

forum

THE BIG DEBATE INNOVATION IN CONVEYANCING



Welcome to another very special debate! For this edition, we were lucky enough to speak with 7 different companies that work in and around the legal industry. By putting a series of questions together for them, Modern Law hoped to find out how the conveyancing sector was currently embracing innovation. . . Not only did we receive fantastic feedback, but their bespoke answers made this one of the most interesting debates yet!

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How important is brand when looking to innovate your firm? Thanks to likes of Amazon, customer habits are changing rapidly in the legal sphere and the significance of having an easy-to-use, efficient website has never been greater. What can law firms in conveyancing and across the wider industry, look to be doing to market themselves online better? Can these changes be made in-house or do they need to always be done by outside agencies?

SF: In conveyancing, much of the brand experience is down to person-to-person interaction, but there is also a lot that can be achieved online to support this.

A strong, local presence is important to potential customers reviewing conveyancing options in their area. Yet, a quick online review demonstrates that visibility of local law practices can be limited in the Google search results. This is because many results tend to be dominated by national conveyancing services whom take advantage of Google ads to give the impression of a local presence.

However, it is possible for genuine local firms to compete with this by running their own Google campaigns and taking advantage of other features such as Google My Business. Some external input may be needed for initial set-up, but plenty of guidance is provided online for firms wishing to manage this in-house.

This should be supported by publishing better information online (as per the SRA Transparency Rules) and using tools such as chatbots and online chat. This not only helps potential customers in choosing a conveyancer, it also helps build that all-important brand equity and experience.



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Technological innovation and adaptation are transforming land and property transactions on a global scale. Now, more than ever, it's important to take the time to reflect on and plan for what lies ahead. What are the opportunities that lie ahead in 2021 thanks to new technology innovation in the sector?

GR: It's important to look at the wider aspect of conveyancing to understand the influence and impact of technology.

Dynamically, there is a lot of data moving around the industry that advises us on the how, where, when and why houses sell, mortgages get approved, conveyancing completes and just as importantly - why things go wrong. The gaps between participants, the rarer issues and unexpected failures within the process have a domineering effect on delays and issues we can address with technology.

The digitisation and unification of property data will ultimately lead to faster and more innovative ways to deliver information. Furthermore, it will offer much greater transparency and enhance the interaction between all stakeholders in the transaction.

Looking ahead, the key to success is based on helping crash down the complexities that slow the transaction processes, using AI and machine learning to automate and steer manual processes where possible. This starts with the digitisation of data and legal documents, for example contracts and property search data. AI has a lot to offer in explaining what goes well and how to remove the things that don't. AI will certainly play an increasing role in speeding up and creating a more streamlined and risk managed transaction process for all involved.

SF: Conveyancing is high risk area for fraud. The additional burden of dealing with this can seem unmanageable to busy conveyancers, but technology can really help to bridge the gap between a law firm's policies and procedures, and the day-to-day management of their conveyancing business.

AML breaches identified in recent SRA AML audits included a failure to apply enhanced Due Diligence when required, customer Due Diligence documentation not being accessible to appropriate staff and expired documents.

These issues can be resolved simply by using an electronic AML service. Online services can automate a firm's risk assessments providing both simplified and enhanced Due Diligence. Moreover, relevant documentation can be stored, making them immediately accessible.

Similarly, the Land Registry's recently-launched 'Digital Identity Standard' sets out an approach for conveyancers to take reasonable steps to verify client identity without meeting the client in person. The requirements incorporate the use of Smartphone technology to extract encrypted client information from biometric documentation such as passports and residence permits.

Whilst it may be some time before law firms can fully take advantage of the technology, conveyancers complying with the standard will achieve a "Safe Harbour". This guarantees there will be no recourse in the event of fraudulent identity. With a collective sigh of relief, the onus will no longer be on individual conveyancing firms to determine standards.



The Digital ID Standard removes this guesswork from ID verification for conveyancers, and incentivises the uptake of high-quality ID verification technology Olly Thornton-Berry



HM Land Registry recently announced its digital ID standard, a new set of requirements to encourage digital identity checks in the conveyancing process. Please discuss how this move has huge potential to benefit consumers and conveyancers alike, driving the industry towards a clear set of standards in digital ID?

OTB: On 12th March, HM Land Registry announced their official 'Digital ID Standard'. As part of this, those conveyancers who do use an ID provider (which meets the standard) won't be pursued by HM Land Registry in any recourse claim against a conveyancer resulting from the registration of a fraudulent transaction. This is a huge step forward for the industry in making security standards simple and easy to meet.

Fraud is a real issue for conveyancers, as the property industry is an attractive target for criminals. In December 2020, a legal services firm which failed to carry out sufficient identity checks on conveyancing transactions was fined £14,000 by the Solicitors Regulation Authority (SRA). In the first month of lockdown, Experian noted a 33% increase in fraud rates, and over the past year digital identity provider, Onfido, has seen an upward trajectory of more frequent attacks.

It's against this backdrop that the market for digital ID has expanded hugely in recent months. Yet, whilst there's been a rapid shift from manual to digital ID checks, without a standard in digital ID it's been impossible for conveyancers to determine whether the tools they are utilising are sufficient to protect their business and clients. The Digital ID Standard removes this guesswork from ID verification for conveyancers, and incentivises the uptake of high-quality ID verification technology.

In addition to fraud prevention and protection from falling foul of regulators, there are clear benefits to consumers in accelerating the digitisation of the conveyancing process.

Currently, manual onboarding processes can take up to two weeks. This is contributing to the ever-lengthening property buying and selling process, which now sits at 20 weeks. With digital identity checks taking a matter of minutes, admin time at the start of the transaction can be cut significantly, allowing the legal work to start sooner. Particularly pertinent in the

current climate, digital identity checks can be carried out from anywhere. This is useful for those clients living abroad, or as the pandemic continues, during any periods of lockdown and for vulnerable clients who continue to shield.

We have been in regular discussion with HM Land Registry about these recommendations, and we fully support the standard, which will save conveyancers and their clients' valuable time, whilst reducing fraud risk. We look forward to meeting the Digital ID Standard and helping law firms to achieve Safe Harbour status.

SL: The Society of Licensed Conveyancers (SLC) welcomes the introduction of the digital ID standards documentation from HM Land Registry. This blueprint offers a clear set of guidelines for technology providers and will allow them to develop and provide a range of secure and convenient options to better support conveyancers.

The setting out of such standards by HM Land Registry provides much needed clarity both in terms of setting the standard required, but also the protections for conveyancers and consumers alike in meeting that standard.

We believe that the standard will allow conveyancers and their software providers to be able to forge ahead in both the identification of their clients and the use of truly digital signatures. Whilst both are separate items, identification and digital signatures are not mutually exclusive but instead interconnected.

The SLC believes that this is just the tip of the iceberg when it comes to digital ID standards in conveyancing. We have been working with many other stakeholders in the development of the Digital Identify Trust Scheme and welcome any standard or scheme that will ease the burden on both consumers and conveyancers, whilst simultaneously helping reduce the risk of fraud and cybercrime.



Any innovation that continues to drive change, provides certainty to all parties and reduces risk, is always welcomed Simon Law



Technological innovation and adaptation are transforming land and property transactions on a global scale. Now, more than ever, it's important to take the time to reflect on and plan for what lies ahead. What are the opportunities that lie ahead in 2021 thanks to new technology innovation in the sector?

TQ: From the conversations we have with our clients and the feedback we receive in our Customer Advisory Groups, we know that lawyers' priorities remain focused on 'working smarter, not harder' to shorten transaction timescales – particularly given the extended Stamp Duty holiday deadline and the pressures facing the industry with heightened volumes.

In addition to this, reducing professional risk; surfacing insights earlier in the due diligence process; and integrating – or centralising – key tasks to streamline the overall instruction-to-completion process are all considered important.

Data leverage, technology advances, automation and cross-system integration are already playing an important role in helping conveyancers meet these objectives and so will unarguably remain focal points for both investment and innovation.

For example, the ability to assess property addresses for all relevant hazards when new instructions arrive, will ensure the right searches are ordered on day one. Within our platform, AI already serves-up automated recommendations of additional search reports that may be prudent, based on a property's proximity to location-based constraints or risk parameters.

This takes away any element of surprise by surfacing risks sooner; it also gives homebuyers peace of mind and saves vital time.

Ultimately, efficiencies like these will become more common as AI learns its way around more complex forms and grows its value by contributing to steering activity optimally through regulated workflows. Given the increased work volumes currently in play, automated support of this nature can only be a good thing, offering a guiding hand of support and enhanced risk management to professionals.

SL: Technological innovation and adaptation within the conveyancing sector has been the subject of numerous discussions, blogs and articles over the last 15 years – most of which have either been slow to come to fruition or have not materialised. Until 2020, conveyancing had largely been slow to adapt and move forward. However, the global pandemic has greatly accelerated change over the last 12 months.

Many conveyancers had little choice but to embrace change to allow their conveyancers and support staff to continue to work during the various national and local lockdowns. As the sector has become accustomed to this way of working, it now opens opportunities to allow not only existing staff to continue to work from home, but also new staff.

2020, has seen the move to using electronic signatures (albeit not in the truest sense) and this move will certainly help to continue the move to enable fully digital services.

2021, will see further innovations in this area with HM Land Registry encouraging the use of digital technology in identity verification and we expect this area to be one which sees many new products being introduced.

We have already seen the announcement of BASPI and this is a further move to utilising data and providing information up front. Any innovation that continues to drive change, provides certainty to all parties and reduces risk, is always welcomed.



I expect phenomenal new insight, automation and hidden trend models to start appearing, which will undoubtedly help enhance the speed of transaction processes overall
Dr Gavin Ray



Where do you see AI's value in the conveyancing process?

GR: There are a number of areas where AI is bringing new value to the industry. One area is in the interpretation of key information in risk identification and handling. It's important to see this as an accelerator of the business process of buying property, as it helps conveyancing professionals to identify risks related to buying a specific property quicker and deal with them appropriately.

When you think about shifting society issues, as well as trends in housing development and urban/residential usage patterns - environmental issues like flooding risk or evolving understanding of land contamination - it is clear to see that the future value of property and land are very open to AI analysis. Currently there are vast collections of static data that span the industry, many of which are archived, yet could foretell trends and issues. To make headway in applying AI here, it takes a vast amount of good quality source data to train the AI well, and the right expertise to suitably label and explain what that data means. Therefore, to capitalise on AI requires substantial historic data and domain expertise and the future lies with those who have a strong industry base to work from.

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In the current climate, prospective clients see the adoption of such digital capabilities as essential John Espley



The client experience when they are going through a conveyancing transaction is of the utmost importance. How can firms look to influence the client journey in a positive way by using different media forms to communicate their journey? Are there ways to make the client journey smoother?

JE: Thanks to the ongoing support of the government, the easing of social distancing and low interest rates at present, the housing market remains buoyant. As buyers and sellers become more familiar with completing property transactions online, the use of existing and emerging technologies becomes a key driver in enabling conveyancing firms to deliver excellent customer service.

Throughout the pandemic conveyancers and clients alike have recognised the vast improvements in service that digital conveyancing can offer. From instruction to post-completion, cloud technology continues to allow conveyancers to bring transactions to completion whilst also enhancing the speed, quality and accuracy of the service received by the client.

Traditionally, one of the most time-consuming elements of the conveyancing process for a solicitor is when onboarding a new client. Obtaining identity information for compliance checks and upfront details regarding the property can significantly delay the transaction getting underway. Therefore, a hassle-free onboarding procedure for the consumer is of paramount importance to get the transaction up and running quickly.

Self-service technology tools allow the client to complete their upfront property information online (such as the TA6) through an elegant, consumer-friendly interface that records all the information directly back to the conveyancer's practice management system. Such solutions hold the key to speeding up the initial stages of the client journey.

In addition, by beginning the onboarding process, online clients are interacting digitally with their conveyancer firm from day one. Furthermore, by providing the client with an online portal where they can access matter documents, financial statements and pay their bills - this sets the tone for the client to engage digitally throughout the transaction from beginning to end. This reduces the length of total time taken for the transaction to be completed therefore improving client satisfaction, the reputation of the firm and profitability.

With powerful automation tools and remote working capabilities, conveyancing firms using optimised technology generate efficiencies at every stage of the transaction. In the current climate, prospective clients see the adoption of such digital capabilities as essential when selecting a conveyancer and law firms must build their brand and market themselves on the basis that they provide this powerful end-to-end digital service.



Being an agile company enables us to drive forward innovative products

Luke Parsons



The Stamp Duty deadline has put enormous pressure on the conveyancing industry and the traditional processes underpinning it. To what extent is the conveyancing market crying out for the innovation that will help better respond to this level of consumer demand? Can you go quicker and more efficiently?

LP: At Terraforma, as many of our clients will know, we pride ourselves on the service and innovations we're able to bring to the conveyancing industry and responding to increased demand on conveyancers' already pressured time, was the main focus among our teams' thoughts and discussions over the past 12 months.

Report order volumes grew by nearly 40% and we've worked hard internally to meet the requirements of this additional demand. The team has grown significantly, adding capacity and expertise in mining and natural ground instability hazards throughout our ground risk reports team.

Alongside this, we have reviewed and upgraded internal processes to maximise efficiencies in report ordering and processing for our customers. As a result, every report will benefit from expert assessment - without compromising on a quick turnaround.

Being an agile company enables us to drive forward innovative products, as well as disrupt and challenge outdated methods and practices. We have led some of the most important changes in improving understanding and management of ground hazard liabilities for conveyancers and homebuyers. The continued growth in demand for our trusted ground risk reports is a fantastic indicator that conveyancers and homebuyers get real value in terms of efficiency and speed of transactions – as well as trusting information from geologists, soil scientists and mining engineers about their potential exposure to ground hazards.

TQ: The use of risk control rules within case management systems and intelligent search orderings have helped conveyancers keep track of case progression and ensure the recommended due diligence is carried out, and no steps are missed.

A key learning from the pandemic is to think outside of the box and consider alternative ways of working. For us, our Continuity Property Solution has meant conveyancing customers can continue providing advice without delay.

The Continuity Property Solution was introduced amid lockdown and offers a viable alternative to traditional search packs. While it isn't a search, it is an insurance policy with a £1m indemnity that includes data from SearchFlow's current and long-term historic database, as well as an Environmental Report, Mining Search and Chancel Repair Liability policy.

This created a workable alternative to traditional search packs, and importantly has enabled conveyancers to work smarter, create efficiencies and most importantly help meet key deadlines for their clients.



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LP: With the UK hosting the 2021 United Nations Climate Change Conference (COP26) later this year, action on climate change will continue to build. All industries are beginning to assess how climate risks – both physical and transition – will affect them.

Principle among the transition risks for property professionals and homeowners, may be the extension of legislation to meet a minimum standard of domestic energy beyond rented property. This underlines the growing importance of Energy Performance Certificates (EPCs) and creates opportunities for green mortgages.

The science shows us that physical risks are increasing. These changes will lead to more flooded properties more often, heightened risk to coastal property through erosion and changes in ground conditions, meaning more subsidence surges and potential for slope movement.

Aside from potential liability implications, a great way for conveyancing firms to embrace the transition in 2021 would be to consider climate action by looking to offset their companies and employees carbon emissions. In December 2020, Terraforma signed up to Ecologi, a technological enterprise that enables us to take positive climate action.

As geologists, scientists and engineers who study and model ground hazards and climate change, we have anticipated these risks and recognise the importance of embracing the transition to a low-carbon economy. While seeking out scientific expertise in dealing with the physical risks is important, conveyancing firms can contribute immediately by supporting green initiatives like Ecologi.

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