

A. L. HUGHES & CO

SOLICITORS

& COMMISSIONERS FOR OATHS

ESTABLISHED 1950

We are a small firm, established in Streatham in 1950.

All work undertaken by the practice is carried out under the direct control of a solicitor. We provide a personal service to clients.

We see ourselves as solicitors in the true sense as legal advisers. We not only carry out the procedural aspects of legal transactions, but also consider different ways in which the client's ultimate aims can be achieved, quickened and improved upon.

In the principal areas of our practice we have specialist knowledge and experience, so we are able to offer you up-to-date practical and informed advice.

We combine traditional values with modern technology, which we have put to work to ensure that our staff are properly equipped, and we have a sizeable precedent base that is continually being updated and reviewed so as to be consistent with the ever changing law.

Client Information & Terms of Business for Residential Conveyancing matters

WHY THIS IS IMPORTANT

This leaflet tells you about our firm, who we are, what we do and how we charge for it.

It also contains a description of the work we carry out when instructed in relation to Residential Conveyancing cases. Some firms of Solicitors call this a “client care letter”, and this leaflet sets out, in what we hope is a clear form, what you can expect from us.

It is important that you read this leaflet. Official “stuff” can be boring, but when you instruct a firm of Solicitors to help you buy or sell property, a lot of money is involved, not to mention in many cases, your own home. So please do take a few minutes to go through it. Of course, if there are questions, do get in touch with us.

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About us:

The Partners

Laurence Mann, LL.B, FRSA.

Was admitted as a Solicitor in 1984 and joined the firm then, having trained at the firm since leaving school in 1977. He is a graduate of University College, London.

He specialises in Residential, Development and Commercial Conveyancing and Wills. He believes that modern technology can be applied to a modern legal practice without destroying the personal link between a Solicitor and Client.

Outside of the practice, he is a Governor of a Secondary School in the area in which he lives and sings noisily in a local Community Choir.

Frances Holton, B.A.

Served her articles with Messrs A. L. Hughes & Co. and was admitted as a Solicitor in 1983.

She has acquired substantial experience in the fields of Residential Conveyancing, Wills and Probate, and advising the Elderly, and handles Public Guardianship Office work.

Frances is a keen dog owner.

Consultant

Norman Mann

Was admitted as a Solicitor in 1969 and has been at the firm since then.

His original partner A. L. Hughes retired in the 1970s, but he has carried on the traditions of the firm since then. Norman Mann's specialisms are Commercial Conveyancing, and advising Businesses.

Norman Mann is in attendance at our office on Tuesdays only.

He is an afflicted golfer, and plays bridge.

Contacting us:

Our address:	Telephones/Fax:	e-mail
<p>A. L. Hughes & Co. Solicitors & Commissioners for Oaths 340 Streatham High Road London SW16 6HH</p> <p>DX 58457 Norbury</p> <p>Office hours Monday to Friday 9.30am-4.30pm</p>	<p>020-8769 7100 Fax: 020-8677 6644</p> <p>International numbers: (+44) 20-8769 7100 Fax: (+44) 20-8677 6644</p>	<p><i>Partners' addresses</i> norman@alhughes.co.uk laurence@alhughes.co.uk frances@alhughes.co.uk</p> <p><i>General address</i> mail@alhughes.co.uk</p> <p><i>Web Site</i> www.alhughes.co.uk</p>

How we can help you.

When you are making a decision to embark on a course of action, you usually do it in three stages:

- A. You decide what options are available;
- B. You consider each option in turn;
- C. You choose the best one and carry that one out.

Many firms will help you with the last stage - the "functionary" part. **We help our clients at every stage.** When you use our services, you are employing our vision and experience.

- ◆ We help you to think of other options, different ways of achieving your aims.
- ◆ We have specialist knowledge and experience that we can use to your benefit.
- ◆ We help you evaluate each option, and determine which is the right one for you.
- ◆ We tell you if we think you are doing the wrong thing.
- ◆ We carry out your instructions efficiently.

Why do you need our service?

We believe that good advice is hard to get. Many firms do not offer "advice" in the sense we have mentioned above. They just carry out your instructions. **We question your instructions**, and consider whether there are other ways of bringing about a more satisfactory result. We always try to give constructive advice, and to ensure that **all** of the implications of a decision are taken into account.

When do you need our service?

It is ironic that many people seek legal advice at a time when a solicitor is least likely to be able to help. It is too late once you have signed a watertight and adverse agreement, or taken some other irrevocable step. All we can do at that stage is to try to find some way out with minimum loss to you. **The time to consult us is before you act.**

The cost of not reading small print!

Many times we have been asked, both by existing and new clients, to give advice on very oppressive agreements for the purchase or hire of office equipment and other electronic equipment. Businesses particularly seem to be prone to entering into unbelievably bad photocopier, computer, telephone and fax machine rental or lease-purchase agreements, which are often impossible to wriggle out of without paying ridiculous amounts of money.

Asking for advice before signing these agreements can lead to valuable concessions being achieved, at a cost that is insignificant compared with the cost of entering into an onerous and unfair agreement.

We are always delighted to advise clients on any transaction they are proposing to enter into, from the smallest telephone rental agreement up to the largest property investment purchase.

If you are presented with a "standard contract" or a pre-printed agreement, that will have been drafted by a lawyer, and you can be sure that the small print will contain a few surprises!

What can we help with?

Although our practice has quite a general base, so that we can provide a comprehensive service, there are areas in respect of which we believe that our depth of experience is such that we can offer a service which matches firms in central London - which are obliged by their location to charge much higher fees.

Commercial Property:

We undertake all aspects of commercial property conveyancing, We accept regular instructions from a number of property investment companies. We set up commercial development schemes, however complicated.

Landlord and Tenant:

We accept instructions in for all aspects of commercial landlord and tenant law, including the grant and negotiation of new leases, and the extension and renewal of existing leases, and the regular handling of licences to assign and for alterations, and the day to day problems experienced by both landlords and tenants of commercial property. We maintain a particular awareness of the evolving law in this highly complicated field. For both landlords and tenants we are able to negotiate documents with the advantages of the latest arguments and law in support.

Businesses:

We handle the sale and purchases of all types of businesses, from shops and offices both freehold and leasehold, to companies. We are able to draft partnership and consultancy agreements, shareholder agreements and most types of commercial agreements.

Residential Property:

We undertake residential conveyancing of all types, including sales and purchases of freehold and leasehold properties, mortgages and remortgages, and transfers of equity, extensions of leases and their variation. We act for many property developers and receive instructions in the acquisition of land and legal preparation of sites, and will set up residential developments of all kinds, including blocks of flats, freehold estates, mixed developments, and sheltered housing schemes.

Enduring Powers of Attorney and Appointing Deputies

We are happy to draft and register Enduring Powers of Attorney and handle appointments of Deputies via the Public Guardianship Office (formerly the Court of Protection)

Planning:

We can help you find your way through the maze which is the Planning system. We can advise on Planning Permissions for constructions, extensions or conversions, Changes of Use, Conservation Areas, Protected Trees, and Listed Buildings.

Wills:

We offer comprehensive advice on disposal of your property by will, avoiding the sometimes family-splitting horrors of dying intestate, and can assist you in mitigating Inheritance tax. We advise on setting up trusts for children or other young beneficiaries and practical ways of dealing with the family home. We make no charge for acting as your Executors other than our usual professional charges for the administration of the estate as if we were acting for lay executors.

Probate and Intestacy:

We offer a sympathetic, prompt and practical service in handling the administration of estates of deceased persons.

Working practices

Communications:

- ♦ We try to be as contactable as possible. As well as normal telephone and fax links, we maintain e-mail addresses which are accessed several times every day. We like email.
- ♦ When leaving a message, it does help to give our staff some idea of the specific nature of your query, as it makes it possible for us to call you back with a full reply after we have collected the information you require.
- ♦ Please do not forget to leave the number at which you can be contacted. We aim to return calls as soon as possible. We have an internal messaging system which ensures that all messages do get to our attention promptly.
- ♦ If you have any disability or special need in relation to communications, please make us aware of it so we can take it properly into account.
- ♦ Please make a note of the reference at the head of our letters to you.

Updates and Reports

We aim to keep you informed via frequent letters and reports on your transaction. If ever there is anything you do not understand, we welcome queries. We try to present information to clients in such a way as to explain the impact of your decision making.

Appointments

- ♦ We would ask that you make an appointment if you would like to see one of us, as we cannot guarantee that we will be free "on the off-chance". However our office is open during office hours for the delivery of papers or correspondence.
- ♦ In common with most other firms, we close annually between Christmas and New Year and usually for a day or so each side of this.

Professional Standards and Complaints Procedure

We endeavour to observe the high standards which are expected by our clients and by the Law Society, which maintains proper professional standards and the Legal Ombudsman and Solicitors' Regulation Authority which regulate our profession. All of our work is undertaken by or under the supervision of one of our two partners and one consultant, all of whom are of course Solicitors, and in the unlikely event of your not being satisfied with any aspect of this practice or its work, we would ask you to take the following action:

- Initially, please contact the Partner in charge of your transaction and let him or her know what it is that you are not happy about;
- If that does not resolve the matter to your satisfaction to write to the Senior Partner (or at your election any other Partner) of the firm setting out the nature of your concerns.
- Any complaint in writing will be properly investigated by a Partner who has not been involved in the matter and responded to in writing within 10 working days.
- If you are not satisfied with the response or with any further response following any other comment from you then you may request further information about the steps you can take to have your complaint independently investigated by the Legal Ombudsman and this will be supplied to you.
- We will keep records of your complaint and the action taken.

Indemnity Insurance

Solicitors are obliged to maintain insurance against the risks of professional negligence. In accordance with Regulation 8(2) of the Provision of Services Regulations 2009, details of that insurance are available for inspection at our offices, and also will be sent on request to you.

Fees and Costs

Solicitors' charges for most non-contentious (i.e. primarily not involving court work) matters are regulated and must relate to the work carried out. Regard should be given to a number of factors, and particularly:

- ◆ **time spent**
- ◆ **the complexity of the transaction**
- ◆ **the amount or value of any money or property involved**

It is difficult to predict how long a transaction will take, particularly, as in property transaction, when other parties are involved. So we will on request give an estimate of the likely time involved and make it clear to you that there may be adjustments, **which are always notified in advance of the estimate being exceeded.**

For most transactions we will be charging an hourly "expense rate" (representing the cost per hour to the firm of partners' time). Our figure is currently £240. In addition, we add an up-lift which reflects the type of work being undertaken, the urgency and complexity and skill involved. For average property transactions that up-lift is 50%. Our usual rate is therefore £360 per hour. For more complex transactions this figure will be higher. We also add value elements representing the financial risk and responsibility to the firm of acting in a transaction. For domestic Conveyancing matters this will typically be 0.05% of the value of the transaction (£5 per £10,000), but in most cases we will only add one of the uplift and value element.

We reserve the right to base our charges on a lesser value element together with some element of uplift. These figures are, of course, exclusive of VAT and disbursements, and we reserve the right to review our charging rates from time to time.

We make a charge for disbursing funds. This charge reflects the time involved in arranging the payment and checking the details thereof. If specific and unusual bank charges are raised by our bankers, such as for payments to foreign banks, these will be billed separately. We bear our own domestic bank charges.

Solicitors' costs are subject to a degree of regulation and review. You have a number of rights which you need to know about.

- ◆ **You are entitled to complain about your bill.**
- ◆ **There may also be a right for you to object to your bill by making a complaint to the Legal Complaints Service, and/or by applying to the court for an assessment under Part III of the Solicitors Act 1974.**
- ◆ **If all or part of your bill remains unpaid, the firm may be entitled to charge you interest on it.**

Our charges in detail for residential property cases

In most cases we will give an estimate for residential property transactions. Our fees are based on a time element (which we estimate), typically between 3.5 and 5 hours, depending on the likely complexity of the transaction, together with a value element, usually 0.05% of the transaction value.

We make it clear at that time that it is rare for the actual costs incurred to exceed an estimate, and in those rare cases where owing to external circumstances the time incurred exceeds the estimate by a substantial amount, we will warn clients of likely additional costs.

If a transaction is abortive, we will still charge costs, but on a time basis only.

Insurance

We are not insurance brokers, nor do we arrange mortgages or insurances in general. However in the course of conveyancing transactions, we do sometimes arrange indemnity insurances, to cover risks such as defective titles or missing documents. From 14 January 2005, this activity has become regulated.

We are not authorised by the Financial Conduct Authority. However, we are included on the register maintained by the Financial Conduct Authority so that we can carry on insurance mediation activity, which is broadly the advising on, selling and administration of insurance contracts. This part of our business, including arrangements for complaints or redress if something goes wrong, is regulated by The Solicitors' Regulation Authority. The register can be accessed via the Financial Conduct Authority website at www.fca.gov.uk/register.

In relation to such insurance, we do not receive any commissions, and our practice is to obtain quotations for cover from just two companies Countrywide Legal Indemnities and the First Title Group. In our view the cost to the client of "shopping around" where premiums are generally fairly modest sums would outweigh any likely saving. Please bear in mind therefore, if we recommend such insurance, that it is open to you to seek cover from other insurers and arrange this yourself.

Other matters you should know about

Confidentiality

Professional Rules bind us to confidentiality in respect of your affairs. However, there are cases where we owe an obligation to disclose information which we have obtained from you to third parties. In particular, when we are instructed to act for you and for a lender, we are obliged to disclose to that lender any fact or circumstances which is at variance with their mortgage offer or other information supplied by them.

Other advisers

We do not provide as part of our service to you:

- Financial advice as to whether any specific financial product you are proposing to take is better or worse than any other. We will generally limit our advice, if given, to the legal implications thereof.
- Tax advice, except in very general terms.
- Advice on the structural state or condition of any property.

Our position on these is that you should obtain proper advice from experts in these fields.

Interest Policy

Background

- As far as possible, we encourage clients only to send money to us when actually needed, and we account as soon as possible to clients.
- Interest rates are currently at a historic low, and the cost of calculating and administering interest payments will often exceed the amount of interest actually earned by this firm.
- However, there are times when funds are held in client account for periods where it would be fair and reasonable to account for interest accruing on it.

Interest principles

- (i) We apply the following principles to payment of interest on client balances.
- (ii) Any interest actually paid to you will be at the same rate that we are paid on the account in which any funds are or were held.
- (iii) Any sums placed in designated deposit accounts will be credited with the net interest paid thereon by our bank.
- (iv) Interest accruing on sums held in our general client account is paid to and retained by this firm. However we will pay interest to you at the rate paid to us by our bank on our client account on Qualifying Funds held by us from time to time on your account where the amount of interest exceeds £75.

Qualifying Funds

Qualifying funds means all sums paid to us which are not::

- Paid on account of fees incurred before or within three months after the payment;
- Paid on account of client disbursements incurred before or within three months after the payment;
- Used (otherwise than as a disbursement) for a transaction within three working days of payment;
- Held as stakeholder under any contract or agreement;
- Held as a retention pursuant to any contract or agreement.

Notes

- As at 1 March 2017, the rate of interest paid to us by our bank on client account was 0.01% p.a., and by way of example, £10,000 held by us for three months would earn 25p interest.
- Any interest paid by us will be paid gross and must be declared by you in your tax return. If your religion forbids the taking of interest, we will at your request look for another way of ensuring that we do not improperly profit from the retention of your funds.

Client money

Money held by us on behalf of clients is held on trust for them. This is very important. It means that we cannot part with it without their consent, express or implied. **There are some implications of this which you need to understand:**

- (i) At the time of writing your deposits with us are individually protected, but only to the limit prescribed by the Bank of England, which is reviewed from time to time to a figure of approximately 100,000 Euros.
- (ii) If you have authorised us to pay small sums held to your account to charity, we will do this, normally at the end of the financial year.
- (iii) Your authority to us extends to:
 - (a) Paying disbursements agreed or envisaged by the transaction.
 - (b) In the case of a purchase of property, paying the purchase price to the Solicitors acting for the person or persons claiming to be the sellers of the property. **If you are in any doubt about what this means, please read our leaflet about Fraud.**
 - (c) In the case of a sale of property, paying the mortgage lenders what they say is owed, and the estate agents their commission, deducting our costs and disbursements, and remitting any surplus to the bank nominated by you in your Client Instruction Form, or crediting it to the ledger relating to any purchase of a property by you.
- (iv) Unless you advise us otherwise, you authorise money received from a sale by one client to be applied to the purchase of a property by that client and another.

Disbursements

We do not incur expenses on your account without good reason. In a property transaction, the largest pre-contract disbursement is normally the package of Searches appropriate to it. We will usually not commission this until we receive a payment on account from you to cover it. We may have to pay out any or all of the following which may not be predictable at the time we give an Estimate:

- ♦ Fees to mortgage lenders for producing deeds
- ♦ Fees to third parties for copy documents
- ♦ Courier charges if documents have to be sent either urgently or abroad

Payments

Our rules require that we cannot use one client's money for another client's transaction. This means that all funds used by us must be **cleared funds**.

- ♦ **We prefer it if you avoid using cheques.** Personal cheques normally take eight to ten working days to clear
- ♦ **When requesting Mortgage Advances we now ask for the money to be sent the working day before completion. This is done in order to ensure that completions can take place in a timely fashion.**
- ♦ **We do not accept payment by cash.**

There have been frauds where fraudsters have informed clients of firms of solicitors that their bank account details have changed. We won't be changing our bank account details any time soon. Our details were last changed in February 2010. If you get any such message, please get in touch.

Proof of Identity

Legislation requires us to be supplied by you with some proof of identity in all financial transactions. A copy of your passport or driving licence, together with a copy of a recent bank or building society statement, or a utility bill, will usually be enough. If you are borrowing money on the security of property, the originals will have to be produced at some stage.

Disclosure

We can only properly and efficiently advise you if we are in full possession of all of the facts. We expect you to tell us promptly and fully about any matter of which you are aware which might impede, delay or frustrate a transaction. If you do, we may be able to forestall any problems. If you do not, then you may be exposed to additional costs and expenses at a later stage.

REMIT OF OUR ACTIONS IN RESIDENTIAL PROPERTY TRANSACTIONS

Title

When acting for you in the purchase of property we will seek to obtain for you a title which could be mortgaged to a mortgage lender for its current use, even if you are not mortgaging the property. However:

- ♦ If the property's title falls short of this, we will advise you of its shortcomings, and the final decision whether to proceed or not will lie with you (subject to the requirements of any mortgage lender);
- ♦ If you decide to accept indemnity insurance against any title or other risk, you will by that accepting that the title is deficient and may cause difficulties on resale or during your ownership, subject to the impact of any such indemnity insurance.
- ♦ If you have specific intentions for the property, such as development, extension, change of use or letting, then you must advise us if you want us to advise whether there are any restraints which might prevent this. Unless you advise otherwise we will assume that you intend to retain the property as it is.
- ♦ If you notice anything unusual about the property, we expect you to bring it to our attention.
- ♦ For commercial or development transactions, different considerations apply. As not all such property is mortgageable, our remit is to acquire what title there is and advise you about it in the context of your advised proposed use.

Leasehold properties

Where you are purchasing a Leasehold property, we cannot with any degree of certainty predict future levels of service charges and other shared costs. Information obtained from managing agents and other sources cannot be absolutely relied upon.

Disputes and Sellers' Representations

In the course of property transactions, sellers make representations about the property. These are not guaranteed by us and unless capable of verification from the documents which we are sent, they must be treated with caution by you. Sellers can also fail to disclose matters which may be of importance, such as neighbour disputes or nuisance, which can have a serious effect on the practical ownership of property. Our remit does not include investigating such matters.

Taxation

We do not offer tax advice except in relation to SDLT (stamp duty land tax). We may frequently comment that you should seek independent tax advice, but this is essentially a reminder that virtually every transaction has tax consequences and advice should be sought.

On completion of any transaction involving an SDLT return, we will complete as your agents the SDLT return and account to HMRC for any SDLT payable. Our charges for doing this are itemised on our Estimate or Invoice.

Condition and Valuation

We do not inspect properties and even if we did, we would not be qualified to offer an opinion as to their condition and/or value. It is essential that you appreciate that you should take advice as to these matters. Our remit specifically excludes valuation advice and any assessment of any faults or defects. If we give any opinion about such matters it is not that of an expert and should be verified. We also do not advise on the implication of any Home Energy Report in a HIP but you should carefully read it.

Planning

The possibility of neighbouring development will NOT be revealed by Local Searches. Even a Planning Search will only reveal what is and has been going on at the time of searching. Anyone buying a property must make themselves aware of its spacial context and the likelihood of neighbour development. We are not in a position to assess this.

Property Insurance

Insurance used to be dealt with by mortgage lenders, but increasingly they are only interested in knowing that the property is insured. Unless property is insured by a freeholder or management company, we will not check the insurance position and you will be responsible for insuring the property **from exchange of contracts** and letting us have a copy of the insurance if needed by the mortgage lender.

Mortgages and Loans

We do not give advice about the terms offered by Mortgage Companies except to the very limited extent required by them in order to perfect their security if we act for them as well as you. It is essential that you take independent advice from an expert in this field to prevent you being taken advantage of in what is a predatory market.

Energy Performance Certificates

These are supplied by Estate Agents as part of any sale transaction and we do not as part of our work interpret them for you. They are produced in straightforward language and come with colourful charts. You should contact your surveyor if there is any aspect of the Energy Performance Certificate you do not understand.