



ANNUAL REPORT 2006/2007

Introduction

1. The Council of Property Search Organisations (CoPSO) is the leading trade association for the property search industry. CoPSO members provide a broad range of search reports as part of the home buying process, including local, environmental, mining, chancel repair drainage and water data. This information enables consumers to make informed decisions when buying a home. CoPSO is committed to:

- A competitive search market
- With quality standards
- Delivering faster and better informed property transactions.

2. The past 12 months have presented significant challenges and opportunities for the search industry, as the sector has prepared for the introduction of Home Information Packs and the reforms recommended by the Office of Fair Trading aimed at securing a more competitive search market. These challenges were enhanced as the HIPs legislation faced both delay and strong stakeholder opposition, at a time when the search firms were making key decisions on expansion in order to deliver searches efficiently into HIPs. The opportunities were also heightened, as HIP providers predominantly chose private searches for inclusion in packs and the establishment of networks and alliances between search firms has meant that both large and small firms will continue to play an active role in the reformed home buying process.

3. CoPSO has played a central role in ensuring that search organisations have been able to influence the shape of Government policy, to secure a favourable operating environment for those within the industry.

4. CoPSO's mission is to:

- help establish a favourable operating environment for members
- provide a forum for discussion on non-competitive issues
- provide information to assist members with their business

Our Goals

5. At the beginning of the year, we set out our goals as an organisation for the next 12 months covering four key areas of activity. We set out to:

- Promote CoPSO as the trade association of choice across the entire property search industry.
- Introduce a robust Search Code and Property Codes Compliance Board for regulating property search organisations, to promote compliance across the search industry and to secure stakeholder support.
- To secure the introduction of the OFT's recommendations on access to local search data by 2007.
- To maintain a strong and financially secure trade association with effective links with Government, key stakeholders and other trade associations.

6. This report records our achievements in pursuit of these goals and assess how we performed.

What has CoPSO achieved in the past 12 months?

7. CoPSO has:

- Firmly established itself as the major trade association for the property search industry and the primary point of contact for both Government and the major stakeholders.
- Established contacts with all the major stakeholders within the conveyancing sector, including the CML, the Law Society, the Council of Licensed Conveyancers, the RICS, the LGA, the LLCI, Which? and Government officials across a range of Government departments including the CLG, the DCA, the OFT, the DTI and the Land Registry.
- Taken the lead in introducing the Search Code delivering quality standards across the search industry and supported by the major stakeholders.
- Succeeded in securing the compulsory inclusion within HIPs of both the private local search and the drainage and water search and continues to lead a strong campaign for the inclusion of contaminated land information.
- Ensured that members receive up-to-date information on developments across the industry and have a direct voice on Government and industry working groups and in influencing the shape of policy.

Promoting CoPSO as the trade association of choice

8. CoPSO is the only trade association which represents a broad range of search firms providing essential information for consumers, lenders and conveyancers as part of the home buying process. This places CoPSO in a unique position in being able to present views from across the entire search industry to Government and in shaping the political agenda.

9. Over the past year, CoPSO membership has grown steadily to include both large and small search firms, the three NLIS channels and other organisations directly interested in the search industry, for example, HIP providers. The largest growth has been in the Affiliate category which has grown from 5 to 16 members since the last Annual Report and the Executive Committee has expanded to 19 members. Together, these search firms produce a high proportion of the key searches used in the home buying process (see Annex A).

10. Membership of CoPSO provides search firms with up-to-date information on all of the main issues directly affecting the search industry, to assist them in running their businesses. During the year, CoPSO has launched:

- The Search Industry Update, a weekly Newsletter for members.
- A new CoPSO website providing comprehensive information on the private search industry, with a member-only section.

What our members say

'As a small private search company we have found the information available from CoPSO invaluable. In an ever changing environment, any queries we have had regarding the industry have been answered as soon as the information has been available.'

'Directly from CoPSO membership, we have made good contacts with other companies which has enhanced our business.'

'CoPSO has also brought to the members direct knowledge and intelligence of how the search industry needed to change in this new marketplace with up to date legislative information and workshops. I'm amazed we survived so long with it....'

Introducing quality standards

11. Following 18 months development work, in September 2006 CoPSO launched the Search Code delivering quality standards for the property search industry. The search industry has demonstrated its strong commitment to good standards of practice with a high proportion of firms already subscribing to the new Code. Search firms providing around 80% of personal searches and 100% of environmental searches have already signed-up to the Search Code, together with major water companies, the NLIS channels and search firms offering mining and chancel repair reports.

12. The Search Code provides protection for homebuyers, sellers, mortgage lenders and conveyancers who rely on information included in property search reports and sets minimum standards which search organisations have to meet. These include:

- A code of good practice
- Independent inspection and compliance monitoring via the Property Codes Compliance Board
- Comprehensive insurance
- Training and competence standards
- An independent complaints scheme.

13. Following the introduction of the Search Code, over 30% of the lenders which accept personal local searches confirmed that they will require search firms to be registered under the Code. The introduction of the Code has also resulted in a significant increase in the overall number of lenders willing to accept personal searches and this currently stands at around 90 lenders including 9 out of the top 10 who account for nearly 75% of all mortgage lending. CoPSO wrote individually to each lender providing information about the Search Code.

14. CoPSO believes that only private searches provided in accordance with prescribed standards should be included in HIPs and as part of the home buying process. While the Search Code is sponsored by CoPSO, all private search firms can register under the Code.

15. The major stakeholders have been very supportive of the work CoPSO has undertaken in introducing the Search Code.

*"The CML supports the concept of a code setting out minimum standards for the search industry. Provided the code contains adequate protection for lenders, lenders are likely to accept searches from **all** firms that subscribe to the code."*

"The Council of Licensed Conveyancers supports the creation of a regulatory environment within which consumers, lenders and conveyancers can have confidence in the reports provided by private search companies."

“The Association of Home Information Pack Providers is very supportive of the work that CoPSO is undertaking in the development of a Search Code for the private sector.

We welcome the moves already made by the private search industry to adopt a code of practice and will work with stakeholders to build on this” CLG

16. CoPSO has organised three Search Code Workshops over the last 12 months, providing comprehensive information on what search firms need to do to comply with the Code and attracting nearly 200 delegates.

Maintain a strong trade association with effective links with Government and stakeholders

HIPs

17. The introduction of HIPs has dominated the search industry over the past 12 months, both in developing searches which comply with the HIPs Regulations 2007 and in securing commercial relationships with HIP providers. All this work has been undertaken against a backdrop of uncertainty on whether HIPs would be introduced taking into account the strong opposition from stakeholders.

18. CoPSO has worked closely with Government to ensure that:

- Personal local searches and drainage & water searches can be included within HIPs
- Transitional measures are incorporated which recognise the restrictions imposed by local authorities on access to data. The Office of Fair Trading’s recommendations aimed at delivering fair and efficient access to local authority data will be implemented over the next few months, after which the transitional provisions will come to an end.

19. Through its representation on the Government’s Property Searches Working Group and the Con 29 Review Group, CoPSO has been able to influence the framework for delivering searches in HIPs. Its work in spearheading the development of a formal standards scheme via the Search Code, has also assisted in generating increased confidence by stakeholders in the search industry and a recognition that searches play an important role in the conveyancing process.

20. Throughout the year, CoPSO has maintained regular contact with the Government’s HIPs Team and has been invited to meet on several occasions with the Housing Minister, Yvette Cooper.

Government and stakeholder contact

21. Establishing strong and effective links with stakeholders and government departments is a key aspect of the work undertaken by CoPSO. This ensures that the search industry is taken into account across a broad range of reforms being undertaken within the property sector. These include:

- **Communities and Local Government** – HIPS. Each time new officials have been appointed, CoPSO has arranged for them to visit search firms to see how the industry operates.

- **Department of Constitutional Affairs** – Devolution of search fees, chancel repair searches
- **CML** –changes to the CML Lenders Handbook and Search Code
- **Law Society** – Search Code and acceptance of searches via the conveyancing process
- **AHIPP** – Search Code and acceptance of searches in HIPs
- **DEFRA** – reform of the Commons Registration Search
- **Land Registry** – e-conveyancing and Connect Direct
- **PISCES** – electronic interfaces with search firms and Schema for search ordering
- **Council OF Licensed Conveyancers** – Search Code and acceptance of searches generally
- **C-NLIS** – Raw data pilot and efficiency of local searches
- **Which?** – Search Code
- **DTI** – implementation of the OFT’s recommendations
- **Chartered Institute of Arbitrators** – new ombudsman scheme for the search industry via the Search Code
- **Office of Public Sector Information** – implementation of PSI

22. CoPSO is represented on the Digital Content Forum as part of its work in promoting the full introduction of the PSI Regulations by public sector organisations.

Media

23. CoPSO has played an active role in speaking at conferences and in contributing regular articles for the trade press. These assist in raising the profile of both the search industry and CoPSO and include:

- CML Yearbook
- Negotiator Magazine
- Property in Practice – published by the Law Society
- The Chronicle – published by the Council of Licensed Conveyancers
- Mortgage Strategy
- Mortgage Finance Gazette
- Solicitors Journal
- CML Legal Conference
- CML Annual Conference
- Lawyers Forum – group of 30 in-house lawyers within lending institutions
- Secured Lenders Group – group of mortgage lenders
- CLT Conveyancing Conference
- CLT HIPs Conferences (3)
- Law Society Property in Practice Group
- Property Search Network Conference
- Other HIPs workshops

In December 2006, CoPSO hosted its Annual Conference at the RSA in London with over 100 delegates and representatives from all the major stakeholders and Government departments with which CoPSO has contact.

Political

24. CoPSO has sent regular briefings to both Peers and MPs during the HIPs Regulations’ passage through Parliament.

25. Briefings on the search industry are also sent to officials, to inform the political agenda, together with responses to formal consultation papers.

26. Meetings have also been held with Housing Minister on the inclusion of searches in HIPs.

Delivering the OFT's recommendations

27. In 2005, The OFT's Market Study of the search industry recommended that local authorities provide access to all the data required for a local search and that guidance be introduced on charging for data. CoPSO has been involved in both these areas of work and throughout the year was represented on a small Sub-Group charged with drafting the access guidance which has now been circulated for consultation by Government.

28. Draft charging guidelines were initially drawn up by CIPFA but were subsequently withdrawn following opposition by CoPSO on the methodology adopted in developing the guidelines and the lack of consultation with the private search industry. This work is now being redone by KPMG and CoPSO has met with the consultants and has provided briefing papers to inform the new methodology being developed.

29. Both the guidance on access to data and the new charging guidelines are expected to be published in Autumn 2007.

The next 12 months

30. Building on the changes to the home buying process via HIPs, CoPSO will be setting an agenda for work during 2007/08 based on further reform of the search industry. CoPSO has recently been invited by the Housing Minister to join the Government's new Stakeholder Advisory Panel on Home Buying and Selling which will provide a further opportunity for the industry to drive forward change.

Annex A

Executive Members

Anglian Water
Assured Searches
Capital Searches
Conveyancing Liability Services
Groundsure
Habitus
Jordans
Landmark Information Group
The Live Organisation
One Search Direct
Professional Property Searches
Richards Gray
Search Choice
Searchflow
STL Group

Severn Trent Searches
Thames Water
Whitby's Search Agency
X-Press Legal Services

Affiliate Members

7Side
Alpha Search
Chiltern Searches
Conveyancing Report Agency
Conveyancing Searches
David Bellis Consulting
Fastsearch
First Search
HIPSXTRA
The National Search Service
Nationwide Personal Searches
Property Search .co.uk
Property Search South East
Property Search South West
Search Direct South Wales
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