions of the auction contract.
- Accept the property in its current condition and subject to all matters in the legal pack, whether you've reviewed them or not.

## BEFORE YOU BID

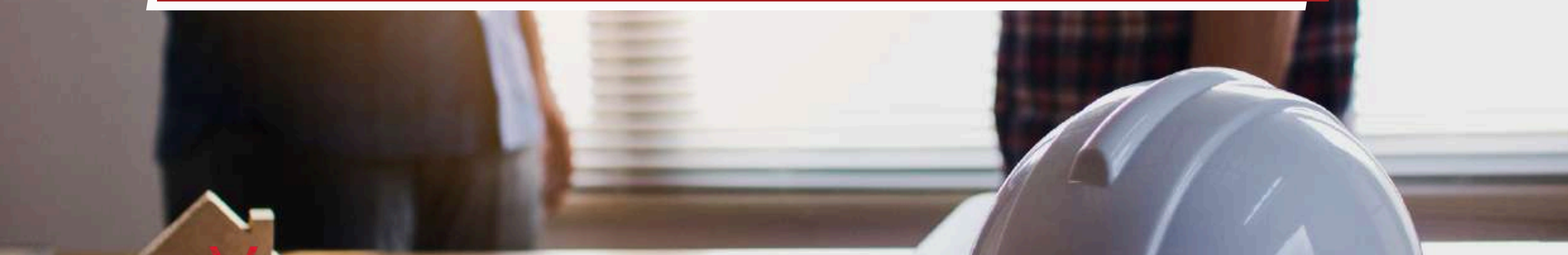
Before bidding at auction, it is essential that you:

- Review the auction legal pack (ideally with legal advice).
- Inspect the property or arrange a survey (where possible).
- Understand all contractual obligations, including any extra fees or search costs.
- Ensure that your finances are in place — whether you are using cash, a mortgage, or bridging finance — and that funds will be available in time for completion.

### SUMMARY

The auction contract is final. Once the hammer falls, you cannot withdraw without consequences. If you later decide not to go ahead, you risk:

- Losing your deposit.
- Being liable for the seller's legal and resale costs.
- Facing court proceedings and a County Court Judgment (CCJ).



# What is a **memorandum of sale?**

A memorandum of sale is a document issued after the auction that records the basic terms of the sale — including the buyer's and seller's details, the agreed purchase price, and any relevant special conditions.

In an auction context, it is typically signed immediately after the hammer falls and forms part of the legally binding contract.

## WHAT DOES IT INCLUDE?

The memorandum of sale will normally contain:

- The property address.
- The buyer's and seller's names and solicitors.
- The auction sale price.
- Confirmation of the deposit paid (usually 10%).
- The completion date (often 14 or 28 days from auction).
- Any special conditions or additional fees noted in the auction pack.

Although it may look simple, signing the memorandum is not a formality — it is confirmation that a binding contract has been entered into.

## IS IT THE SAME AS THE CONTRACT?

No — but it forms part of the contract in auction sales.

- In a normal sale, the contract is negotiated and exchanged later.
- In an auction, the contract is exchanged at the fall of the hammer, and the memorandum of sale is the written record of that exchange.

It is usually accompanied or followed by the Special Conditions of Sale and the Common Auction Conditions, which together form the full contract.

## WHAT DOES IT INCLUDE?

- It proves that a binding sale has taken place.
- It is used by both solicitors to progress the legal transfer of ownership.
- It is sometimes required by lenders, bridging companies, or insurance providers to confirm that a purchase is underway.

If you are buying at auction, you'll need to sign the memorandum immediately and ensure that the buyer details (individual or company) are correct and final — as you cannot change them later without risk.

### SUMMARY

The memorandum of sale is the document that confirms and records your auction purchase. It is a legally significant part of the contract and should be signed carefully. At Versus Law, we use the memorandum to begin post-auction work immediately — ensuring you meet all contractual deadlines

# Can I use a company or **SPV to buy the property?**

Yes, you can buy an auction property using a limited company or Special Purpose Vehicle (SPV) — and this is a common approach for investors, especially in the buy-to-let or commercial market. However, it comes with additional legal, administrative, and financial requirements that you need to understand from the outset


## WHAT IS AN SPV?

An SPV is a limited company set up solely to hold property assets. It is typically:

- Registered with Companies House
- Often structured as a property investment vehicle (e.g., SIC code 68209)
- Used for tax efficiency, portfolio separation, or mortgage purposes

Some lenders will only lend to SPVs with a specific trading purpose and no other activity.

## WHAT DOCUMENTS WILL YOU NEED?

If you're buying via a company, we will need to verify:

1. Certificate of Incorporation
2. Articles of Association
3. Latest Confirmation Statement from Companies House
4. Company accounts (if available)
5. Proof of identity and address for all directors and significant shareholders
6. Board resolution authorising the purchase

We are also required to carry out AML checks on the company and its owners under UK money laundering regulations.

## WHAT ABOUT FUNDING?

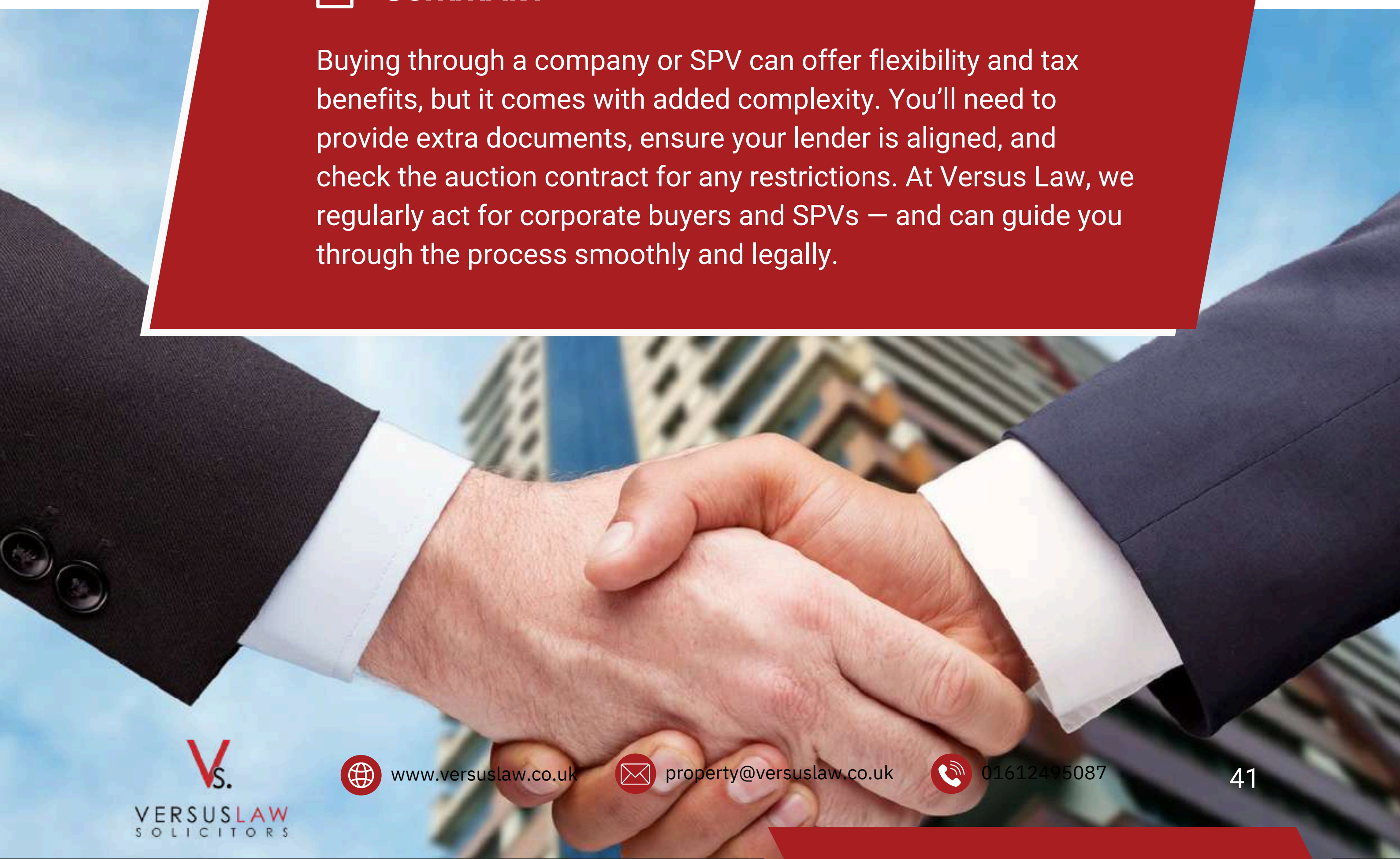
- Most high street lenders will not lend to new SPVs — so you may need a specialist lender or broker.
- If using bridging finance, ensure your lender is aware you are buying via a company.
- Company purchases are not eligible for first-time buyer SDLT relief, and may be subject to the 15% SDLT flat rate for high-value residential properties if you do not qualify for an exemption (e.g. buy-to-let businesses).

## KEY CONSIDERATIONS

- Once the auction has ended, the buyer named on the memorandum of sale is bound by the contract.
    - 👉 You cannot switch to a company buyer after the auction unless the contract allows it (known as "nomination" or assignment).
- Check the auction pack carefully — some contracts forbid buyer substitutions, especially in repossession or probate sales.
- If you're planning to buy through a company, decide this in advance and bid in the company's name.

### SUMMARY

Buying through a company or SPV can offer flexibility and tax benefits, but it comes with added complexity. You'll need to provide extra documents, ensure your lender is aligned, and check the auction contract for any restrictions. At Versus Law, we regularly act for corporate buyers and SPVs — and can guide you through the process smoothly and legally.



# Can I pull out before completion **if I change my mind?**

No — once you've successfully bid at auction, you are legally bound to complete the purchase. The moment the auctioneer's hammer falls, contracts are exchanged, and you are committed to buying the property on the terms set out in the auction legal pack and special conditions.
Changing your mind — even for understandable reasons — is not a legal justification for withdrawing. The consequences of doing so can be severe.

## WHAT HAPPENS IF I DON'T COMPLETE?

If you fail to complete, the seller can:

- Keep your 10% deposit — this is non-refundable once contracts are exchanged.
- Claim interest for any delay beyond the agreed completion date.
- Serve a Notice to Complete, giving you a final 10 working days to complete.

If you still don't complete, they can:

- Terminate the contract.
- Resell the property — and if they receive less than your bid price, they can claim the difference from you.
- Take legal action against you for losses, costs, and damages.

In some cases, buyers who fail to complete have faced claims for tens of thousands of pounds in losses — especially if the resale is delayed or at a reduced price.

## COMMON REASONS PEOPLE WANT TO PULL OUT — AND WHY THEY DON'T EXCUSE YOU

- "I didn't get my mortgage approved."
→ You are still liable; auction purchases should only be made with finance pre-approved.

- "I found a problem in the legal pack or after the auction."
→ Too late — due diligence must be done beforehand.

- "The survey showed the property needs more work than I thought."
→ Auction sales are "as seen" — structural issues are not grounds to withdraw.

- "I've changed my mind or found a better deal elsewhere."
→ This is not a valid reason in law. You're still in breach of contract.

## WHAT SHOULD I DO IF I'M STRUGGLING?

If you think you may not be able to complete:

- Contact your solicitor immediately — there may still be time to remedy the issue (e.g. secure finance, arrange bridging).
- Consider whether reselling quickly (via back-to-back completion or assignment) is an option — though this depends on the contract.

If completion is imminent and unavoidable, speak to the seller's solicitor — sometimes a short extension may be agreed (usually with daily interest penalties).

### SUMMARY

Pulling out of an auction purchase is not legally permitted once the hammer falls. Doing so can result in significant financial loss, legal action, and long-term credit consequences. Always be certain before bidding — and speak to Versus Law in advance if you have any doubts. We can help you avoid costly mistakes and, if necessary, minimise damage in the event of genuine difficulty.

# Can I get my deposit **back if I pull out?**

Unfortunately, you cannot get your deposit back if you decide to pull out after winning a property at auction.

At auction, contracts are legally exchanged immediately when the auctioneer's hammer falls. From that moment, you are fully committed to buy the property, on the terms set out in the auction legal pack. This is true even if you later change your mind, run into funding issues, or discover something about the property that you do not like.

## WHAT HAPPENS TO THE DEPOSIT?

- You will have paid a 10% deposit on the day of the auction.
- If you fail to complete the purchase, the seller is entitled to keep the full deposit.
- This is standard practice in auction transactions and is fully enforceable under contract law.

## WHAT HAPPENS TO THE DEPOSIT?

It doesn't matter whether:

- You are unable to obtain mortgage or bridging finance.
- You discover legal issues after the auction.
- You have a change in personal circumstances.
- You feel the property is no longer suitable.

Once your bid is accepted, you are contractually bound to complete the purchase.

## KEY WARNING

If you attempt to withdraw from the transaction, the risks are significant:

- You will lose your deposit.
- You may also be liable for further losses the seller suffers, such as:
    - If the property has to be re-sold at a lower price.
    - The seller's additional legal or auction fees.
    - Administrative or holding costs.
- The seller may take legal action against you, and you could face:
    - A County Court Judgment (CCJ).
    - Additional legal costs.
    - Negative impact on your credit rating or ability to borrow in the future.

### SUMMARY

Buying at auction is final. If you bid and win, you must complete the purchase. There is no refund of the deposit if you pull out — and no guarantee you won't owe more.

If you're not 100% certain you can proceed with the purchase, you should not bid.

# What happens if I cause the **seller to lose money?**

If you fail to complete the purchase after successfully bidding at auction, not only will you lose your deposit — you may also be liable for the seller's financial losses.

## WHY?

When the auctioneer's hammer falls, you are legally bound to buy the property under the terms set out in the auction legal pack. If you later breach that contract by not completing, the seller has the right to:

- Keep your 10% deposit, and
- Claim compensation for any additional losses they suffer as a result of your breach.

## EXAMPLES OF WHAT YOU MAY HAVE TO PAY

If the seller resells the property after you default, you could be liable for:

- The difference in price if the property sells for less than your winning bid.
- Legal and auction fees they incur for re-listing the property.
- Interest and holding costs if they face delays in completing another transaction.
- Any other direct losses, such as abortive costs for their onward purchase or mortgage arrangements.

These claims can run into thousands of pounds, and there is no upper limit set by law — it depends on the actual financial loss the seller can prove.

## LEGAL ACTION

The seller may issue court proceedings to recover their losses. If successful, the court may:

- Order you to pay compensation.
- Enter a County Court Judgment (CCJ) against you.
- Add interest and legal costs to the amount you owe.

A CCJ can seriously damage your credit rating, making it difficult to get a mortgage, credit card, or loan in the future.

## SUMMARY

The deposit is just the beginning. If you fail to complete, you may have to pay far more than 10%. The seller can — and often will — pursue you for every penny they lose as a result of your default.

If you are not fully prepared to complete, you should not bid at auction.

# Could I be taken to **court if I don’t complete?**

Yes — if you fail to complete your auction purchase, the seller can take you to court to recover their losses. This is because buying a property at auction creates a legally binding contract the moment the auctioneer's hammer falls.

## WHAT YOU'RE COMMITTING TO

By placing the winning bid, you agree to:

- Pay the 10% deposit immediately.
- Complete the transaction within a set timeframe (usually 14 or 28 days).
- Comply with all the contract terms and special conditions in the auction legal pack.

If you breach any of these terms — for example, by failing to complete — you are in contractual default.

## WHAT THE SELLER CAN DO

If you don't complete, the seller is entitled to:

- Keep your deposit.
- Sue you for their losses.

**This may include:**

- The difference in resale value (if they later sell for a lower price).
- Their legal and auction costs.
- Additional expenses, such as bridging finance or abortive purchase costs.

## GOING TO COURT

If you refuse to pay, the seller may issue court proceedings. If they succeed, the court can:

- Order you to pay the full amount of their proven losses.
- Add interest and legal costs to the total.
- Enter a County Court Judgment (CCJ) against you.

A CCJ will damage your credit rating and can affect your ability to borrow, rent property, or take out financial products in the future.

## CAN YOU DEFEND A CLAIM?

Unless the seller has done something wrong (for example, committed fraud or misrepresentation), it's very difficult to successfully defend a claim. The court is likely to enforce the terms of the auction contract unless there are exceptional circumstances.

### SUMMARY

If you fail to complete your auction purchase, you can be taken to court and held liable for thousands of pounds in damages, plus legal fees.

The law is clear: when you bid at auction, you must be ready and able to complete.

# Can I change the name on **the contract after the auction?**

Once you have successfully bid at auction, the name given to the auctioneer and written on the memorandum of sale forms part of the legal contract. From that moment, the buyer named is personally and contractually bound to complete the purchase.

However, some buyers later wish to change the name on the contract, often to:

- Insert a limited company (SPV).
- Transfer the purchase to a family member.
- Assign it to a business partner or investor.
- Move it into a trust or pension fund (e.g. SIPP/SSAS).

This is not always permitted — and attempting to change the buyer's name after exchange can cause serious legal problems if not handled properly.

## IS IT POSSIBLE?

Sometimes — but it depends entirely on the terms set out in the special conditions of sale within the auction legal pack.

- Some contracts expressly prohibit assignments or changes of buyer.
- Others may allow it with the seller's written consent and payment of their legal fees.
- Even if permitted, the original buyer remains liable unless a full novation (replacement) is agreed — which is rare.

Any change must be made with the seller's solicitor's cooperation, and must be completed before the transfer is submitted to HM Land Registry.

## WHAT HAPPENS IF YOU PROCEED WITHOUT CONSENT?

Trying to alter the name or transfer the purchase behind the seller's back can lead to:

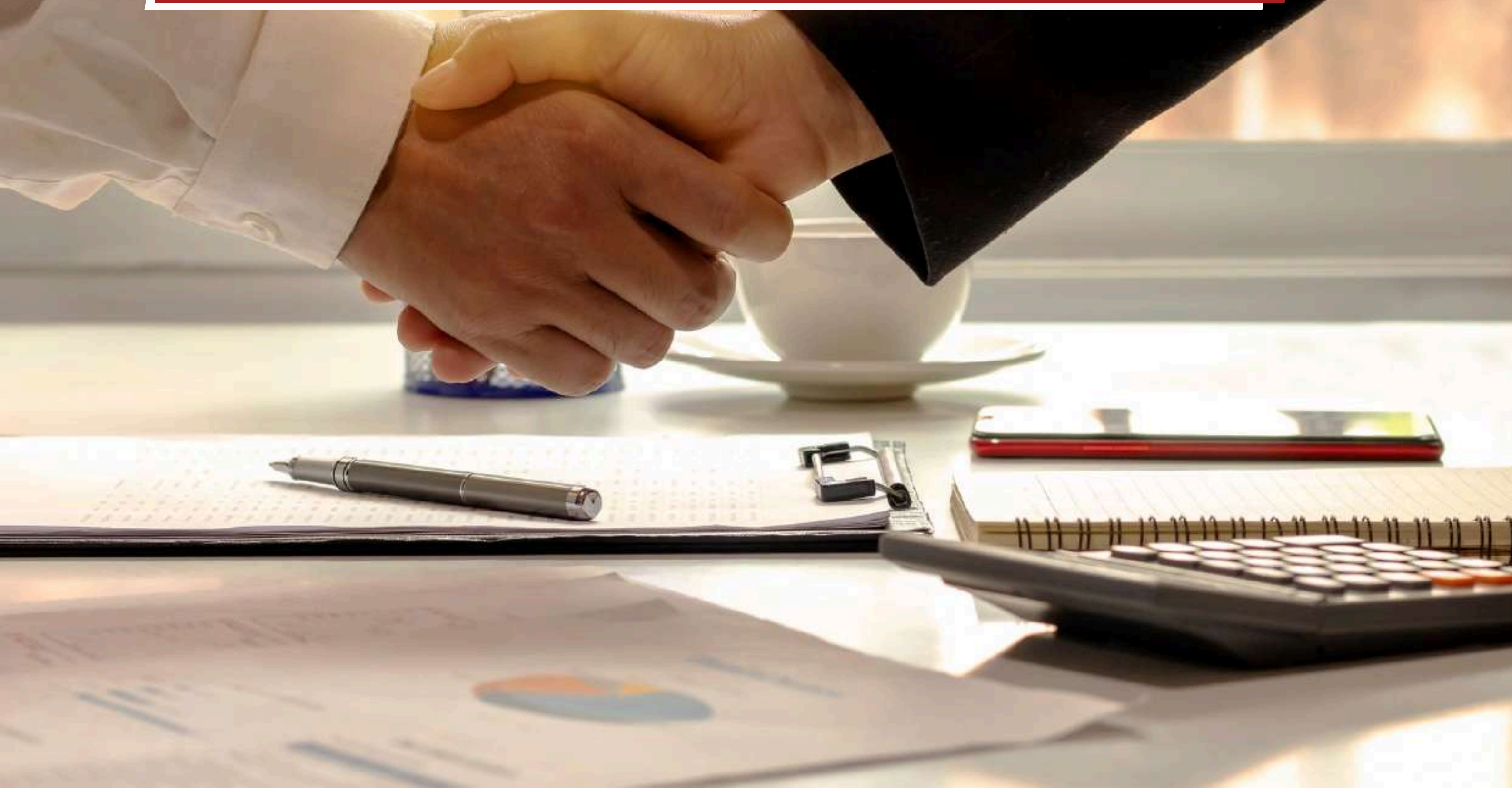
- A breach of contract.
- Delays in registration at Land Registry.
- Refusal to complete the sale.
- Loss of deposit and potential legal action.

## WHAT YOU SHOULD DO

- Decide in advance who the buyer will be — whether it's you personally, a company, or a trust.
- Register the correct name at the auction and check that it matches your financial arrangements (e.g. mortgage or bridging loan).
- If you think a change may be needed, tell your solicitor immediately and check whether the contract allows for it.

### SUMMARY

Changing the name on the contract after an auction is not guaranteed and may breach the contract if done without agreement. Always make sure the name on the auction contract matches the entity that will complete. If you're unsure, our team at Versus Law can advise you before and after the auction to ensure you're fully protected.



# What other fees or **costs might I have to pay?**

When buying a property at auction, the purchase price is only part of the total cost. Many auction properties come with additional fees and financial obligations, some of which are set out in the small print of the special conditions in the auction contract.

These extra costs are legally binding — even if you didn't read them — and must be paid in addition to the purchase price.

## COMMON ADDITIONAL COSTS INCLUDE:

### AUCTIONEER'S ADMINISTRATION FEE

Most auction houses charge a non-refundable admin fee, often between £500 and £1,500 plus VAT, payable on the day of the auction.

### SELLER'S LEGAL FEES

Some sellers pass on part or all of their legal costs to the buyer. This can include:

- Their solicitor's fees for preparing the legal pack.
- Search fees and other disbursements.
- Contribution towards completion costs.

### BUYER'S PREMIUM

Some auctions add a "Buyer's Premium" on top of the hammer price — typically a fixed amount or percentage (e.g. 1.2% of the purchase price).

### APPORTIONED SUMS

You may have to pay a share of:

- Ground rent or service charges (for leasehold).
- Insurance premiums.
- Rent (if there is a tenancy).

### VAT

Some commercial or mixed-use properties attract VAT on the sale price. If so, this will be in addition to your winning bid.

## OTHER CHARGES HIDDEN IN SPECIAL CONDITIONS

These may include fees for:

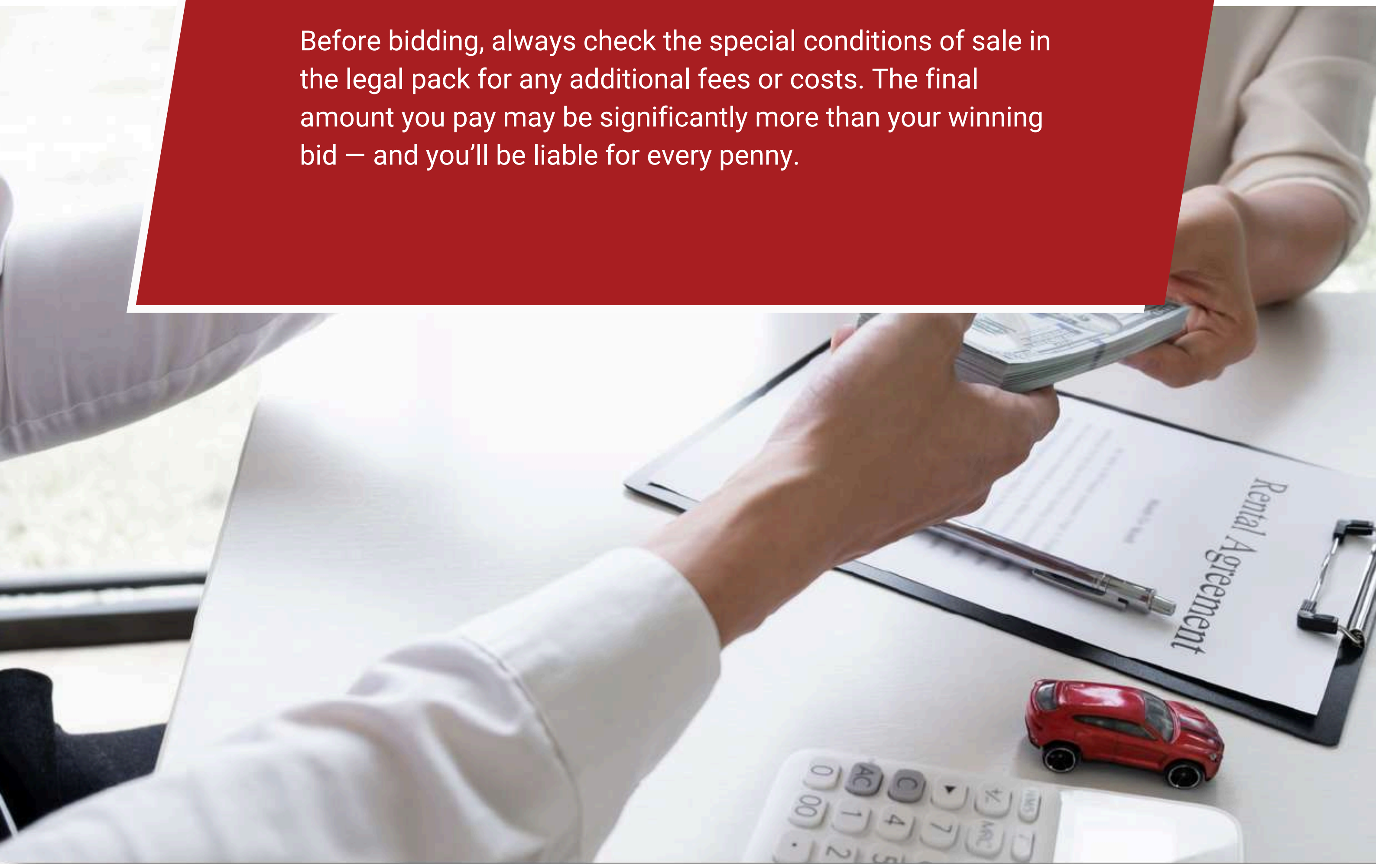
- Deed of covenant costs.
- Transfer registration charges.
- Management pack or LPE1 fees (for leaseholds).
- Costs to clear or manage the property post-sale.

## WHY THIS MATTERS

- These extra costs are not negotiable after the auction.
- If you bid without understanding them, you are still legally bound to pay them.
- Failure to pay can result in delays, penalties, or contract default.

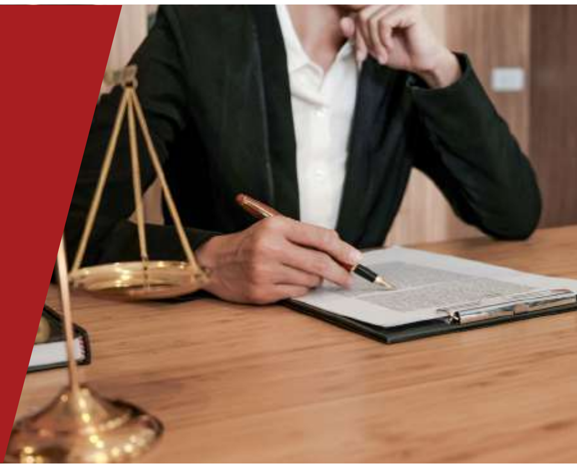
### SUMMARY

Before bidding, always check the special conditions of sale in the legal pack for any additional fees or costs. The final amount you pay may be significantly more than your winning bid — and you'll be liable for every penny.



# Glossary of Common **Legal Terms in Auction Packs**

Auction packs contain legal, financial, and regulatory information that can be complex, especially for buyers without a legal background. Below is a comprehensive glossary of commonly encountered terms to help you navigate the documents with confidence.



## GENERAL AUCTION TERMINOLOGY

**Auction Legal Pack**

A bundle of legal documents prepared by the seller's solicitor, usually including the title register, plan, contract, special conditions, and any relevant property information.

**Auctioneer's Administration Fee**

A charge payable by the buyer in addition to the purchase price. It is often stated in the auction catalogue or special conditions.

**Exchange of Contracts**

The point at which the buyer and seller become legally bound to complete the sale — in auctions, this happens immediately when the hammer falls.

**Completion Date**

The day when ownership is transferred and the remaining balance of the purchase price is paid. Commonly 14 or 28 days from the auction date.

## CONTRACTUAL AND TITLE TERMS

**Memorandum of Sale**

The short-form contract signed after the auction confirming the sale price, buyer and seller details, and date of exchange.

**Special Conditions of Sale**

Property-specific clauses that override standard auction conditions. They often include obligations on the buyer to pay additional costs, accept defects, or take on responsibilities.

**Common Auction Conditions (4th Edition)**

Standard legal terms often used in auctions, covering default, completion, risk, and general obligations.

**TR1 Form (Transfer Deed)**

The legal document that formally transfers ownership from the seller to the buyer, required for Land Registry registration.

**Title Register (Official Copy)**

The Land Registry document showing who owns the property, what restrictions or charges exist, and other rights affecting the title.

**Title Plan**

A Land Registry map that outlines the boundaries of the property.

**Unregistered Title**

A property not recorded on the Land Registry system. Proof of ownership is based on historic paper deeds, which must be carefully examined.

**Root of Title**

The earliest document in a chain of ownership used to prove ownership in unregistered property.

## LEASEHOLD AND MANAGEMENT TERMS

- **Lease**

  The legal document granting a leaseholder rights to occupy a property for a defined term (e.g. 99 or 125 years).

- **LPE1 Form**

  The Leasehold Property Enquiries form completed by the managing agent or freeholder, setting out key financial and legal leasehold details.

- **Ground Rent**

  A fixed annual fee paid by the leaseholder to the freeholder under the lease terms.

- **Service Charge**

  A variable charge paid by leaseholders to cover the cost of maintaining communal areas, insurance, repairs, and management.

- **Sinking Fund / Reserve Fund**

  Money collected from leaseholders in advance to fund major future repairs or refurbishments.

- **Managing Agent**

  A company appointed to manage the day-to-day running of a leasehold property, including services, maintenance, and billing.

- **Section 20 Notice**

  A formal consultation notice served when major works are planned, advising leaseholders of costs and contractor options.

- **Short Lease**

  Generally refers to a lease with fewer than 80 years remaining — this can affect value and mortgageability.

## LEGAL RISKS AND FINANCIAL PROTECTIONS

**Memorandum of Sale**

The short-form contract signed after the auction confirming the sale price, buyer and seller details, and date of exchange.

**Positive Covenant**

An obligation requiring the owner to do something (e.g. maintain a wall or contribute to shared access upkeep).

**Easement**

A legal right for another party to use part of your property, typically for access, services, or drainage.

**Indemnity Insurance**

A policy used to cover legal risks that cannot be resolved easily — such as missing planning permissions or rights of access.

**Notice to Complete**

A formal notice served by one party when the other fails to complete on time, usually giving 10 working days to remedy the breach.

**Forfeiture**

The legal right of a freeholder to terminate a lease if the leaseholder breaches conditions, such as non-payment of ground rent.

**Flying Freehold**

A part of a property (e.g. an upper floor or balcony) that extends over land not owned by the property owner — often problematic for mortgages.

## PROPERTY CONDITION AND USE

**EPC (Energy Performance Certificate)**

A legal requirement showing the energy efficiency of a building. Must be valid and available for residential properties.

**FRA (Fire Risk Assessment)**

A safety inspection required for multi-dwelling buildings under fire regulations.

**EWS1 Form**

A fire safety form for high-rise buildings with external cladding — often required by lenders.

**Tenanted Property**

A property with existing tenants — often sold subject to the tenancy, meaning you cannot obtain vacant possession.

**Vacant Possession**

A legal promise that the property will be empty of people and possessions on completion.

**Asbestos Survey**

Sometimes included for older commercial or mixed-use buildings. Assesses health risks associated with asbestos-containing materials.

# What is a TA6 form and **why is it important?**

The TA6 Property Information Form is a standard document used in most residential property sales. It is completed by the seller and provides key information about the property that a buyer wouldn't easily find in the title or legal documents.

## WHAT DOES IT INCLUDE?

The TA6 form typically includes details about:

- Disputes or complaints involving neighbours or the property.
- Alterations or building works, including whether planning permission or Building Regulations approval was obtained.
- Boundaries, including who maintains fences or walls.
- Utilities and services, such as drainage, water, electricity, and gas.
- Occupants, including tenants or lodgers.
- Environmental matters, like flooding, radon gas or Japanese knotweed.
- Insurance and guarantees, including NHBC or damp proof certificates.

It is a helpful document that gives the buyer a clearer picture of the property's background, use, and condition.

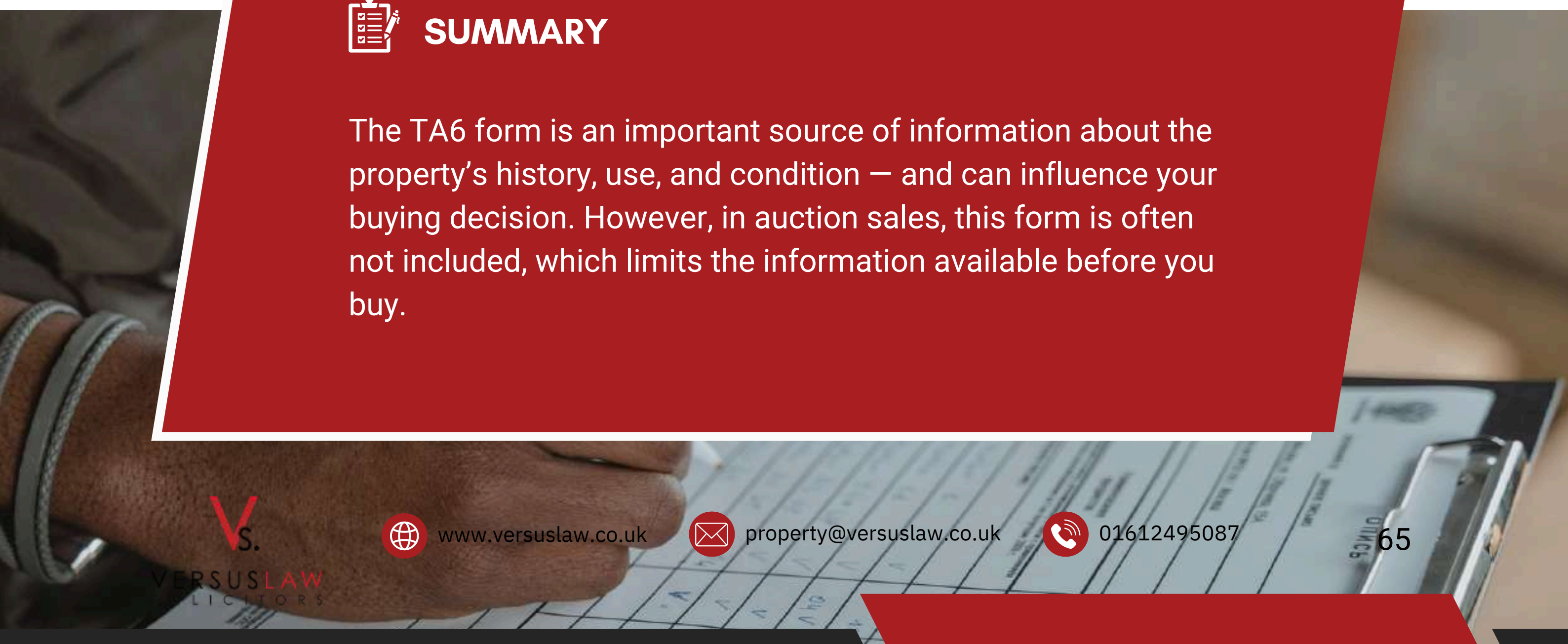
## WHY IS IT IMPORTANT?

The TA6 form provides information that may affect your decision to proceed — and could reveal issues that aren't apparent from the title or physical inspection.

**For example:**

- If the property has had structural alterations, you'll want to know if they were approved by the council.
- If there are ongoing neighbour disputes, that could impact your enjoyment of the property.

In a standard sale, your solicitor would review this form before exchange of contracts, and raise legal enquiries based on the contents.



### SUMMARY

The TA6 form is an important source of information about the property's history, use, and condition — and can influence your buying decision. However, in auction sales, this form is often not included, which limits the information available before you buy.

# Why haven't **I received a TA6 form?**

In most standard property transactions, the seller provides a TA6 Property Information Form. However, in auction sales, it is very common for the seller to not include this form in the legal pack.

## WHY IS IT MISSING?

There are several common reasons why the TA6 form is not provided in auction sales:

- The seller may not have lived in the property, such as in the case of a landlord, company, or executor of a deceased estate — so they are unable or unwilling to answer detailed questions about its history.
- Auction properties are sold "as seen", with minimal representations or warranties from the seller.
- The auction process assumes that buyers conduct their own investigations before bidding, rather than relying on the seller's information.

## WHAT DOES THIS MEAN FOR YOU?

- You will have less information about the property — including past disputes, alterations, flooding, or boundary issues.
- You cannot raise enquiries after the auction — you accept the property based on the documents provided at the time of bidding.
- You are expected to rely on your own due diligence — legal review, inspection, and survey — before bidding.

This increases the risk for buyers, especially if the legal pack is incomplete or unclear. But once the auction ends, the contract is binding regardless of what information was or wasn't provided.

## SUMMARY

You haven't received a TA6 form because it is not usually supplied in auction sales. Sellers are not required to provide it, and often can't or won't. You must therefore rely on the legal pack and your own checks — and accept that some questions may remain unanswered.

# What are property searches **and do I need them?**

Property searches are checks usually carried out by your solicitor to find out important information about the property that wouldn't appear on the title deeds or from a simple inspection.

## WHAT DO THEY REVEAL?

Searches can uncover issues such as:

- Planning permissions, enforcement notices, or other restrictions.
- Whether the property is affected by road proposals or nearby developments.
- Water and drainage connections, including if the property is connected to mains services.
- Environmental risks, such as flood zones or contaminated land.
- Whether the property is subject to Compulsory Purchase Orders, listed status, or tree preservation orders.

## ARE THEY NEEDED IN AUCTION PURCHASES?

Yes — but there's a key difference:

In a normal purchase, your solicitor would order these searches before exchange of contracts. In an auction, contracts are exchanged the moment you win the bid, so it's too late to carry out searches after the auction.

**That means:**

- If the legal pack includes searches, you need to read them carefully.
- If they are missing or out of date, you're buying the property without full information.
- You can't ask for searches to be done or updated after the auction — the seller has no obligation to assist.

## WHAT'S THE RISK?

Buying without full searches means you may later discover:

- The property is affected by planning issues or legal restrictions.
- There are problems with access, drainage, or rights of way.
- You can't develop or use the property as intended.

These risks become your responsibility once you've exchanged.

### SUMMARY

Property searches provide critical information — but in auction sales, they are often incomplete or missing. You should always review the legal pack for any included searches before bidding, and understand the risks of proceeding without them.

# What is an EPC and **why does it matter?**

An Energy Performance Certificate (EPC) is a legally required document that rates the energy efficiency of a property on a scale from A (most efficient) to G (least efficient). It provides prospective buyers or tenants with information about the property's energy use and typical energy costs.

## WHY IS IT IMPORTANT?

- **Legal Requirement:**

  An EPC is mandatory when a property is built, sold, or rented.assets.publishing.service.gov.uk+2gov.uk+2planningportal.co.uk+2

- **Energy Efficiency Rating:**

  The EPC shows how energy-efficient the property is, which can influence energy bills.

- **Recommendations:**

  It includes suggestions for improving the property's energy efficiency, which can help reduce energy costs.moneyweek.com+2rightmove.co.uk+2consumer-rights.org+2

- **Validity:**

  An EPC is valid for 10 years.gov.uk

## EPCS IN AUCTION SALES

In auction sales, the EPC is typically included in the legal pack. However, it's essential to check that the EPC is present and up to date before bidding. If it's missing or outdated, you may be buying without full knowledge of the property's energy efficiency.

## HOW TO FIND AN EPC

You can search for an existing EPC by postcode, street name, town, or certificate number using the official UK government service: gov.uk

🔗 Find an energy certificate - GOV.UK

### SUMMARY

An EPC provides crucial information about a property's energy efficiency, potential energy costs, and suggestions for improvement. In auction purchases, ensure you review the EPC before bidding to make an informed decision.

# What comes with the property – **appliances, furniture?**

In standard property transactions, sellers usually complete a TA10 Fittings and Contents Form, which lists what is included and excluded from the sale — such as white goods, curtains, carpets, and garden items.

However, in auction sales, this form is rarely provided. That means there may be no guarantee about what will remain in the property after completion.

## WHAT MIGHT BE INCLUDED?

- **Built-in items** such as kitchen units or integrated appliances are generally expected to remain.
- **Freestanding items** (e.g. fridge, washing machine, furniture) are usually removed — unless clearly stated otherwise in the auction legal pack or special conditions.
- **Fixtures,** such as fitted wardrobes or curtain poles, may or may not be included — the seller is not obliged to confirm.

In many cases, especially with vacant or repossessed properties, the property is sold as seen, with no representations made about contents.

## KEY POINTS TO BE AWARE OF

- Do not assume anything will be left behind unless it is specifically mentioned.
- You may be left with nothing but the bare structure — or conversely, the property may be left with unwanted rubbish or furniture, and you will be responsible for clearing it.
- The auction contract often includes a condition that the buyer accepts the property in its current state, including whatever is left or removed.

### SUMMARY

In auction sales, there is usually no list of contents provided. You must assume that nothing comes with the property unless clearly stated in the auction pack. If certain items are important to you, you should either inspect the property beforehand or treat the risk of removal as part of your due diligence.

# Has the property had planning **permission or building work?**

In standard purchases, the seller is usually required to disclose whether the property has had any structural changes or extensions, and whether those works were properly authorised. In auction sales, this information is often missing or incomplete, and the buyer must carry out their own investigations.

## WHY THIS MATTERS

If the property has been extended, converted, or structurally altered, you need to know:

- Was planning permission obtained?
- Was Building Regulations approval granted and certified?
- Is there any risk of enforcement action or safety issues?

Works carried out without permission may lead to:

- Enforcement notices from the local authority.
- Issues with insurability or mortgageability.
- Difficulty selling the property in the future.

## AUCTION RISKS

In auction sales:

- The seller often does not supply full planning or building records.
- You may see mention of alterations, but with no evidence of approval or compliance.
- There may be no warranties, indemnities, or guarantees provided.
- You buy as seen, meaning the legal and practical risks transfer to you.

If you buy and later discover unauthorised works, you may have no recourse against the seller.

## WHAT YOU CAN DO

Before bidding:

- Check the legal pack for planning documents or Building Regulations certificates.
- Visit the local council's planning portal to see if any applications have been made.
- Instruct a surveyor to identify signs of structural alterations or extensions.
- Be cautious about any "loft conversions," rear extensions, or garage conversions that are not backed by clear documentation.

### SUMMARY

If the property has been altered, you need to confirm that all permissions and approvals were properly obtained. In auction purchases, this is rarely guaranteed — and if you buy without confirming it, the risk becomes yours.

# Can I get a survey **after the auction?**

Technically, yes — you can commission a survey after the auction — but doing so at that stage is too late to influence the transaction. Once the auctioneer's hammer falls, you have already exchanged contracts and are legally committed to buy the property as it stands.

Any issues discovered after that point — including serious structural problems — will not allow you to renegotiate or withdraw without serious legal and financial consequences.

## WHAT DOES A SURVEY DO?

A survey (or building inspection) can:

- Identify structural defects such as subsidence, damp, rot, or roof issues.
- Flag issues with electrics, plumbing, or heating systems.
- Provide a professional valuation, giving insight into whether you're paying a fair price.
- Highlight hazards (e.g. asbestos, unsafe loft conversions, or illegal extensions).

**There are different types of surveys:**

- Condition Report (basic)
- Homebuyer Report (standard)
- Full Building Survey (detailed, especially useful for older or non-standard properties)

## WHY IT'S RISKY TO WAIT UNTIL AFTER THE AUCTION

If you buy first and survey later, you take on the full risk. For example:

- If the survey reveals serious structural issues, you still must complete the purchase.
- You may need to pay for urgent or costly repairs immediately.
- If you're using a mortgage, the lender might down-value the property or refuse funding — but you'll still be liable to complete.

In some cases, buyers end up with a non-mortgageable or uninhabitable property, which cannot be let or resold without major work.

## BEST PRACTICE

- Commission a survey before the auction, especially for older, unusual, or visibly damaged properties.
- Combine it with a legal pack review to get a complete picture.
- If time is limited, you can sometimes obtain a desktop valuation or walkaround inspection to flag major concerns quickly.

### SUMMARY

Getting a survey after the auction may help you understand the condition of your purchase, but it will not give you any right to cancel, renegotiate, or delay. If you're buying at auction, the time for surveys is before bidding, not after — and our team at Versus Law can help coordinate this process efficiently if you're working to a tight timeline.

# What are Special Conditions of **Sale and why are they important?**

In every auction sale, the contract consists of:

1. The Common Auction Conditions (4th Edition) — standard legal terms agreed by most auctioneers and solicitors, and
2. The Special Conditions of Sale — unique, property-specific terms that override or supplement the standard conditions.

The Special Conditions are where the seller's solicitor can add specific obligations, fees, timeframes, and restrictions. These terms are often buried in legal language, but they can have a significant impact on what you pay and how the transaction proceeds.

## WHAT CAN SPECIAL CONDITIONS INCLUDE?

Some common (and potentially costly) clauses include:

- **Buyer to pay the seller's legal fees,** search fees, or auctioneer's administration charges.
- **Reduced completion periods,** e.g. 14 days instead of the usual 28.
- **No guarantee of key handover,** vacant possession, or clearance of contents.
- **Requirement to insure the property immediately** after exchange.
- **Indemnity requirements —** where the buyer must purchase an indemnity policy (e.g. for missing consents or rights of way).
- **Liability for ground rent, service charge, or major works,** sometimes even if they relate to periods before completion.

## WHY ARE THEY IMPORTANT?

The Special Conditions override the general rules. That means:

- They can impose extra costs or obligations that are legally binding.
- They can reduce your legal protections as a buyer.
- You are expected to have read and accepted them before bidding.

Even if you miss them — or don't understand them — you are still bound once the hammer falls.

## WHAT YOU SHOULD DO

- Ask your solicitor to review the Special Conditions in the legal pack before bidding.
- Look carefully for anything unusual — particularly clauses about:
  - Extra costs
  - Short timeframes
  - Existing tenancies or possession issues
- Do not rely solely on the auctioneer's summary — always read the legal documents in full.

At Versus Law, we routinely identify hidden risks in Special Conditions and flag them to our clients before auction day.

### SUMMARY

The Special Conditions of Sale are where the real terms of the deal are set out. They often include hidden costs, unusual requirements, or buyer liabilities. Always read them carefully — and have your solicitor check them — because once you bid, you're legally committed to everything they say.

# What if I discover a title **defect after the auction?**

When you buy a property at auction, you are committing to purchase it on the terms set out in the legal pack, whether or not you fully understand those terms. If you discover a title defect after the auction, you are generally bound to complete the purchase, regardless of the issue.

## WHAT IS A TITLE DEFECT?

A title defect is any legal issue affecting the ownership or marketability of the property. Common examples include:

- Missing rights of access or unclear boundaries.
- Unregistered title, or gaps in the chain of ownership.
- Restrictive covenants that limit how the property can be used.
- Easements or rights of way benefitting other parties.
- Charges or restrictions registered against the title.
- Absence of title plan or supporting deeds.

These issues may not prevent ownership — but they can reduce the value, affect resale, or make obtaining finance more difficult.

## CAN YOU BACK OUT?

In most cases, no. The standard auction conditions (and the special conditions) will usually state:

- The buyer has had the opportunity to inspect the title.
- The buyer accepts the title “as it is”.
- No further enquiries or objections can be raised after the hammer falls.

This means you cannot withdraw from the contract or demand a price reduction — even if a serious defect comes to light later.

## ARE THERE ANY EXCEPTIONS?

A limited number of exceptions may apply if:

- The seller has deliberately misrepresented the title.
- The contract includes a clause requiring good title and the defect prevents this.
- The seller refuses to remedy a known defect that they undertook to resolve.

Even then, legal action is needed — and timeframes are extremely tight.

## HOW TO PROTECT YOURSELF

- Instruct your solicitor to review the legal pack before bidding.
- Do not rely on the auctioneer's description alone — they may not be aware of title issues.
- If something in the title looks unusual or unclear, do not bid until it's resolved.
- Be cautious of unregistered land, especially if supported only by a statutory declaration or handwritten deeds.

### SUMMARY

Buying at auction means accepting the legal title warts and all. If a defect is discovered after the auction, you will almost certainly still have to complete. This is why legal pack review is critical — and something we specialise in at Versus Law.

# What if the **property is unregistered?**

Most properties in England and Wales are now registered with HM Land Registry, which provides a centralised and guaranteed record of ownership. However, some properties — particularly older ones or those that haven't changed hands for decades — are still unregistered.

Buying an unregistered property at auction involves additional risks and responsibilities, and it's vital that you understand what this means before you bid.

## WHAT DOES "UNREGISTERED" MEAN?

An unregistered property:

- Has no digital title record at HM Land Registry.
- Is instead proven by a collection of original deeds, contracts, conveyances, and documents — often referred to as the "root of title."
- May not have an up-to-date plan showing the property's boundaries.

The buyer is responsible for first registration after completion — a process that must be done to legally own and deal with the property going forward.

## WHAT CAN SPECIAL CONDITIONS INCLUDE?

**Missing deeds:** If key documents are lost, it can be hard to prove ownership or boundaries.

**Boundary disputes:** There may be no clear plan confirming what land is included.

**Undisclosed rights or easements:** You may be unaware of rights of way, covenants, or third-party interests.

**Mortgage difficulties:** Many lenders are cautious about lending on unregistered properties.

**Longer conveyancing timeframes:** Title must be reconstructed from old paperwork.

Auction sellers sometimes include a statutory declaration to support the title if deeds are missing — but this is not a guarantee of good title.

## WHAT YOU SHOULD DO

Before bidding:

- Have your solicitor examine all available deeds and documents carefully.
- Check that there's a clear, credible chain of ownership going back at least 15 years.
- Ensure a title plan is included or can be reliably reconstructed.
- Be prepared to register the property yourself with the Land Registry — which involves extra legal work and fees.

At Versus Law, we are experienced in first registration of unregistered land and can assist in identifying risks in the deeds before you commit.

### SUMMARY

Buying an unregistered property adds complexity and risk. Without a Land Registry record, you're relying on old paperwork — and if anything is missing or unclear, it may affect your ability to prove ownership or secure finance. Make sure your solicitor checks the title thoroughly before bidding, and be ready for the extra work involved in registration.

# What is the difference **between freehold and leasehold?**

When you buy a property in England or Wales, you're not just buying bricks and mortar — you're buying a legal interest in the land. The two most common forms of ownership are freehold and leasehold, and the difference between them has significant legal and financial implications.

Understanding this distinction is vital when buying at auction, where leasehold properties are common and may come with additional risks or obligations.

## WHAT IS FREEHOLD?

If you own a property freehold, you own:

- The building, and
- The land it stands on,
- Indefinitely — there is no time limit.

You are responsible for maintaining the property, but you do not pay ground rent or service charges to a landlord. Freehold is the simplest and most complete form of ownership.

Typical freehold properties:

🏠 Detached houses, semi-detached houses, or terraced houses.

## WHAT IS LEASEHOLD?

If you own a property leasehold, you have:

- The right to occupy the property for a fixed number of years (e.g. 99, 125, or 999 years),
- Under a legal lease agreement with the freeholder (also called the landlord),
- Subject to certain restrictions and ongoing payments.

You do not own the land or the building itself — just the lease.

You will typically have to pay:

- **Ground rent** to the freeholder.
- **Service charges** to maintain communal areas, buildings insurance, cleaning, etc.
- **Contributions to major works** on the building.

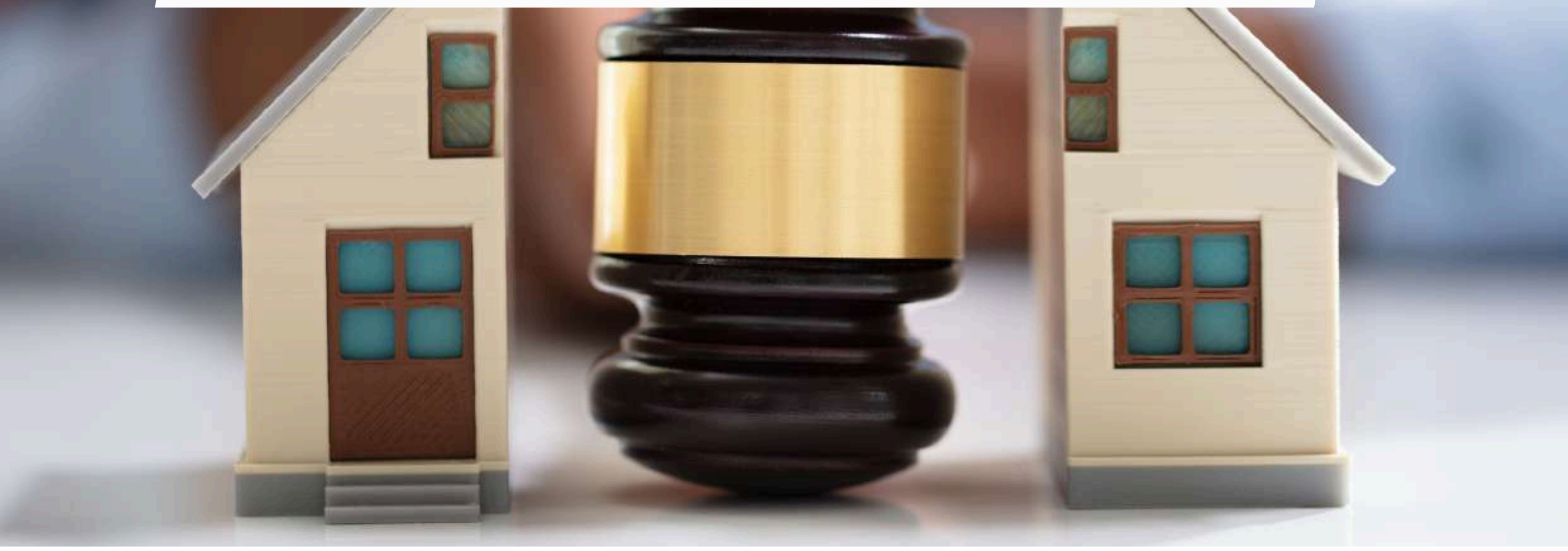
## WHY DOES THIS MATTER FOR AUCTION BUYERS?

Leasehold properties are common in auctions — especially flats, maisonettes, and mixed-use buildings. But they can carry significant risks:

- Short leases reduce value and mortgageability.
- Unexpected charges or arrears may not be disclosed in full.
- No LPE1 form or lease summary is often provided in the auction pack.
- You may have limited ability to extend or alter the property.
- Some leases contain onerous clauses (e.g. escalating ground rent).

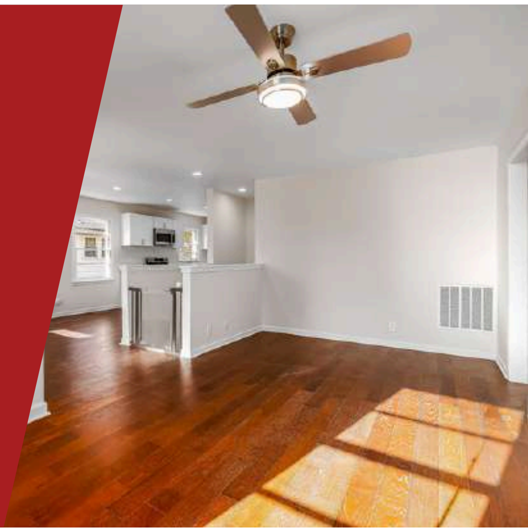
### SUMMARY

Freehold means you own everything. Leasehold means you own the right to live in the property for a fixed period, with obligations to a freeholder. If you're buying at auction, always confirm the ownership type and review the lease terms carefully. At Versus Law, we specialise in identifying leasehold risks and helping clients make informed auction decisions.



# What if I've bought **a leasehold flat?**

Buying a leasehold flat at auction is very different from buying a freehold house. With leasehold, you are not buying the building itself, but rather a legal right to occupy the flat for a fixed number of years. The flat is part of a larger building which is often owned and managed by a freeholder (landlord) or management company.



## WHAT ARE THE IMPLICATIONS?

As a leaseholder, you are typically responsible for:

- **Ground rent:** An annual payment to the freeholder.
- **Service charge:** Your share of the costs of maintaining the building, communal areas, and facilities.
- **Compliance with lease terms:** Including restrictions on subletting, alterations, or use.
- **Repairs inside** your flat, but not to the structure or communal areas.

The freeholder or managing agent is responsible for the overall management of the building, including arranging buildings insurance, structural repairs, and maintenance of shared areas.

## WHAT ARE THE RISKS WHEN BUYING AT AUCTION?

- The full lease document is often not provided in the legal pack.
- The seller may not supply an LPE1 form or management pack, so you may be buying

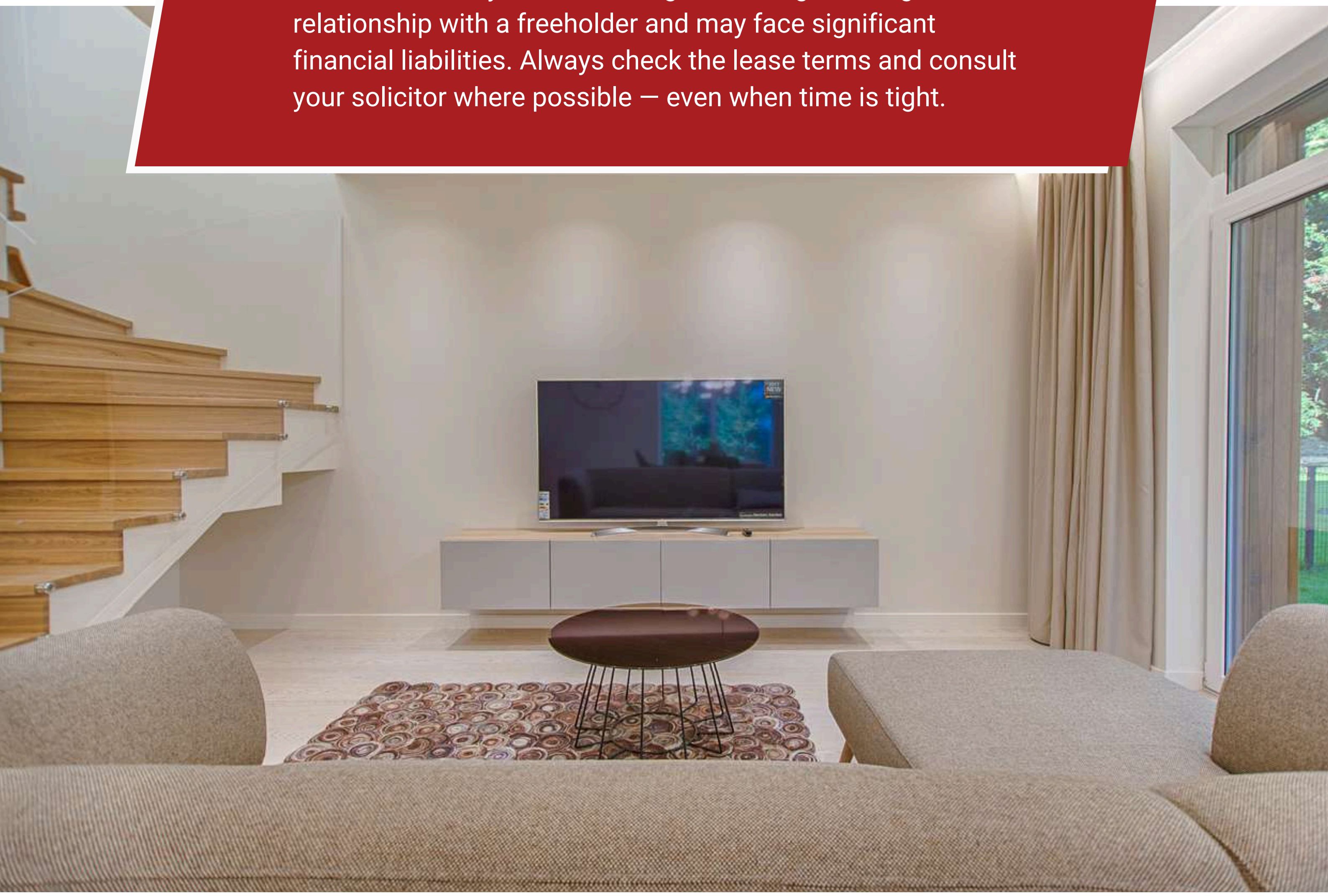
**without knowing:**

- The length of the lease.
- The amount of ground rent or service charges.
- Whether major works are planned.
- Whether there are arrears or disputes with the management company.

This means you could be committing to a flat with high costs or legal restrictions without being fully informed.

## SUMMARY

Leasehold properties can be complex and expensive to manage. If you're buying a flat at auction, you need to understand that you are entering into a long-term legal relationship with a freeholder and may face significant financial liabilities. Always check the lease terms and consult your solicitor where possible — even when time is tight.



# Am I responsible for unpaid **service charge and ground rent?**

Yes — as the buyer of a leasehold flat at auction, you may become liable for unpaid service charges, ground rent, and other arrears, unless the auction contract specifically states that the seller will settle them prior to completion.

This is one of the most commonly overlooked risks in leasehold auction purchases.

## WHAT ARE THE IMPLICATIONS?

- **Ground rent:** A fixed annual payment to the freeholder, often increasing under the lease terms.
- **Service charge arrears:** Charges the seller should have paid for building maintenance and management.
- **Balancing charges:** Extra costs due from earlier years once the management company finalises accounts.
- **Major works contributions:** If costly repairs or refurbishments (e.g. roof replacement or cladding remediation) have been scheduled but not yet invoiced, you may receive the demand post-completion.

## WHY THIS HAPPENS IN AUCTION SALES

In normal sales, the seller and buyer agree to apportion liabilities. Any outstanding sums are paid by the seller before completion or deducted from the sale proceeds.
In auction sales:

- The auction contract may exclude any apportionment.
- The seller may refuse to pay outstanding sums.
- You may be deemed to have accepted all liabilities, known and unknown, by bidding at auction.

The legal pack often omits full financial statements or confirmation of arrears — meaning you may be bidding blindly on a leasehold property that comes with significant debt attached.

## HOW CAN YOU PROTECT YOURSELF?

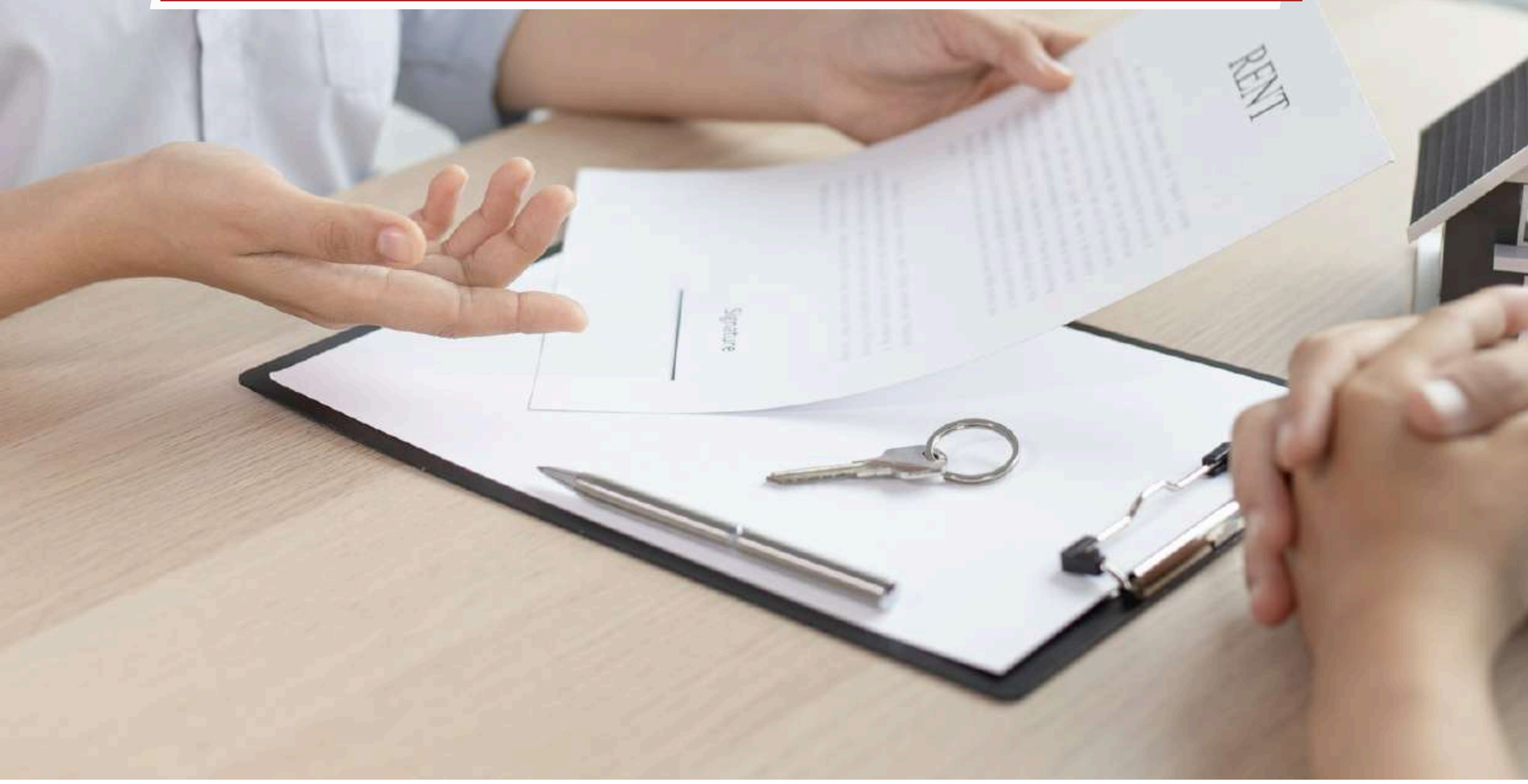
Before bidding:

- Check the special conditions of sale — does the seller promise to clear any arrears?
- Look for an LPE1 form or service charge statement in the legal pack.
- Ask your solicitor to review the lease and identify the financial liabilities and payment terms.

After the auction, it's too late — you are bound by the contract and may have to settle any unpaid charges immediately on completion.

### SUMMARY

Buying a leasehold flat at auction without knowing the service charge and ground rent position is risky. Unless clearly stated otherwise, you will inherit any arrears. Always read the legal pack carefully and seek legal advice in advance — the costs can be substantial.



# What does 'short lease' mean and **why does it matter?**

A "short lease" typically refers to a leasehold property where the unexpired term of the lease is less than 80 years. This is a critical threshold, as it affects not only the value of the property, but also your ability to secure a mortgage, and the cost of extending the lease in the future.

## WHY DOES THE LEASE TERM MATTER?

Leasehold property is a wasting asset — as the lease term gets shorter, the property becomes less valuable. A lease that falls below 80 years:

- Begins to lose value more quickly.
- Becomes more difficult to sell.
- May be unacceptable to many mortgage lenders.
- Triggers a "marriage value" cost when extending (explained below).

Mortgage lenders typically have minimum lease requirements — often 70–85 years depending on their policy. If the lease term falls below their cut-off point, they may:

- Refuse to lend at all.
- Reduce the loan-to-value (LTV) they will offer.
- Require that the lease be extended before completion — which is rarely possible in auction timescales.

## WHAT IS MARRIAGE VALUE?

If you extend a lease after it falls below 80 years, you must pay an additional cost called marriage value. This represents the increase in the property's value once the lease is extended — and half of this uplift must be paid to the freeholder by law.

This makes lease extensions significantly more expensive once the lease term drops below the 80-year mark.

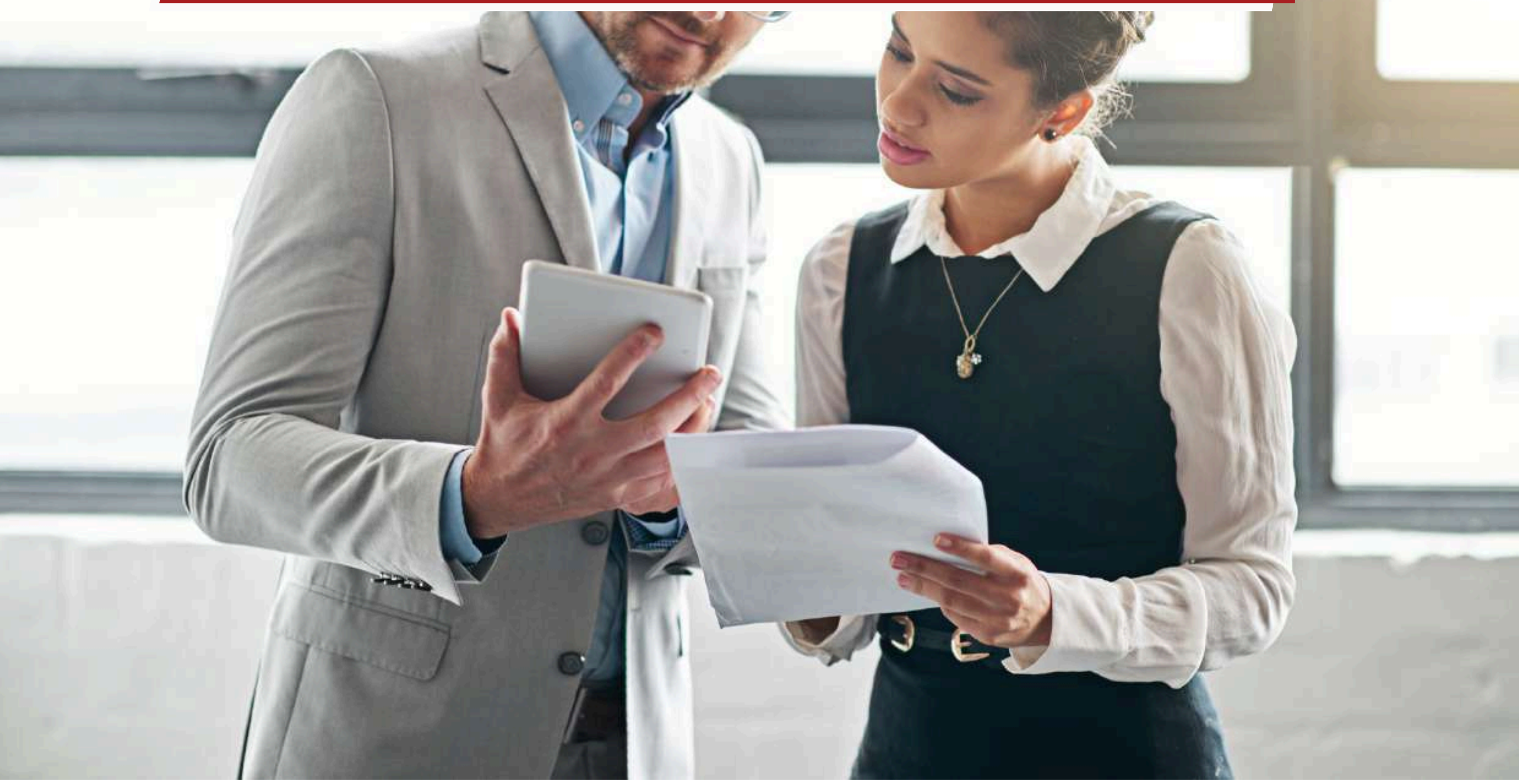
## WHY IS THIS ESPECIALLY IMPORTANT IN AUCTION SALES?

- Auction legal packs may not include the lease term or refer only vaguely to it.
- You may not have time to obtain a lease extension or negotiate with the freeholder before bidding.
- If you buy a short lease flat, you are accepting reduced value, mortgage restrictions, and higher extension costs.

Short lease properties often appear in auctions because they are hard to sell on the open market — and may not be mortgageable in their current state.

### SUMMARY

Buying a flat with a short lease can expose you to major risks — including limited mortgage options, high extension costs, and difficulty reselling. Always confirm the lease length before bidding and understand the financial implications if the lease has less than 80 years remaining.



# Can I extend **the lease and how?**

Yes — you can extend the lease on a leasehold property. Importantly, as of 31 January 2025, the requirement to have owned the property for two years before initiating a statutory lease extension has been abolished under the Leasehold and Freehold Reform Act 2024.


## TWO ROUTES TO EXTEND A LEASE

### 1 STATUTORY LEASE EXTENSION (FORMAL PROCESS)

Under the Leasehold Reform, Housing and Urban Development Act 1993, leaseholders have the right to a statutory lease extension. With the recent reform:

- You can now initiate this process immediately upon acquiring the property, without the previous two-year ownership requirement.
- The extension provides an additional 90 years on top of the existing term.
- The ground rent is reduced to a peppercorn (effectively zero).

### 2 INFORMAL LEASE EXTENSION (NEGOTIATED APPROACH)

Alternatively, you can negotiate directly with the freeholder:

- This can be done at any time and may be quicker.
- However, terms are not guaranteed and may include:
  - Higher premiums.
  - Continuation of ground rent.
  - Less favorable terms overall.

## HOW WE CAN HELP

At Versus Law, we specialize in lease extensions and can assist you with:

- Evaluating the best route for your circumstances.
- Serving statutory notices and managing the formal process.
- Negotiating favorable terms in informal extensions.
- Liaising with freeholders and managing agents.

### SUMMARY

With the abolition of the two-year ownership rule, extending your lease has become more accessible. Whether you choose the statutory route or negotiate informally, it's crucial to understand the implications and ensure the terms are favorable. Our team at Versus Law is here to guide you through every step of the process.

# What is an LPE1 form **and why haven't I seen one?**

An LPE1 form — short for Leasehold Property Enquiries Form 1 — is a standardised questionnaire completed by the landlord, freeholder, or managing agent when a leasehold property is being sold. It is designed to provide essential information to the buyer about how the building is managed and what charges or restrictions apply.

## WHAT DOES THE LPE1 INCLUDE?

The LPE1 form covers:

- **Who manages the property** – including contact details for the freeholder or managing agent.
- **Service charges –** how much is paid, what it covers, and any outstanding arrears.
- **Ground rent –** annual amount, when it is due, and whether it increases.
- **Major works –** planned or proposed works that may result in high costs for leaseholders.
- **Insurance arrangements –** including whether the building is insured and who is responsible.
- **Notices and consents –** such as requirements for subletting, alterations, or pets.

This form is vital in a standard transaction, as it gives the buyer clarity about financial and practical commitments under the lease.

## WHY HAVEN'T YOU SEEN ONE?

In auction sales, the LPE1 form is often not included in the legal pack. This is usually because:

- **The seller may not request it** — often due to time or cost.
- **Managing agents may charge a high fee** (commonly £300–£600+ VAT) and take several weeks to complete it.
- **Auction sellers typically want to avoid delays,** so they proceed without this documentation.
- **The sale is "as seen" —** sellers are not obliged to provide full pre-contract enquiries.

## WHY THIS MATTERS

Buying a leasehold flat without an LPE1 means you may have no reliable information about:

- How much you'll pay in service charges.
- Whether there are outstanding arrears or disputes.
- Whether there are upcoming works or repair bills.
- How the building is insured and who to contact.

You may find out only after completion that you owe hundreds or even thousands of pounds in unpaid charges — or that the building has structural issues or cladding concerns.

### SUMMARY

The LPE1 form is an essential part of understanding a leasehold property — but it is commonly missing in auction sales. You are expected to buy at your own risk, without full information. At Versus Law, we always highlight when this information is absent and can assist you in requesting it post-completion if needed.

# What is the Building **Safety Act and EWS1 form?**

In response to the Grenfell Tower tragedy, the UK government introduced a range of new laws and safety requirements to protect residents in high-rise and high-risk residential buildings. Two key elements buyers should be aware of are the Building Safety Act 2022 and the EWS1 form (External Wall System certificate).

## THE BUILDING SAFETY ACT 2022

The Act introduced wide-ranging reforms to building safety regulations in England and Wales. Key features include:

- Applies to buildings over 11 metres or 5 storeys (reduced from 18m in earlier guidance).
- Introduces legal obligations for building owners to assess, manage, and report on building safety risks.
- Creates new protections for leaseholders from unfair cladding remediation costs.
- Establishes a Building Safety Regulator with enforcement powers.
- Requires a Golden Thread of Information — a comprehensive, digital record of the building's design, construction, and safety management.

Under the Act, leaseholders are protected from certain historical building safety costs. However, this protection only applies if the building and leaseholder meet the strict legal conditions.

## WHAT IS AN EWS1 FORM?

An EWS1 (External Wall System) form is a fire safety assessment for the external walls and cladding of a building.

- It must be completed by a qualified fire engineer.
- It determines whether the external wall materials (such as cladding or insulation) pose a fire risk.
- It is used by mortgage lenders to assess whether the property is safe and mortgageable.

If the building receives a 'B2' rating, it means remedial work is required. A rating of 'A1', 'A2', or 'B1' means the building is considered safe or has acceptable mitigation measures.

## AUCTION SALE RISKS

In auction purchases:

- The EWS1 form may not be included in the legal pack.
- The seller may not disclose fire safety issues or confirm whether works are planned.
- The buyer may inherit the risk of future costs or resale difficulties.

If the flat is in a building over 11 metres and there is no EWS1, you may:

- Struggle to get a mortgage, or be limited to specialist lenders.
- Be unable to resell the flat until fire safety status is confirmed.
- Face demands for service charge increases or cladding contributions if the property is not exempt under the Act.

### SUMMARY

The Building Safety Act and EWS1 form are now central to buying flats in high-rise buildings. If you're purchasing at auction and no EWS1 form or fire safety details are included, you are accepting a potentially significant risk. Always consult a solicitor (such as our team at Versus Law) before bidding on such properties — we are experienced in reviewing building safety documentation and advising on risk exposure.

# What is a Fire Risk **Assessment (FRA)?**

A Fire Risk Assessment (FRA) is a legal requirement for most residential buildings, especially blocks of flats and converted houses containing multiple dwellings. It involves a structured evaluation of the fire risks in the property, with the aim of identifying hazards and ensuring that appropriate fire safety measures are in place.

## WHO IS RESPONSIBLE FOR THE FRA?

The "responsible person" is usually:

- The freeholder, or
- A management company or Right to Manage company, or
- A letting agent acting on behalf of the landlord.

They must ensure that the building has a suitable and sufficient fire risk assessment carried out regularly — typically by a qualified fire safety professional.

## WHAT DOES AN FRA INCLUDE?

A fire risk assessment typically covers:

- Escape routes and whether they are clear and properly marked.
- Fire doors and alarms – whether they are installed, working, and compliant.
- Cladding and external walls – whether materials pose a fire risk.
- Compartmentation – whether the building structure helps contain fire.
- Signage and emergency lighting.
- Firefighting equipment and sprinkler systems (if applicable).
- Any recommendations for remediation or ongoing monitoring.

The findings will be summarised in a written report, which should be made available to leaseholders and buyers.

## WHY IT MATTERS WHEN BUYING AT AUCTION

- An FRA is crucial for safety and legal compliance — especially in older or high-rise buildings.
- Some lenders may ask for a copy as part of their mortgage requirements.
- If the FRA identifies serious fire safety concerns, the building may require expensive works — and leaseholders usually pay for these via service charges.
- A missing or outdated FRA may suggest that the building is not being properly managed.

Auction legal packs often do not include an FRA. As a result, you may be buying into a block where:

- The current safety status is unclear, and
- You may later receive costly demands for compliance works.

### SUMMARY

A Fire Risk Assessment is essential for ensuring that a block of flats meets safety standards and complies with the law. If you're buying at auction and an FRA is not provided, you are accepting the fire safety risk — which could result in serious costs and resale problems. At Versus Law, we advise all auction buyers to confirm whether an FRA is available before bidding, particularly for high-rise or converted buildings.

# What if the property is in **poor condition or has been stripped out?**

When buying at auction, it's important to understand that the property is sold exactly as seen — and as described in the legal pack. There are no guarantees about the condition of the building, fixtures, or even whether the property will be left intact between exchange and completion.

In some cases, especially with repossession, probate, or vacant properties, buyers have found that:

- The kitchen or bathroom has been removed
- Boilers, wiring, or copper piping have been stripped
- The property has been vandalised or damaged
- Rubbish or abandoned belongings have been left behind

## WHAT DOES THE CONTRACT SAY?

Most auction contracts include clauses such as:

- The buyer accepts the property in the physical condition it is in at the time of the auction
- The seller gives no warranties or guarantees about condition
- The buyer is responsible for any issues discovered after exchange

In other words, you buy at your own risk — and the seller has no obligation to fix or reinstate anything that is damaged or removed after the auction.

## WHAT CAN I DO TO PROTECT MYSELF?

Before bidding:

- Always view the property in person, if possible.
- Read the auction legal pack thoroughly — look for disclaimers, possession terms, or any reference to "as seen".
- If condition is a concern, consider commissioning a survey before the auction.
- Assume the worst-case scenario for repairs and budget accordingly.

If you discover damage after exchange, you usually have no legal remedy, unless the seller has deliberately misled you (which is rare and hard to prove).

## WILL THE PROPERTY BE CLEARED?

Unless the auction pack specifically promises "vacant possession" and clearance, the seller is not obliged to remove items. You may need to:

- Arrange a clearance company at your own cost
- Dispose of unwanted items or furnishings
- Take further steps if hazardous waste is left behind

### SUMMARY

At auction, what you see is what you get — and sometimes, what you get may be worse than expected. The property may be in poor condition, vandalised, or missing key fittings. That's why it's vital to inspect the property beforehand, read the legal pack closely, and get advice from experienced auction solicitors like Versus Law. We can help you assess the risks — before you're locked in.

# What happens if the **seller pulls out after the auction?**

While rare, it is possible that a seller may withdraw from a sale after the auction, even though auction contracts are legally binding. This can be frustrating and disruptive — especially if you've already incurred costs for searches, surveys, or finance.

## IS THE SELLER LEGALLY BOUND?

Yes — just like the buyer, the seller is legally committed to the contract the moment the auctioneer's hammer falls. They are expected to complete on the agreed terms and date.

However, problems may arise if:

- The seller is unable to transfer good title (e.g. due to a title defect, disputed ownership, or missing documentation).
- A third party objects to the sale (such as a co-owner, executor, or lender).
- The seller fails to comply with their obligations under the contract (e.g. providing vacant possession or removing tenants).
- The seller is insolvent or unavailable (in rare cases).

## WHAT ARE YOUR RIGHTS?

If the seller defaults:

- You are usually entitled to a full refund of your deposit.
- You may also be entitled to interest, your costs, or damages, depending on the circumstances.
- However, enforcing your rights may require legal action, and recovering compensation is not always straightforward.

It is important to note that most auction conditions limit the buyer’s remedy to a return of the deposit only — unless the breach is serious or intentional.

## WHAT SHOULD YOU DO?

If you suspect the seller is not complying:

1. Ask your solicitor to review the contract for default provisions.
2. Ensure your legal and financial losses are documented (e.g. searches, survey fees, bridging finance costs).
3. Be prepared to pursue legal remedies if necessary — though this can take time and carry risk.

### SUMMARY

While a seller pulling out is unusual, it does happen — and buyers have legal rights if it does. That said, your remedies may be limited by the auction terms. At Versus Law, we help clients assess their options and pursue appropriate action when a seller fails to complete.

# What if the seller hasn't **cleared the property by completion?**

When you buy a property at auction with vacant possession, it is expected that the property will be empty of both people and possessions on the day of completion. However, in some cases, buyers find that the property has been left full of contents, rubbish, or even remains occupied.

This can create both practical and legal problems, particularly if you were intending to rent, renovate, or sell the property immediately.

## WHAT DOES "VACANT POSSESSION" ACTUALLY MEAN?

"Vacant possession" is a legal term meaning:

- No one is physically occupying the property.
- The property is not being used by anyone else.
- The property is free of furniture, personal items, and rubbish (unless agreed otherwise).
- You have unfettered access to take possession and use the property as you wish.

It's more than just being "empty" — it means there are no legal or practical barriers to occupation.

## WHAT CAN GO WRONG?

**You may find that:**

- The seller has left old furniture, junk, or personal belongings behind.
- Former tenants, family members or squatters are still in the property.
- The seller has not cleared out sheds, garages, or loft spaces.
- The property is dangerous or unsanitary, making access difficult.

**This is particularly common where:**

- The seller is a receiver or mortgagee in possession.
- The property has been inherited or repossessed.
- The seller has not visited the property recently.

## WHAT ARE YOUR OPTIONS?

If the contract states that the property is sold with vacant possession, then the seller is in breach of contract if it is not cleared by completion.

You can:

- Require the seller to remove items at their cost.
- Arrange clearance yourself and claim the reasonable cost back (if the contract allows).
- Delay completion only in very limited circumstances (and at your own risk).
- Seek damages — but legal remedies may be limited or time-consuming.

If the property is occupied, you may need to take formal legal steps such as:

- Serving notice to vacate.
- Applying to court for possession (if occupation is unauthorised).
- Instructing bailiffs or eviction specialists.

## WHAT SHOULD YOU DO?

- Always confirm in the legal pack whether the property is sold with vacant possession or subject to occupation.
- Ask your solicitor to flag any potential issues before bidding.
- Inspect the property (if possible) before auction to get a sense of its condition and contents.
- Budget for clearance or legal possession costs, especially with repossessed or probate properties.

### SUMMARY

If a seller fails to clear the property by completion, they may be in breach of the auction contract — but your remedies depend on the specific terms agreed. It's vital to check whether vacant possession is guaranteed and to prepare for the possibility of dealing with leftover contents or occupants. At Versus Law, we help our clients enforce their rights and resolve post-completion issues quickly and professionally.

# What do I do if the seller promised vacant **possession but someone is still in the property?**

If you've bought a property at auction on the basis that vacant possession would be given on completion — but find that someone is still occupying it, this can be a serious issue. It could be a former owner, a tenant, a squatter, or someone else claiming a right to remain.

In such cases, it's essential to act quickly, carefully, and legally — because the presence of an occupier could delay your plans, restrict access, or even expose you to legal risk.

## WHAT IS "VACANT POSSESSION"?

Vacant possession means the property will be:

- Physically empty (no occupants), and
- Legally unoccupied (no one has a continuing right to remain)

This is usually promised in the Special Conditions of Sale or contract summary in the auction legal pack.

## WHO MIGHT BE IN THE PROPERTY?

You may find the property is still occupied by:

- A former owner who has not moved out
- A tenant or licensee with a valid or expired agreement
- A family member or other person with a legal or informal right to remain
- A squatter or unlawful occupant who has entered after exchange

Each situation requires a different legal response — and until resolved, you may not be able to let, renovate, or sell the property.

## WHAT ARE YOUR LEGAL OPTIONS?

### 1 REVIEW THE AUCTION CONTRACT

- If the seller promised vacant possession and failed to deliver, this is a breach of contract.
- You may be entitled to compensation, a retention, or in some cases, refuse to complete (though this is rare in practice).

### 2 ISSUE POSSESSION PROCEEDINGS

- If someone is in occupation without a legal right, you can apply to court for a possession order under Part 55 of the Civil Procedure Rules.
- This process typically takes 4–6 weeks, or longer if defended.

### 3 USE HIGH COURT ENFORCEMENT

- Once a possession order is granted, you may apply to transfer it to the High Court for faster eviction — especially if the occupant is trespassing.

### 4 CHECK IF AN AGREEMENT EXISTS

- If the occupant is a tenant or licensee, their rights must be considered. You may need to serve notice (e.g. Section 21 or Section 8) before possession is granted.

## CAN VERSUS LAW HELP?

Yes — we work with litigation and eviction specialists who can:

- Review your contract and advise on remedies
- Serve legal notices and issue possession claims
- Represent you in court and instruct bailiffs
- Negotiate with occupiers where appropriate

If the auction seller misled you, we may also be able to pursue legal redress on your behalf.

## SUMMARY

If you've bought a property with vacant possession promised — but someone is still inside — you need to act quickly. Whether it's a tenant, squatter, or previous owner, we can help you navigate the legal steps to regain control. At Versus Law, we combine auction expertise with litigation support to help you resolve occupancy problems efficiently and lawfully.

# What is a legal indemnity **policy and when would I need one?**

A legal indemnity policy is a type of insurance that protects you — and sometimes your lender — against specific legal risks affecting a property. These policies are commonly used in auction purchases, where there is no time to fix legal issues before completion, and the buyer agrees to take the property "as is".

Rather than resolving a legal defect (which may take months or involve third parties), an indemnity policy provides financial protection if the issue causes a loss in future.

## WHAT DOES A LEGAL INDEMNITY POLICY COVER?

Legal indemnity policies are problem-specific, and some common examples include:

- Lack of building regulations approval for past works
- No planning permission for extensions, conversions, or alterations
- Missing title deeds in unregistered land
- Access rights not properly documented
- Restrictive covenant breaches (e.g. building without consent)
- Absence of easements for services or drainage
- Chancel repair liability (an old obligation to contribute to church repairs)

The policy won't fix the legal defect, but it will cover you for financial loss or legal costs if someone enforces the issue in future.

## WHEN WOULD I NEED ONE?

Legal indemnity policies are used when:

- The issue can't be resolved before completion
- The seller refuses to remedy the problem
- The buyer is willing to proceed, but only with risk protection
- The lender insists on it as a condition of mortgage release

In auction purchases, indemnity insurance is often the only practical solution to meet strict deadlines.

## HOW MUCH DOES IT COST?

- Most indemnity policies are one-off premiums, typically between £20 and £500, depending on the type of cover and property value.
- The policy usually lasts indefinitely, and may be transferable on resale.
- Either the seller or buyer can pay, depending on negotiation — in auctions, it's usually the buyer.

## WHAT DOES IT NOT COVER?

Indemnity insurance does not cover:

- Defects you caused yourself
- Risks you were aware of but failed to disclose
- Physical defects or poor workmanship
- Costs of bringing a property up to modern standards

It is a passive protection, not a solution — and does not replace due diligence.

### SUMMARY

Legal indemnity insurance is a useful tool in auction transactions where legal issues can't be resolved before completion. It allows you to proceed safely without delay — knowing you're protected if the issue ever becomes a problem. At Versus Law, we regularly arrange tailored indemnity cover to help clients complete securely and on time.

# What is a restrictive covenant **and how can it affect me?**

A restrictive covenant is a legal promise written into a property's title that limits what the owner can do with the land or buildings. These covenants "run with the land," meaning they bind future owners — including you, if you purchase the property at auction.

Restrictive covenants can seriously affect how you use or develop the property, and breaching them can lead to legal action, including court-ordered reinstatement or financial compensation.

## WHAT DOES A RESTRICTIVE COVENANT DO?

It may prohibit:

- Building on part of the land (e.g. no extensions, no second dwelling)
- Using the property for certain purposes (e.g. no business or Airbnb use)
- Making structural alterations without consent
- Parking certain vehicles (e.g. caravans, commercial vans)
- Keeping animals or running a trade
- Creating nuisance (e.g. noise, smell, overcrowding)

Many auction properties carry old covenants from previous landowners or developers — often decades old, but still legally enforceable.

## HOW WILL I KNOW IF A PROPERTY HAS ONE?

- Check the Official Copy of the Register (title) — restrictive covenants are usually listed under the "Proprietorship" or "Charges" section
- There may also be references to historic deeds or transfers setting out full details
- The auction legal pack should include a summary or copy of any relevant restrictions

We review all covenants as part of our title investigation and advise you on their potential effect.

## WHAT ARE THE RISKS?

1 DEVELOPMENT RESTRICTIONS

- You may be unable to extend, convert, or change the use of the property.

2 ENFORCEMENT

- A neighbouring landowner or management company may sue you if you breach the covenant.

3 LOSS OF VALUE

- Covenants can reduce resale appeal or cause lenders to down-value the property.

4 PLANNING PERMISSION ISN'T ENOUGH

- Getting planning approval doesn't override covenants — you still need to comply with the title.

## CAN THEY BE REMOVED OR IGNORED?

In some cases, yes:

- We may be able to obtain indemnity insurance to protect against enforcement (especially if the breach is historic or unlikely to be challenged)
- You can apply to the Upper Tribunal (Lands Chamber) to have a covenant modified or discharged — but this is slow and costly
- The covenant may be unenforceable if the original beneficiary cannot be traced or has no ongoing interest

We'll advise you if any of these options are available.

## SUMMARY

Restrictive covenants can limit your use of the property and should never be ignored. At auction, they're particularly important because the sale is binding — even if you later discover a restriction. At Versus Law, we'll flag all covenants early, explain what they mean in practical terms, and help you manage or insure against them.

# What is a flying freehold **and why can it cause problems?**

A flying freehold is where part of a freehold property extends over or under another person's freehold land, without being supported or enclosed by its own structure.

Examples include:

- A room or extension built above a shared passageway
- A first-floor flat that sits partly over a neighbour's garage
- A building with a vault or basement that runs under a neighbour's garden or structure

Flying freeholds are legal — and relatively common in older or converted properties — but they can raise legal and mortgage difficulties if not properly documented.

## WHY IS IT A PROBLEM?

Flying freeholds create complex legal relationships between neighbours. Because one property relies on another for support or access, problems can occur if:

- There's no legal right to enter the neighbouring land to carry out repairs
- The neighbour refuses to give access or does not maintain their section
- The structure underneath is altered or damaged, affecting your part of the property

Without clear legal rights, your ability to repair or maintain your part of the property could be restricted — and disputes can arise.

## WILL LENDERS ACCEPT A FLYING FREEHOLD?

Some lenders are cautious or refuse to lend on properties with flying freeholds. Others may require:

- A flying freehold indemnity policy (which we can arrange)
- Confirmation of adequate rights of support, shelter and access
- Evidence that the flying part is less than 25% of the total property
- A Deed of Mutual Covenant between the owners (uncommon, but ideal)

If these protections are not in place, mortgage applications may be delayed, down-valued, or declined entirely.

## CAN IT BE FIXED?

Not always — flying freeholds often date back decades or centuries. However, we can:

- Check if rights of support, access and repair are granted in the title deeds
- Advise on the use of indemnity insurance
- Attempt to negotiate or register new legal rights, where necessary

### SUMMARY

A flying freehold isn't a dealbreaker — but it's a legal grey area that can make repairs difficult and deter lenders. At Versus Law, we review these issues thoroughly and advise whether indemnity cover, legal agreements, or alternative solutions are needed before you buy at auction.

# What is a possessory title **and should I be concerned?**

A possessory title is a type of land ownership recorded by HM Land Registry when the full legal title (usually the deeds) cannot be produced — often because they've been lost, destroyed, or never existed.

While it still gives the right to possess and occupy the land, it offers less legal protection than an "absolute title", and this can create problems — particularly when buying at auction or securing a mortgage.

## TYPES OF TITLE AT LAND REGISTRY

HM Land Registry classifies title into several categories:

- **Absolute title** – full legal ownership with complete documentation (standard and most secure)
- **Possessory title** – ownership based on long occupation or loss of deeds
- **Qualified title** – ownership is limited by a specific known legal defect

With a possessory title, you are legally recognised as the owner — but your claim is open to challenge by someone with better evidence.

## WHY DOES THIS HAPPEN?

Possessory title may be granted where:

- A property is registered for the first time but the deeds have been lost
- Someone claims ownership after adverse possession (squatter's rights)
- Title cannot be proven due to historical or unregistered transactions

You may see this in auction legal packs, especially for rural land, garages, or older properties.

## WHAT ARE THE RISKS?

### 1 YOUR OWNERSHIP COULD BE CHALLENGED

- If someone finds the original deeds or proves a better claim, you could lose part or all of the land.

### 2 LENDERS MAY BE RELUCTANT

- Many banks won't lend against possessory title unless indemnity insurance is in place.

### 3 VALUE MAY BE AFFECTED

- The property may be harder to sell or remortgage until the title is upgraded.

## CAN IT BE FIXED?

Yes. After 12 years of uncontested ownership (or 6 years in some cases), you can apply to upgrade the title from possessory to absolute. Until then, your solicitor can:

- Arrange title indemnity insurance to protect against challenges
- Confirm if any supporting documentation exists to strengthen your claim
- Advise on how and when to make an upgrade application to the Land Registry

### SUMMARY

A possessory title means ownership isn't backed by full legal proof — and while it doesn't stop you buying or living in the property, it can affect value, lending, and resale. At Versus Law, we'll flag these issues early, guide you on the risks, and arrange protection where needed to help you proceed with confidence.

# What is a regulated tenancy **and why is it risky?**

A regulated tenancy is a type of residential tenancy created before 15 January 1989, offering extensive legal protection to the tenant — including the right to remain in the property for life and to pass the tenancy on in some circumstances.

These tenancies are governed by the Rent Act 1977, not the modern Housing Acts, and are still legally valid today. For buyers at auction, especially investors, a regulated tenancy can drastically affect the value, income potential, and resale prospects of a property.

## WHAT ARE THE KEY FEATURES OF A REGULATED TENANCY?

- The tenant may have a lifetime right to stay in the property
- Rent is set by a Rent Officer, and is usually well below market value
- The landlord has very limited grounds to evict, and cannot use Section 21
- The tenancy may be inherited by a spouse or family member (a “statutory succession”)

Even if the property is sold, the tenancy continues under the same terms — so you cannot regain vacant possession unless one of the limited legal grounds applies.

## WHY IS THIS RISKY FOR BUYERS?

1 NO VACANT POSSESSION

- You cannot force the tenant to leave unless they breach the tenancy or one of the rare statutory grounds applies.

2 BELOW-MARKET RENTAL INCOME

- Many regulated tenants pay less than 20% of market rent, set years ago by a tribunal.

3 PROPERTY VALUE IS REDUCED

- Regulated tenancies can reduce a property’s value by 30–60%, depending on the rent and the tenant’s age.

## 4 RESALE AND REFINANCING DIFFICULTIES

- Lenders may refuse to offer a mortgage, and future buyers may also be put off.

## HOW CAN I TELL IF A PROPERTY IS REGULATED?

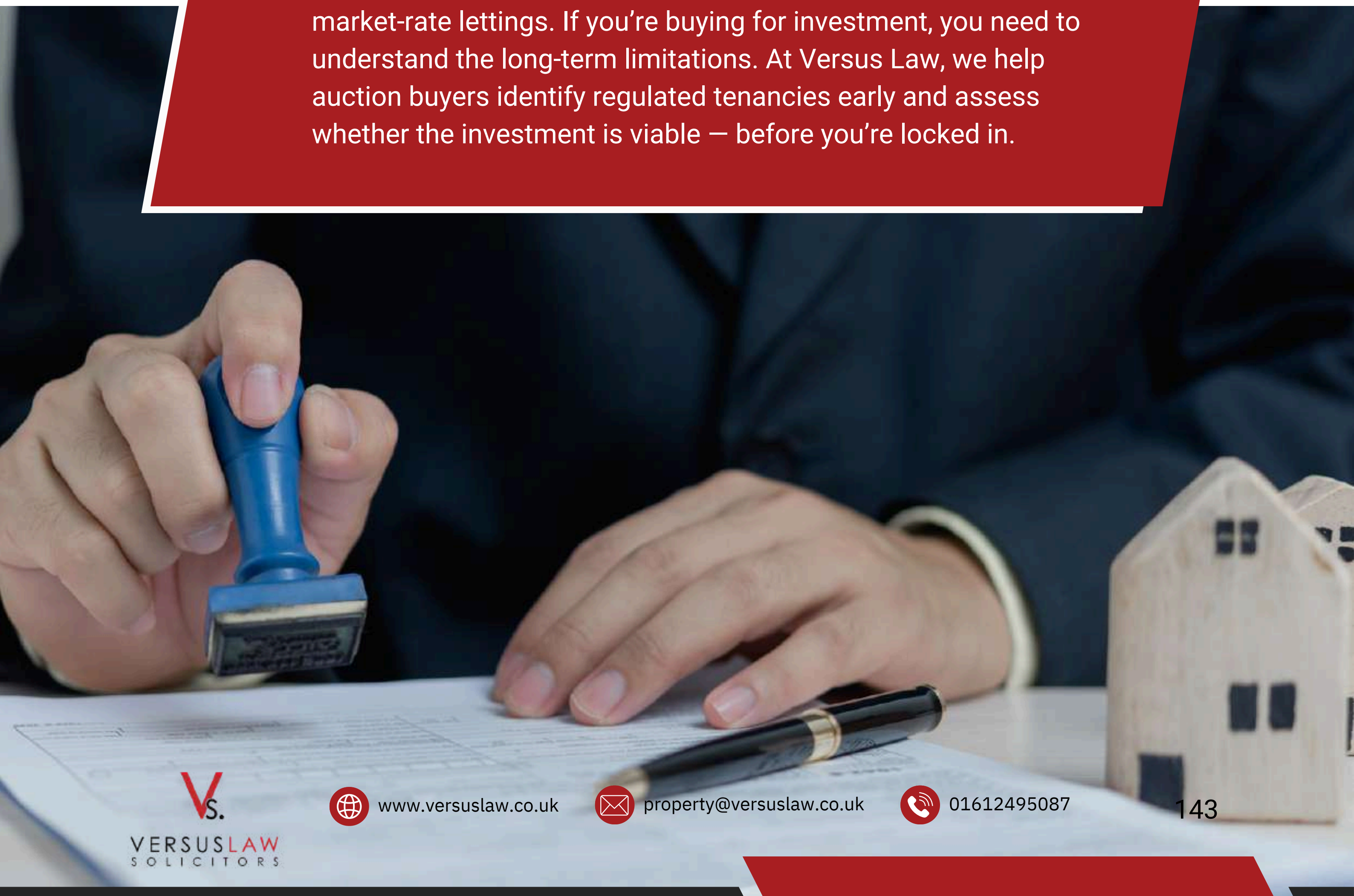
Auction legal packs should disclose the tenancy type, but always check:

- The tenancy start date (pre-15 January 1989 is a red flag)
- Any references to the Rent Act 1977
- The tenant’s age and how long they’ve been in the property
- Whether there is a rent registration certificate

We can advise based on the auction legal pack and raise pre-auction enquiries where needed.

### SUMMARY

Regulated tenancies are legally protected and often impossible to end — making the property unsuitable for development, resale, or market-rate lettings. If you’re buying for investment, you need to understand the long-term limitations. At Versus Law, we help auction buyers identify regulated tenancies early and assess whether the investment is viable — before you’re locked in.



# Can I change my **solicitor after the auction?**

Technically, yes, you can change your solicitor after the auction — but it is strongly discouraged unless absolutely necessary. Once the hammer falls and contracts are exchanged, the clock starts ticking. Completion deadlines in auctions are usually 14 or 28 days, and changing solicitors mid-way can seriously disrupt the process.

## WHY IT'S RISKY TO SWITCH SOLICITORS AFTER AUCTION

Changing solicitors late in the process can lead to:

- Delays in file transfer, especially if the previous solicitor is uncooperative.
- Time lost repeating identity checks, onboarding, and title reviews.
- Missed completion deadlines, which can result in:
  - Loss of deposit
  - Daily interest penalties
  - Legal action for breach of contract

The new solicitor would have to rebuild the file from scratch, including reviewing the legal pack, confirming finance, and communicating with the seller's solicitor — often in a drastically shortened timeframe.

## WHEN MIGHT IT BE NECESSARY?

In rare cases, a change might be appropriate if:

- Your current solicitor lacks auction experience or refuses to act within the required timescale.
- The firm is unresponsive, closed, or unable to complete the transaction.
- You are switching from a general conveyancer to an auction specialist like Versus Law who can handle complex or urgent issues quickly.

If you do switch, make sure the new solicitor is:

- Fully briefed with all existing documents (legal pack, memorandum of sale, ID checks)
- Able to act immediately upon instruction
- Experienced in auction timescales and risks

## HOW TO MINIMISE DISRUPTION

If you need to change firms, you should:

1. Obtain a full copy of the legal pack and all correspondence from the original solicitor.
2. Ensure your new solicitor confirms capacity and turnaround time before instruction.
3. Be clear about your completion date and whether mortgage or bridging finance is in place
4. Instruct the new solicitor in writing as soon as possible.

### SUMMARY

While it is legally possible to change your solicitor after the auction, doing so is highly risky and should only be considered when absolutely necessary. At Versus Law, we're often asked to take over urgent auction files and can act quickly — but we always recommend clients instruct the right solicitor before bidding to avoid unnecessary complications.

# Can I get a mortgage **for an auction property?**

Yes — it is possible to use a mortgage to buy an auction property, but it comes with important limitations and risks. Most auctions require you to complete within 14 or 28 days of the auction date, so the timing is extremely tight for a standard mortgage application.

If your mortgage is not ready in time, you could lose your 10% deposit, be liable for interest or penalties, and even face legal action for breach of contract.

## CAN I USE A STANDARD RESIDENTIAL MORTGAGE?

It depends on the property and lender:

- Some auction properties are mortgageable, but others may be refused due to:
  - Short leases
  - Structural defects
  - Non-standard construction
  - Missing planning or building control documentation
  - Uninhabitable condition
- Many lenders also won't release funds without a full legal review, which may not be completed in time.

If you're relying on a mortgage, you need to ensure:

- You have a decision in principle (DIP) before bidding.
- The legal pack has been reviewed in advance to identify any red flags.
- You are able to meet the lender's valuation and underwriting requirements quickly.

## WHAT ARE THE RISKS?

- If the lender down-values the property, you may not receive the full loan.
- If there is any legal issue with the title or condition, the mortgage could be refused.
- Mortgage lenders often need a valuation survey, which can delay approval.
- If you can't complete on time, you will likely lose your deposit, and the seller could claim damages.

## WHAT ARE THE ALTERNATIVES?

Many auction buyers use bridging finance instead:

- Faster to arrange than a traditional mortgage.
- Can be used to secure the property first, with a view to refinancing later.
- Usually more expensive than a mortgage but avoids delays and risk of default.

We can recommend finance brokers and assist with the legal documentation needed to complete quickly with either route.

### SUMMARY

You can get a mortgage for an auction property — but only if you're prepared. Timing is critical, and legal issues in the auction pack can cause lenders to decline or delay. At Versus Law, we work closely with mortgage lenders and bridging finance providers to make sure your deal progresses smoothly and legally.

# What if I'm using a **mortgage or bridging finance?**

Using a mortgage or bridging loan to fund an auction purchase is common — but it comes with major risks unless everything is in place before you bid.

Unlike a normal house purchase, auction sales have strict deadlines, usually 14 or 28 days from the date of the auction. This means you must complete within that time, regardless of whether your mortgage or loan is ready.

## WHAT CAN GO WRONG?

Most mortgage lenders require:

- A valuation.
- Full title checks.
- Satisfactory legal documents.

This process often takes longer than the auction completion deadline, especially if the legal pack has issues (e.g. missing planning documents or lease defects).

Bridging lenders are usually faster, but:

- They may still require legal checks, and
- Interest rates and fees can be very high.

## WHAT HAPPENS IF THE FINANCE DOESN'T ARRIVE IN TIME?

- You will default on the contract.
- You will lose your 10% deposit.
- The seller can claim additional losses if the property is re-sold at a lower price or with added costs.
- You could face court proceedings and a County Court Judgment (CCJ).

The auction contract will not give you extra time to secure finance — even a short delay can have serious consequences.

## WHAT YOU SHOULD DO BEFORE BIDDING

- Speak to your lender or broker in advance
- Have an Agreement in Principle or confirmed facility
- Make sure your solicitor can review the legal pack quickly
- Be prepared to complete on time, even if using cash to bridge any gap

## SUMMARY

If you're using finance to fund your auction purchase, everything must be ready before you bid. You cannot rely on getting an extension — and the financial and legal risks of delay or failure are severe.

# What is bridging finance **and how does it work?**

Bridging finance is a short-term loan designed to "bridge the gap" between the purchase of a property and longer-term financing or resale. It's commonly used in auction purchases where speed is essential and traditional mortgage processes can't keep up with the tight 14- or 28-day completion deadlines.

For many buyers, bridging finance is the only realistic way to secure a property at auction and avoid defaulting on the contract.

## HOW IS IT DIFFERENT FROM A MORTGAGE?

| BRIDGING LOAN | TRADITIONAL MORTGAGE |
|---|---|
| Short-term (3–18 months) | Long-term (10–30 years) |
| Quick to arrange (5–10 days) | Slow approval (3–6 weeks) |
| Higher interest rates | Lower interest rates |
| Asset-backed lending | Income and affordability-based |
| Flexible repayment | Monthly repayments or interest retained |

Bridging loans are usually secured against the property you are buying, and sometimes another property you already own.

## HOW MUCH DOES IT COST?

Bridging loans tend to be more expensive than standard mortgages. Costs may include:

- Monthly interest (usually 0.6%–1.2%)
- Arrangement fee (1%–2%)
- Legal and valuation fees
- Exit fees (sometimes, depending on the lender)

Some lenders offer "retained interest" — where the interest is deducted from the loan upfront, so you don't pay monthly.

## WHEN IS IT A GOOD OPTION?

- You need to complete quickly (e.g. 14 days post-auction)
- The property is not mortgageable (e.g. no kitchen/bathroom, short lease)
- You plan to refurbish and sell or refinance
- Your mortgage isn’t ready but you want to secure the deal now

Bridging lenders are more flexible than banks and will often lend on unusual properties, titles, or structures.

## RISKS AND CONSIDERATIONS

- Interest adds up quickly — it’s not suitable for long-term borrowing
- If you can’t refinance or sell, you risk default and repossession
- You must have a clear exit strategy (e.g. mortgage, sale, or investment return)
- Not all bridging lenders are regulated — always use a reputable provider

### SUMMARY

Bridging finance can be a powerful tool for auction buyers — giving you the speed and flexibility to complete where a mortgage would fall short. At Versus Law, we work closely with specialist bridging lenders and can assist with all legal aspects of the transaction, ensuring funds are drawn down and applied properly within the deadline.

# What are lender panel solicitors **and why does it matter?**

If you're using a mortgage or bridging loan to buy an auction property, your lender will typically only allow certain law firms — known as panel solicitors — to act on their behalf. This is known as being on the lender's approved panel.

Choosing a solicitor not on your lender's panel can cause serious delays, extra costs, or even put your purchase at risk.

## WHAT IS A LENDER PANEL?

Lenders have a panel of approved solicitors who meet their internal standards for:

- Experience and qualifications
- Regulatory compliance
- Financial controls and insurance
- Use of secure systems (e.g. for bank account verification)

If your solicitor is not on the panel, the lender may:

- Appoint a separate solicitor to act on their behalf
- Charge you additional fees
- Delay issuing the mortgage funds
- Refuse to proceed entirely

In a standard sale, this can be frustrating — in an auction sale with a 14–28 day deadline, it can be disastrous.

## WHAT HAPPENS IF MY SOLICITOR ISN'T ON THE PANEL?

If you instruct a solicitor who isn't on your lender's panel:

- The lender may insist on using a dual-representation setup — where your solicitor acts for you, and a second firm acts for the lender
- This creates delays in communication, approval, and completion
- You may be charged two sets of legal fees
- Completion could be missed, resulting in loss of your deposit or breach of contract

## HOW DO I AVOID THIS?

Before instructing a solicitor, always:

1. Ask your lender (or broker) which law firms are on their panel
2. Confirm that your chosen solicitor can act for both you and your lender
3. If in doubt, speak to us — Versus Law is on the panel for many major lenders and bridging providers, and we work with brokers to match your funding source

### SUMMARY

If you're using finance, your solicitor must be on your lender's panel — or you risk delays, extra costs, and even failure to complete. At Versus Law, we're trusted by high street banks, specialist mortgage lenders, and bridging firms — which means we can act for both you and your lender, ensuring a smooth and timely auction purchase.

# What happens if my **mortgage doesn't come through in time?**

If your mortgage doesn't complete in time for your auction purchase, the consequences can be severe. Remember: when you buy at auction, contracts are legally exchanged as soon as the hammer falls. From that moment, you are contractually committed to complete within the time stated in the auction conditions — usually 14 or 28 days.

If your mortgage funds aren't ready by the completion deadline, you risk:

- Losing your 10% deposit
- Being charged daily interest penalties
- Facing legal action or being sued for damages by the seller

## WHAT ARE YOUR LEGAL OBLIGATIONS?

Once the contract is exchanged at auction, you are obliged to complete the purchase — regardless of how you are funding it. The seller is not required to extend your deadline or wait for your lender.

Your mortgage lender may delay or decline funding for reasons such as:

- Down-valuing the property
- Title or legal defects in the auction pack
- Issues discovered during survey
- Missing documents or last-minute underwriting concerns

Unfortunately, these do not excuse you from completion — they are considered your responsibility under the contract.

## WHAT ARE THE FINANCIAL CONSEQUENCES?

If your funds don't arrive on time, the seller may:

- Serve a Notice to Complete — giving you 10 working days to complete with penalty interest (typically 4% above base rate).
- Charge you contractual interest from the date completion was due.
- If you still fail to complete:
  - Keep your 10% deposit
  - Resell the property and pursue you for any shortfall and legal costs

This can lead to county court judgments (CCJs) or enforcement action — even bankruptcy in severe cases.

## WHAT CAN YOU DO?

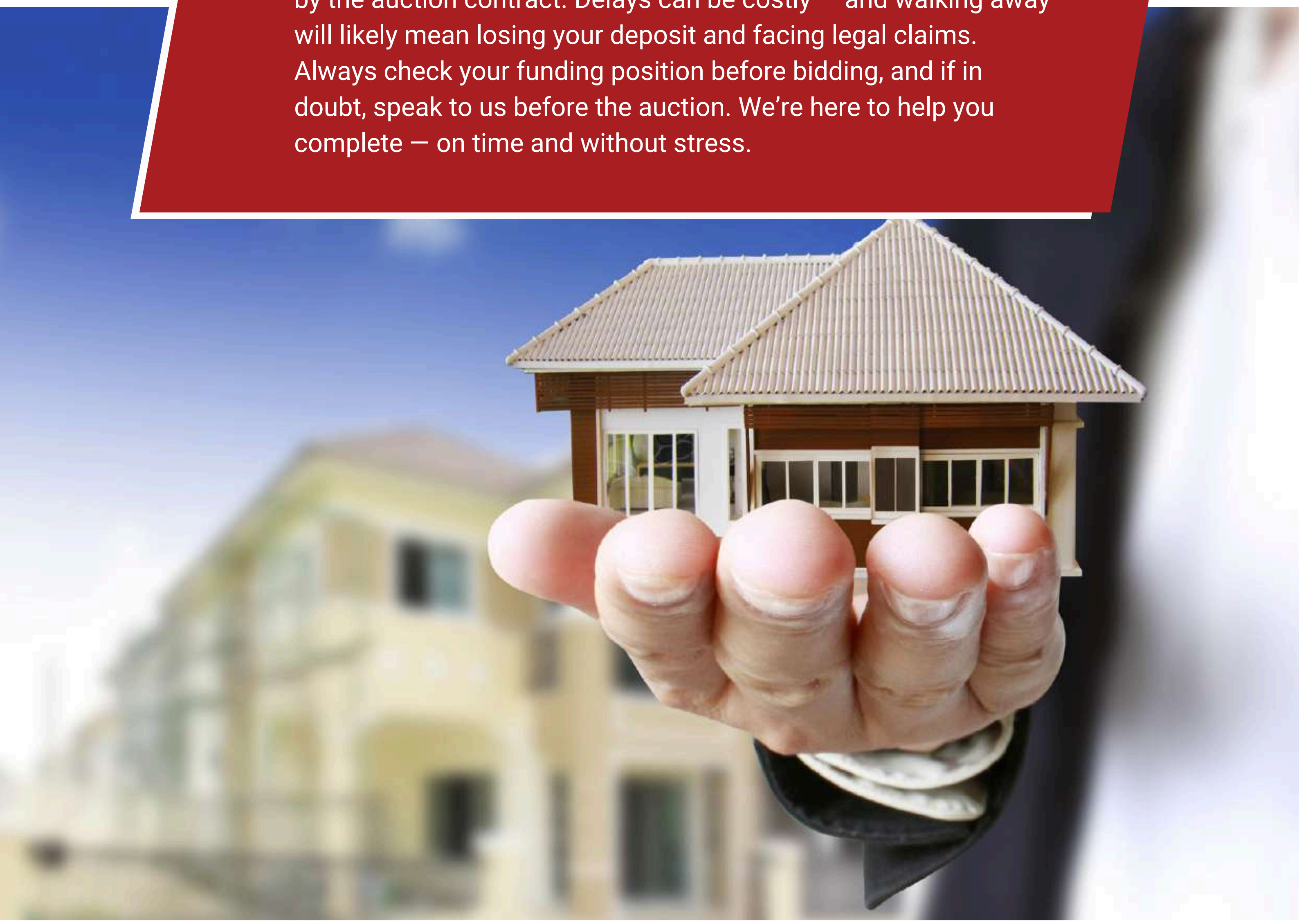
If you're relying on a mortgage:

- Have a decision in principle ready before bidding
- Instruct your solicitor to review the auction legal pack early
- Use a lender familiar with auction timelines
- Consider using bridging finance if there's any doubt about speed

At Versus Law, we work with mortgage brokers, underwriters, and bridging lenders to help clients secure funds quickly and avoid the risks of missed deadlines.

### SUMMARY

If your mortgage doesn't come through in time, you're still bound by the auction contract. Delays can be costly — and walking away will likely mean losing your deposit and facing legal claims. Always check your funding position before bidding, and if in doubt, speak to us before the auction. We're here to help you complete — on time and without stress.



# What is a completion statement **and when do I need to send funds?**

As your auction purchase approaches the completion date, we will prepare a completion statement. This is a final financial summary that tells you exactly how much to pay, where to send the funds, and when the money must arrive.

However, we can only issue this once all legal and regulatory checks have been completed, including ID verification, source of funds approval, and in some cases, receiving final figures from your lender.

## WHAT IS A COMPLETION STATEMENT?

The completion statement is a detailed breakdown setting out:

- The purchase price, minus your deposit
- Any auction fees or seller's costs (if applicable)
- Our legal fees and disbursements
- Stamp Duty Land Tax (SDLT)
- The total amount due from you to complete the transaction

It helps ensure there are no surprises and gives you clear payment instructions.

## WHEN WILL I RECEIVE THE COMPLETION STATEMENT?

We aim to issue your completion statement as early as possible — but this depends on:

1. Completion of all identity and anti-money laundering checks
2. Confirmation of your funding arrangements
3. Final figures being received from the seller's solicitor
4. If you are using a mortgage or bridging lender, we may also need to wait for their own completion statement or redemption calculations

In auction transactions, lenders (especially bridging companies) sometimes issue their statements late in the process. This may delay when we can give you the full final figure.

## WHEN DO I NEED TO SEND FUNDS?

Once you receive our completion statement, we will give you a clear payment deadline.

- You must send cleared funds (from your bank account) ideally one working day before completion.
- If you are using a mortgage or bridge, your lender will usually send their portion directly to us.
- You will need to send your own contribution — including legal costs, SDLT, and any deposit shortfall.

Funds must be sent to the correct client account, which we will confirm in writing.

## WHY THIS CAN'T BE RUSHED

We are not allowed to receive funds until:

- You have passed ID and source of funds checks
- We have full and correct completion figures
- We are satisfied the transaction is legally and ethically compliant

Sending money before these checks are completed can result in it being held — or even returned.

### SUMMARY

Your completion statement confirms what is due and when — but it can only be provided once all legal, compliance, and lender requirements are satisfied. At Versus Law, we monitor all aspects closely and will issue your statement in good time, helping you complete without delay or risk.

# Who insures the **property and when?**

When you buy a property at auction, you become legally responsible for insuring it from the moment the hammer falls — that is, from the point of exchange of contracts, which happens immediately at auction.

This is very different from a standard property transaction, where the buyer usually takes on insurance responsibility at completion.

## WHEN DOES RESPONSIBILITY BEGIN?

- Immediately on exchange, which is the moment your bid is accepted at the auction.
- Even though you won't move in or legally own the property until completion, you bear the risk from exchange.

This means that if the property burns down or is damaged between exchange and completion, and there is no valid insurance, you may still be legally required to complete the purchase and pay the full price.

## DO I NEED TO ARRANGE INSURANCE MYSELF?

✓ Yes — unless the legal pack clearly states that the seller is maintaining insurance and the benefit of that cover will pass to you (which is rare).

You should:

- Arrange buildings insurance as soon as you win the bid.
- Make sure the cover is adequate for the rebuild cost of the property.
- Check whether there are any special requirements (e.g. for vacant properties, listed buildings, or leaseholds).

If you're using a mortgage, your lender will usually require you to have suitable insurance in place by the time of completion — and they may want to see proof earlier.

## LEASEHOLD CONSIDERATIONS

If the property is leasehold:

- The freeholder or management company usually insures the building, not you.
- But you may still need to confirm that adequate cover is in place, and that the costs are reasonable.

### SUMMARY

You are responsible for insuring the property from the moment the hammer falls. Do not wait until completion — make sure your buildings insurance is in place immediately after the auction to protect your investment.

# What happens on **completion day?**

Completion day is the final stage of the property transaction — the moment when ownership of the property officially transfers from the seller to the buyer. For auction purchases, completion usually takes place 14 or 28 days after the auction, depending on the contract.

It's a legally significant day that comes with strict obligations, especially if you're the buyer.

## WHAT HAPPENS BEHIND THE SCENES?

On the day of completion, your solicitor will:

1. Send the balance of the purchase money to the seller's solicitor by bank transfer — usually by CHAPS payment.
2. Confirm receipt of signed documents, including the TR1 transfer deed.
3. Ensure that any undertakings (e.g. mortgage redemption) are in place from the seller's side.
4. Once funds are received, the seller's solicitor will confirm legal completion.
5. You will now legally own the property — even if keys haven't been handed over yet.

## WHAT YOU NEED TO DO AS THE BUYER

- Ensure your funds are with your solicitor in advance — ideally the day before.
- Be available to sign final documents (if not already done).
- Arrange insurance (if not already in place).
- Confirm key collection arrangements — this may not be automatic.
- Be prepared to deal with utilities, security, or cleaning if the property is vacant.

## WHAT IF THERE'S A PROBLEM?

If completion is delayed due to late funds or missing paperwork:

- You may be charged daily interest (as set out in the contract).
- After a certain point, the seller may serve a Notice to Complete, giving you 10 working days to remedy the breach.
- If you still don't complete, the seller may terminate the contract, keep your deposit, and sue for losses.

These are standard risks in any property purchase, but in auctions, they are strictly enforced due to the short deadlines.

### SUMMARY

Completion day is when you become the legal owner of the property. Make sure your solicitor is fully instructed and your funds are in place well in advance. At Versus Law, we carefully manage the completion process to ensure funds are sent securely, deadlines are met, and legal ownership is transferred without delays.

# How is Stamp Duty **Land Tax (SDLT) calculated?**

**Stamp Duty Land Tax** (SDLT) is a tax payable when purchasing property or land in England and Northern Ireland. As of 1 April 2025, several key changes have been implemented, affecting both first-time buyers and those purchasing additional properties. It's crucial to understand these rates to accurately calculate your tax liability.


## RESIDENTIAL PROPERTY RATES (EFFECTIVE FROM 1 APRIL 2025)

For standard residential purchases:

- Up to £125,000: 0%
- £125,001 – £250,000: 2%
- £250,001 – £925,000: 5%
- £925,001 – £1.5 million: 10%
- Above £1.5 million: 12%

**NOTE:**

These rates apply to the portion of the property price within each band.

## FIRST-TIME BUYER RELIEF

First-time buyers benefit from reduced rates:

- Up to £300,000: 0%
- £300,001 – £500,000: 5% on the amount above £300,000

**IMPORTANT:**

If the purchase price exceeds £500,000, standard residential rates apply to the entire amount.

## HIGHER RATES FOR ADDITIONAL PROPERTIES

If purchasing an additional residential property (e.g., buy-to-let or second home), a 3% surcharge applies on top of the standard rates:

- Up to £125,000: 3%
- £125,001 – £250,000: 5%
- £250,001 – £925,000: 8%
- £925,001 – £1.5 million: 13%
- Above £1.5 million: 15%

**NOTE:**

This surcharge applies if you own another property anywhere in the world.

## NON-UK RESIDENT SURCHARGE

Non-UK residents are subject to an additional 2% surcharge on residential property purchases. This is in addition to the standard rates and any applicable surcharges for additional properties.

## NON-RESIDENTIAL AND MIXED-USE PROPERTIES

For non-residential or mixed-use properties:

- Up to £150,000: 0%
- £150,001 – £250,000: 2%
- Above £250,000: 5%

**NOTE:**

Mixed-use properties combine residential and non-residential elements, such as a shop with a flat above.

## CALCULATING AND PAYING SDLT

- SDLT must be paid within 14 days of completion.
- Your solicitor will typically handle the calculation and submission of the SDLT return to HM Revenue & Customs (HMRC).
- Delays in payment can result in penalties and interest charges.

### SUMMARY

Understanding the current SDLT rates is essential for budgeting your property purchase. The recent changes, effective from 1 April 2025, have lowered the thresholds, potentially increasing the tax liability for many buyers. At Versus Law, we provide expert guidance to ensure accurate SDLT calculations and timely submissions, helping you navigate these complexities with confidence.

# What is a transfer deed (TR1) **and why do I sign it?**

The transfer deed, also known as the TR1 form, is the legal document that transfers ownership of a property from the seller to the buyer. It is an official Land Registry form and must be signed by the buyer (and sometimes the seller) in order to complete the purchase and register you as the new legal owner.

## WHY IS THE TR1 IMPORTANT?

The TR1:

- Acts as the formal instruction to the Land Registry to register the new owner.
- Confirms the price paid and the identity of the parties.
- May include specific terms or declarations, such as joint ownership shares or trusts.
- Must be signed by the buyer in the correct legal capacity (individual, company, trustee etc).

It is one of the key documents your solicitor will submit to the Land Registry after completion, along with the Stamp Duty Land Tax return and proof of identity.

## WHAT DOES THE TR1 INCLUDE?

The TR1 typically contains:

- The full property address and title number.
- The buyer's and seller's names.
- The purchase price.
- Any declarations of trust or restrictions (if two or more people are buying).
- A statement that the buyer accepts the property "subject to matters set out in the contract".

In leasehold cases, it may also refer to landlord's consent, management company restrictions, or compliance obligations.

## WHEN AND HOW DO I SIGN IT?

Your solicitor will usually prepare the TR1 in advance of completion and ask you to sign it

- :With a witness if required (for individuals).
- Using an authorised signatory if buying through a company.
- Along with proof of ID, which may also be needed for registration.

Once signed, it is held by your solicitor and then sent to the seller's solicitor on completion day. After completion, it is submitted to HM Land Registry along with supporting documents.

### SUMMARY

The TR1 is the legal instrument that transfers ownership of the property into your name. Signing it correctly and in good time is essential for ensuring that your purchase is legally recognised and properly registered. At Versus Law, we handle all aspects of this process for you, ensuring your ownership is registered without delay.

# Will I automatically get **keys to the property?**

No — getting the keys is not automatic, and it may not happen at all on the day of completion unless the seller has made prior arrangements.

## HOW DOES IT WORK IN AUCTION SALES?

In traditional sales, it's common for keys to be handed over via the estate agent. But in auction sales:

- There is often no estate agent involved.
- The seller is usually not present to meet you.
- The auction contract may be silent on key collection arrangements.

You may need to collect the keys from:

- The seller's solicitor.
- A keyholding agent or site contact.
- A third party such as a property manager or auction house.

## IF NO KEYS ARE AVAILABLE

- You may need to instruct a locksmith to gain access — at your own cost.
- This is especially likely if the property is boarded up, repossessed, or part of a portfolio sale.

### SUMMARY

There is no guarantee that keys will be available or handed over on the day of completion. Always check with the seller's solicitor and be prepared to make your own access arrangements — especially for vacant or unoccupied properties.

# Will the property definitely **be empty when I buy it?**

Not necessarily. Unless the auction contract states clearly that the property will be sold with vacant possession, it may be sold subject to a tenancy or other form of occupation.

## WHAT DOES “VACANT POSSESSION” MEAN?

It means:

- The property must be completely empty of people and possessions by the completion date.
- No one has a legal or informal right to remain in the property.

If the contract includes “vacant possession on completion,” the seller is legally obliged to ensure the property is cleared and unoccupied by the time you take ownership.

## RISKS IF IT’S NOT VACANT

If the auction pack is silent or unclear, you may end up buying a property that:

- Is tenanted (with or without a formal lease).
- Is occupied by squatters or licensees.
- Has belongings, rubbish, or furniture left inside.

Removing occupiers or clearing the property can be costly and time-consuming, and it becomes your responsibility once contracts are exchanged.

### SUMMARY

Always check the special conditions of sale to see whether the property is being sold with vacant possession. Never assume it will be empty — unless it is clearly stated in writing, it may not be.

# Can I sell the property **immediately after buying it?**

Yes, you can sell a property shortly after completing your auction purchase — but there are important legal, financial, and practical considerations. Whether you're a developer, investor, or simply change your mind post-completion, there are some key risks to understand.

## "BACK-TO-BACK" OR QUICK RESALES

This refers to reselling a property within a short time of buying it — sometimes even before the Land Registry has updated the ownership record in your name.

You may be doing this to:

- Flip the property for a quick profit
- Avoid refurbishment costs by selling as-is
- Transfer it to another party in a pre-agreed transaction

## LEGAL AND PRACTICAL ISSUES

To protect your funds:

### 1 LAND REGISTRY DELAY

- After completion, the property may still be shown as registered to the previous owner.
- Until registration is updated, buyers or lenders may hesitate or require extra indemnity insurance.

### 2 LENDER RESTRICTIONS

- Some mortgage lenders will not lend if the current seller has owned the property for less than 6 months.
- This can limit your resale market — particularly to buyers using mortgages.

### 3 CONTRACT RESTRICTIONS

- Check the auction Special Conditions of Sale — some contracts prohibit resale or assignment within a certain period.
- Other conditions may restrict your ability to sell on nominated terms, especially if you attempt a resale before completing registration.

## 4 CAPITAL GAINS TAX (CGT)

- Quick sales may result in a taxable capital gain, depending on your circumstances and whether the property was used personally or held in a company.
- Specialist tax advice may be needed.

## SELLING BEFORE REGISTRATION — IS IT POSSIBLE?

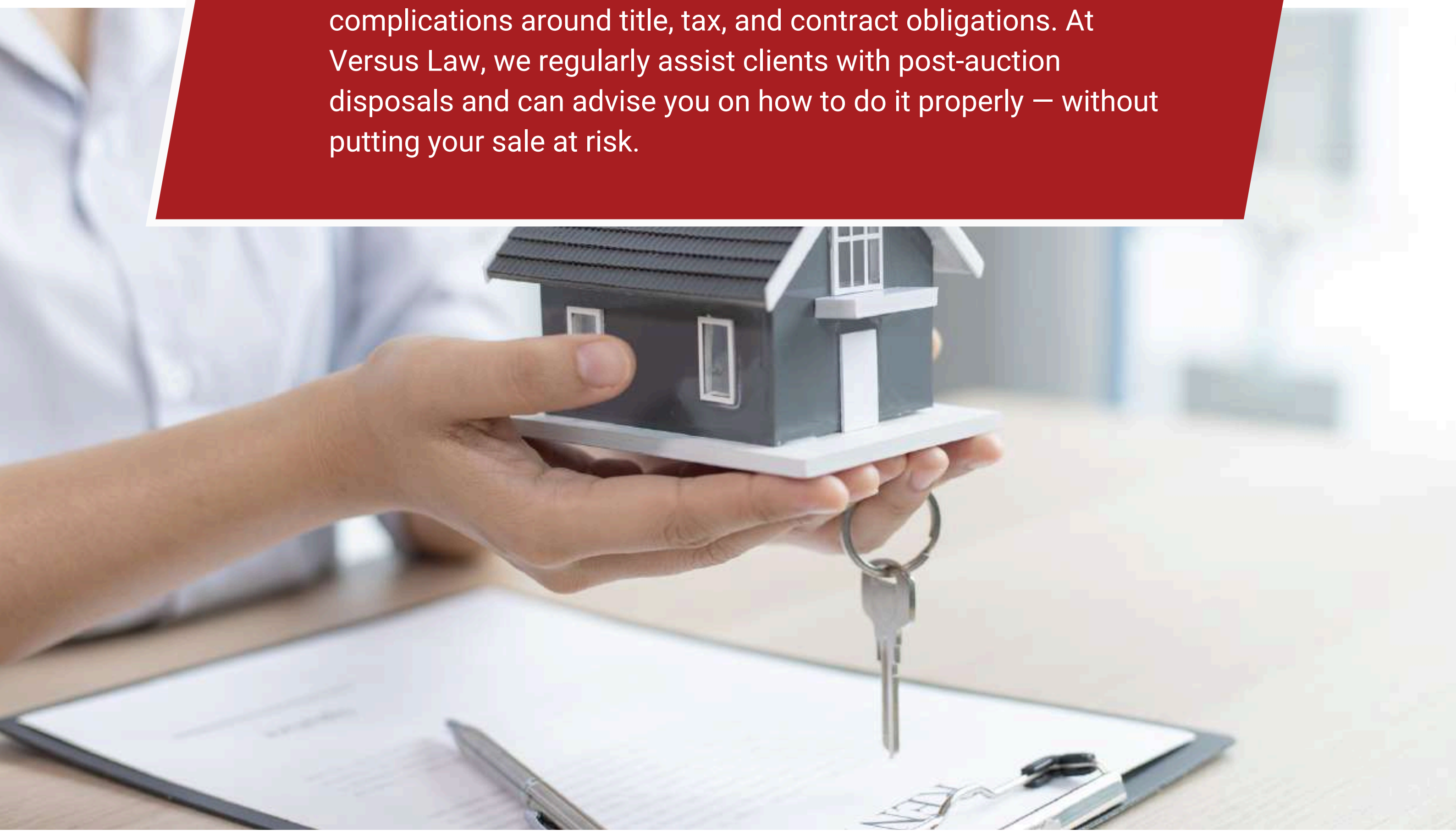
Yes, but you must:

- Fully disclose that the registration is pending
- Provide a certified copy of the TR1 and evidence of completion
- Offer indemnity or additional undertakings if required by the buyer's solicitor or lender

We can assist with this, but it must be carefully structured and disclosed.

### SUMMARY

Selling soon after an auction purchase is possible, but not always straightforward. It can raise red flags with lenders and create complications around title, tax, and contract obligations. At Versus Law, we regularly assist clients with post-auction disposals and can advise you on how to do it properly — without putting your sale at risk.



# Can I let the property **out straight after completion?**

In many cases, yes — you can rent out your auction property after completion. However, you must check that there are no legal, planning, or lender-related restrictions that prevent or limit how you can use the property.

Letting a property without understanding the rules could lead to fines, enforcement action, or breach of mortgage terms — so it's important to confirm your position before marketing or accepting tenants.

## WHAT SHOULD I CHECK FIRST?

### 1 YOUR MORTGAGE CONDITIONS

- Most residential mortgage offers prohibit letting unless you have Buy-to-Let approval.
- Letting a property on a standard residential mortgage may breach your terms and result in early repayment demands.
- If you are using bridging finance, some lenders also impose restrictions until the property is refinanced.

### 2 PLANNING PERMISSION AND USE CLASS

- Certain types of lettings (e.g. HMOs or short-term/Airbnb-style rentals) may require planning consent or a licence.
- Some properties have planning conditions that restrict use to a private dwelling only.

### 3 LEASEHOLD RESTRICTIONS

- If your property is leasehold (e.g. a flat), the lease may include a "no subletting" clause or limit letting to ASTs (Assured Shorthold Tenancies).
- You may also need freeholder or managing agent consent before renting.

### 4 INSURANCE COVER

- Not all policies cover tenanted properties.
- If you let the property without notifying your insurer, you may invalidate your cover.

## WHAT LEGAL DOCUMENTS DO I NEED?

If you're planning to let the property, you'll typically need:

- A tenancy agreement (usually an AST for residential lets)
- A valid Gas Safety Certificate (if applicable)
- EPC (Energy Performance Certificate) — minimum rating of E for most lettings
- Electrical Installation Condition Report (EICR)
- If in England, evidence of Right to Rent checks

We can assist you with tenancy documents or refer you to our landlord and lettings specialists if needed.

### SUMMARY

Letting your auction property is often a key part of your investment strategy — but don't assume you can do so automatically. Mortgage, lease, planning, and insurance rules can all affect your ability to rent. At Versus Law, we'll help you check for restrictions and set up your property legally and securely.

# Do I need to update my will **or set up a trust after buying?**

Purchasing a property — especially at auction where decisions are made quickly — is a significant financial commitment. It's also a good time to think about how your property fits into your wider estate planning. In some cases, it may be wise to update your will or consider holding the property in a trust or other legal structure.

## WHY SHOULD I UPDATE MY WILL?

If you die without a valid will (intestate), your property will pass according to the rules of intestacy, which may not reflect your wishes.

You should update your will if:

- The property is your main residence and you want to specify who inherits it
- You own it with other people and want to clarify what happens to your share
- You want to leave the property to a partner you're not married to, or
- You have children from a previous relationship and want to protect their inheritance

Even if you already have a will, it's important to update it after buying any significant asset.

## SHOULD I HOLD THE PROPERTY IN TRUST?

Trusts are legal arrangements where property is held by one person (the trustee) for the benefit of another (the beneficiary). You might consider using a trust if:

- You want to ringfence the property for children or vulnerable beneficiaries
- You're buying as part of tax planning (e.g. for inheritance tax mitigation)
- You want to avoid probate delays or shelter the property from third-party claims
- You're buying as a group and want clear control arrangements

These can be useful for investment properties, family homes, or assets held for future generations — but specialist legal and tax advice is essential.

## WHAT ABOUT JOINT OWNERSHIP?

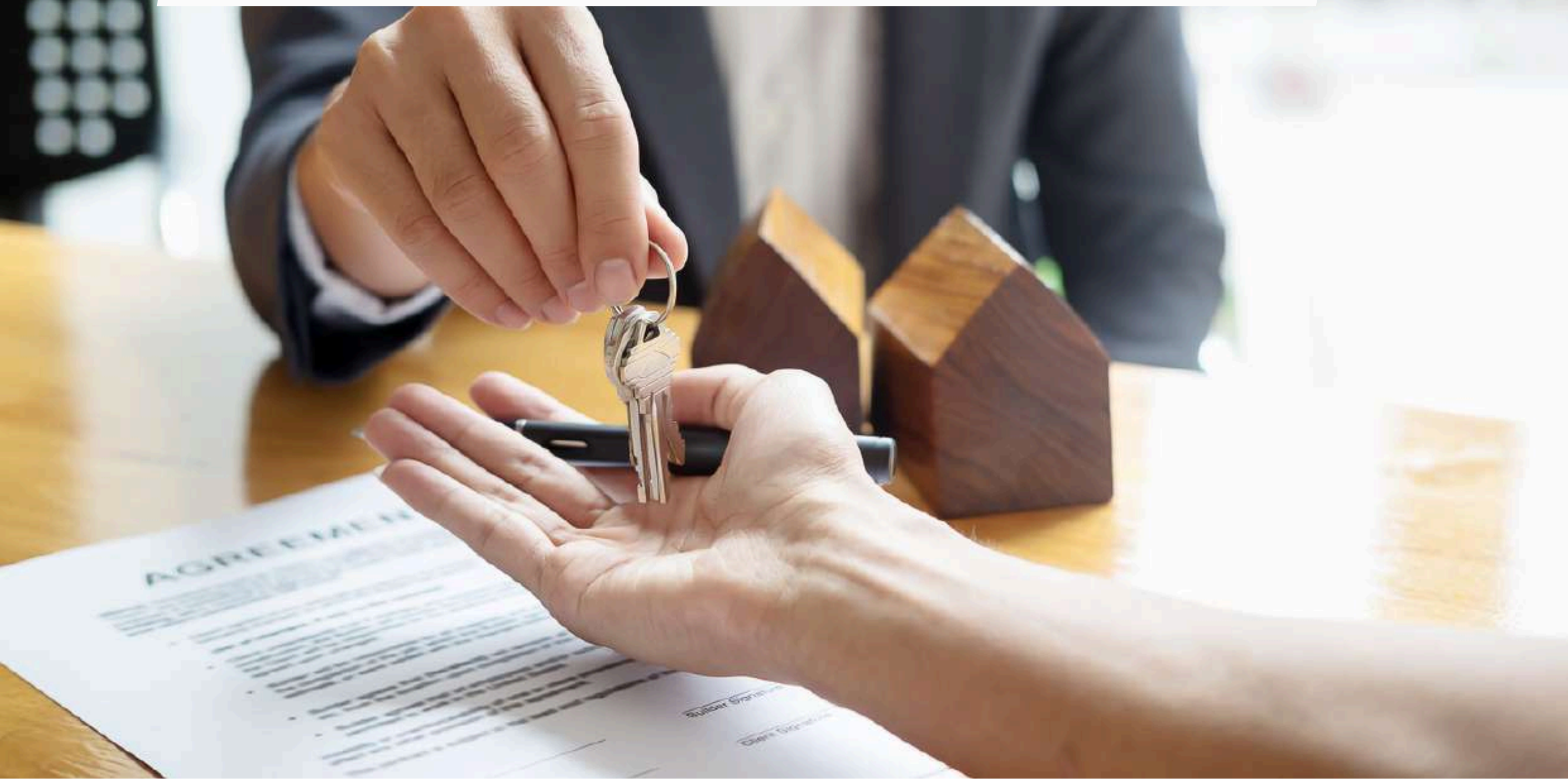
If you're buying with someone else, we'll ask you to choose between:

- **Joint tenants —** both owners have equal rights and the property passes automatically to the survivor
- **Tenants in common —** you each own a defined share, which can be passed on under your will

We'll explain the differences and help you make the right choice — but if your family or financial circumstances are complex, a will or trust may be necessary to support your wishes.

### SUMMARY

Buying a property — especially at auction — is a major milestone and an ideal time to review your will or estate planning. At Versus Law, we can refer you to trusted will and trust specialists if needed. Making sure your assets are protected, structured properly, and left to the right people gives you peace of mind beyond the transaction.



# What if I'm buying with other people – **how is the property held?**

When two or more people buy a property together, you must decide how your ownership will be structured. This is not just a formality — it affects your legal rights, inheritance, and what happens if one party wants to sell, separate, or passes away.

As your solicitors, we will ask you to confirm whether you wish to own the property as:

- Joint Tenants, or
- Tenants in Common

This choice must be made before completion and will be recorded with HM Land Registry.

## JOINT TENANTS

- You both own the whole property equally — there are no separate shares.
- If one of you dies, the property automatically passes to the other (known as the right of survivorship).
- You cannot leave your share to anyone else in a will.
- This is common for married couples or those who want everything to pass between them automatically.

**NOTE:**

If you don't want the other person to inherit your share automatically, this option may not be suitable.

## TENANTS IN COMMON

- You each own a defined share in the property — e.g. 50/50, 60/40, or any agreed ratio.
- You can leave your share to whoever you wish in your will.
- You may want to document this with a Declaration of Trust, confirming each party's contributions and entitlements.
- This is commonly used where:
  - One party is contributing more towards the purchase price
  - Buyers are not related or are investing jointly
  - You want your share to go to children or other heirs on death

**NOTE:**

If you don't have a will in place, your share may still be distributed under intestacy rules — so we recommend preparing one.

## WHAT ABOUT COMPANY PURCHASES?

If you are buying through a limited company or SPV, the company is the legal owner. The shareholders of the company hold the interest indirectly, so you may still need to think about:

- Shareholder agreements
- Director and voting rights
- What happens if one shareholder wants to exit or transfer their interest

**SUMMARY**

How you hold the property when buying with others has lasting legal and financial consequences. Whether you're buying with a partner, family member, or co-investor, it's vital to agree on the ownership structure before you commit. At Versus Law, we'll explain the options clearly and prepare any supporting agreements needed to protect your interests.

# How can I get help if something **goes wrong after completion?**

Even once you've completed your auction purchase, issues can sometimes arise. From unexpected title defects and unresolved service charges to boundary disputes or unauthorised occupiers — post-completion complications can be stressful and costly if left unaddressed.

At Versus Law, we don't just walk away once the transaction completes. We remain available to support you with ongoing or unexpected legal issues, and can help you access the right resources to protect your investment.

## COMMON POST-COMPLETION ISSUES

Some problems that may come to light after completion include:

- Tenants still in the property, or unauthorised occupants refusing to leave
- Unpaid service charges or historic ground rent inherited unknowingly
- Title problems missed in the auction pack (e.g. missing rights of access)
- Unregistered land or registration delays at HM Land Registry
- Disputes with neighbours about boundaries, rights of way, or fences
- Lack of necessary planning/building regulation consents for alterations

Some of these risks are inherent in auction purchases, where limited information and short timeframes don't allow full investigation pre-auction.

## HOW WE CAN HELP

If something goes wrong, we can:

- Review your legal position and explain your rights
- Contact the seller's solicitor, managing agents, or third parties to seek a solution
- Assist with Land Registry queries or corrections
- Guide you on taking enforcement action or issuing proceedings, if needed
- Refer you to litigation, landlord/tenant, or specialist property solicitors within or outside our network
- Help you resolve disputes, draft agreements, or sell the property if needed

## WHAT IF I NEED ONGOING LEGAL SUPPORT?

We offer continued legal services in areas such as:

- Leasehold disputes
- Landlord and tenant issues
- Title rectification
- Re-sale or transfer of the property
- Enforcement of covenants or easements
- Planning and development advice

We will advise clearly if an issue falls outside our remit — and help you connect with professionals who can assist.

### SUMMARY

Completion is not always the end of the story. At Versus Law, we're committed to supporting you beyond the auction room — and we have the experience to help if problems arise. If anything feels wrong or unclear after your purchase, don't wait: contact us, and we'll help you take the right next steps.

# When will I receive the title deeds **and proof of ownership?**

After you complete your auction purchase, your solicitor will handle the post-completion steps — including registering your ownership with HM Land Registry. This process doesn't happen instantly, and it's normal for official confirmation to take several weeks or even months, depending on Land Registry timescales.

## WHAT ARE THE "TITLE DEEDS"?

Today, most properties are registered land, which means ownership is recorded digitally with HM Land Registry. There are no longer physical "title deeds" in the traditional sense.

Instead, once your purchase is registered, you receive:

- A copy of the Title Register — showing you as the legal owner
- The Title Plan — confirming the boundaries and land you own
- A copy of the Transfer Deed (TR1) used to register the change of ownership

If the property is unregistered, there may be original paper title documents, such as conveyances or mortgages — but these are increasingly rare.

## WHAT IS THE REGISTRATION PROCESS?

After completion, we will:

1. Pay the Stamp Duty Land Tax (SDLT) (if applicable)
2. Submit your TR1 transfer deed and supporting documents to HM Land Registry
3. Await the issue of your updated title registration

Land Registry will then update their records and officially record you as the new owner.

## HOW LONG DOES REGISTRATION TAKE?

- For registered land, the Land Registry typically takes 4 to 8 weeks to complete the registration (longer in some areas).
- For unregistered land, first registration can take up to 6 months or more.
- If your purchase involved a new build, lease extension, or transfer of part, it may also be delayed.

We will provide confirmation as soon as the process is complete — but delays at the Land Registry are outside our control.

## WILL I GET A CERTIFICATE OR DOCUMENT OF OWNERSHIP?

There is no physical title deed issued anymore.

You will receive:

- A PDF or printed copy of the updated Title Register
- Confirmation that the property is now legally registered in your name
- If you used a mortgage, your lender will also be noted on the register as having a legal charge

We recommend keeping a copy of the register and TR1 with your important legal documents.

### SUMMARY

You will not receive a paper "deed" — but once registered, you'll receive official confirmation from HM Land Registry that the property is now in your name. At Versus Law, we handle the entire process and let you know as soon as your title is registered. If you need proof of ownership urgently (e.g. for resale or finance), we can obtain interim confirmation where possible.