

# Financial crime prevention instructions for conveyancers



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We expect you to keep abreast of and comply with professional guidance and practice notes issued by UK Finance and the Law Society.

You are instructed to be vigilant and to undertake a full assessment of the transaction as a whole and report your findings to us promptly and diligently.

1. In all cases you must report to us if the Borrower holds, or will on completion hold, the Property as trustee or nominee for a third party.
2. In all cases we require you to report details of the name of the seller and, if different, the name of the registered proprietor and give details of any relationship between the parties.
3. You will report to us if the Offer is made on the basis of a remortgage and our loan is to be used for any purpose other than for the repayment of any existing charge secured against the Property. Where there is an element of capital raising, excess funds may be paid to the Borrower subject to any conditions specified on the Offer.
4. You will report to us if the Offer is made for the purpose of a purchase and our loan is to be used for any purpose other than for the purchase of the Property specified in the Offer.
5. You will report to us (with details you know as to prices and the names and addresses of the parties involved in the various transactions) if:
  - a. the seller (or the Borrower in the case of a remortgage) is not the owner or the registered proprietor or has owned or been the registered proprietor of the Property for less than six months;
  - b. the Borrower is acquiring the Property under: (i) a sale and sub-sale (ii) where the Property is leasehold, the creation and assignment of a leasehold interest (iii) grant or assignment of a leasehold interest at the direction of a party other than the seller (iv) back-to-back or other derivative transaction;
  - c. a seller or a previous owner or any member of their respective families is to remain in occupation on or after the date of completion of the mortgage;
  - d. the seller is related to or connected with the Borrower;
  - e. the Borrower or any guarantor is, or at any time in the preceding six months has been a director, shareholder or officer of the seller;
  - f. the Borrower has acquired, or will acquire, the Property other than on a bona fide arm's length basis;
  - g. there is any kind of collusive behaviour between the seller and the Borrower and/or third party;
  - h. you or your firm is acting also for the seller or acting in accordance with instructions received from a party other than the Borrower;
  - i. the Borrower is buying the property with the benefit of discount from a Housing Association or Council (Right to Buy), or on a Shared Equity or Shared Ownership or Help to Buy Scheme basis.
6. Terms relating to the acquisition of the Property. Unless instructed otherwise, you will report to us if:
  - a. under the terms of the contract or terms agreed with the seller, the sum payable to acquire the Property differs from that stated in the Offer;
  - b. there is a discrepancy between the sum payable to acquire the Property, the price stated in the contract/agreed terms of sale and the price to be recorded in the assurance/transfer deed to the Borrower;
  - c. the Borrower or any other party is to receive any discount, price reduction, cash incentive or contribution towards any mortgage payments or loans. You must complete and submit to us (and our valuer if we request) the UK Finance Disclosure of Incentives Form ([www.cml.org.uk/cml/handbook](http://www.cml.org.uk/cml/handbook)) prior to submission of your COT;
  - d. there is provision of any funds or benefit, to the Borrower by the seller or at the seller's direction, by another party connected with the transaction;
  - e. there is any apparent direct payment of any sum by the Borrower to the seller or any third party;
  - f. the Borrower is buying through or from an investment syndicate or club or any form of amateur or professional person acting as a locator of properties;
  - g. the Borrower is entitled to receive any chattels or other items of value including part exchange arrangements or deferment of any part of the purchase price. Items of value could take many forms. Possible examples are payment of, or contribution towards, any mortgage or loan, interest or buildings insurance premium for a period, the payment of fees or disbursements by another or leaving part of the purchase money outstanding. Genuine fixtures form part of the Property and need not be reported.
7. Purchase Moneys. You will report to us if:
  - a. the Borrower is not providing the whole balance of the purchase price of the Property (after deducting the amount of our advance) from the Borrower's own resources, without recourse to further borrowing;
  - b. if any part of the purchase money will not be paid through your account or is being gifted, in particular, if you are instructed that part of the price has been or will be paid directly to the seller or a third party).