



Department for Business, Innovation & Skills

Introduction of a Land Registry service delivery company: Consultation response form

This consultation response form is available electronically on the consultation page:
www.gov.uk/government/consultations/land-registry-new-service-delivery-company

Alternatively, this form can be submitted by email or by letter to:

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Shareholder Executive
Department of Business, Innovation and Skills
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Email: bis.lr.consultation@bis.gsi.gov.uk

This closing date for this consultation is **20 March 2014**.

The Department may, in accordance with the Code of Practice on Access to Government Information, make available, on public request, individual responses.

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Please tick the box from the list below that best describes you as a respondent. This allows views to be presented by group type.

	Business representative organisation/trade body
	Central government
	Charity or social enterprise
	Individual
X	Large business (over 250 staff)

	Legal representative
	Local Government
	Medium business (50 to 250 staff)
	Micro business (up to 9 staff)
	Small business (10 to 49 staff)
	Trade union or staff association
	Other (please describe)

Question 1

Do you agree that by creating a more delivery-focused organisation at arms length from Government, Land Registry will be able to carry out its operations more efficiently and effectively for its customers?

☐ Yes

☒ No

☐ Not sure

Comments:

Bond Dickinson is a Land Registry customer. On average we submit over 900 applications for registration and 3500 information service requests to the Registry each month. As a customer we have direct relevant experience of the current Land Registry service.

Since the Land Registration Act 2002 came into force, year on year we have seen the Land Registry make great strides in improving the quality and efficiency of its services. It has become very customer focussed and shares the benefit of its improvements with its customers through widening access to its services and reducing fees.

The information set out in the Consultation makes no business case that by outsourcing the delivery functions of the Land Registry from the Trading Fund to a service delivery company would result in a more efficient and effective service over and above that currently experienced by the Land Registry's customers. It merely assumes that to be the case.

Question 2

Do you agree that the OCLR should retain exclusive responsibility for the functions set out in paragraph 49?

☒ Yes

☐ No

☐ Not sure

Comments:

And more. See response to Q3.

Question 3

Are there additional functions that should be retained in the OCLR? Please explain what and why.

Comments:

Setting fees

Set and regulate service standards (including data security, depth of resource, innovation and improvements and level of expertise) for the service delivery company with the ability to impose sanctions for failure to meet minimum standards

Dispute resolution

Consideration of compensation payable to customers

Question 4

What are your views in respect of the proposals for shared functions set out in paragraphs 50-51?

Comments:

Without very clearly defined boundaries this is likely to be confusing and to the detriment of the Land Registry's customers, where failures occur. It has the potential for buck-passing between these two with the customer being caught in the middle. Customers expect the delivery of a seamless service, not having to become involved in the internal wrangling's of those responsible for delivery of components of the overall service.

Question 5

What are your views on the proposed approach to service delivery company functions in paragraph 52?

Comments:

Use of the Land Registry is obligatory to all owners of land in England & Wales.

Maintaining the underlying integrity of the nature of land ownership in this country is fundamental. If investors in property lose trust in the registration system and the security of property ownership, it will have a negative impact not only on this important sector of our economy, but elsewhere including employment and investment generated through the ownership and development of property, and the value of property based investments such as those held in pension funds.

The consultation plays down the importance of the "administrative" functions performed by the Land Registry, which are backed by considerable legal expertise and knowledge of the applicable legislation and case law.

From the customer's perspective, improvements to Land Registry "administrative" services are driven by improving its customer services and sharing the benefit of its efficiencies e.g. the recently introduced 50% reduction in fees for applications submitted electronically. A private

sector partner buying into the monopoly of land registration will inevitably be looking to maximise the return for its investors and the concern is that improvements in profitability will be at the expense of these important drivers.

Question 6

Do you agree that the overall design provides the right checks and balances to protect the integrity of the Register and safeguard the provision of indemnities and state title guarantee? If not, please state your reasons why not.

☐ Yes

☒ No

☐ Not sure

Comments:

The integrity of the Register and the indemnities and the state title guarantee are at the heart of property ownership. Entrusting of this to a service company would require a high degree of regulation otherwise confidence in the Register will decline which in turn will have a prejudicial effect on the value of property ownership. The consultation is light on the detail of regulation. We only have to look at the banking sector for an example of where light touch regulation has cost the taxpayer billions in rescuing it from collapse.

We query whether the on-going costs of effective regulation to maintain the confidence of customers and property owners alike, would outweigh any capital receipts or reduction in running costs achieved by involving a service delivery company in the process.

Question 7

Would you be comfortable with non-civil servants processing land registration information provided they do so within the framework set out by the OCLR through the service contract? If not, please explain your reasons why not.

☐ Yes

☐ No

☒ Not sure

Comments:

It would all depend on how comprehensive is the specification for the work and robust the mechanism to police it is. What level of expertise would these staff have?

Question 8

Are there any situations, other than those set out in this consultation, in which you would want to see an escalation process to the OCLR? Please explain what and why.

Comments:

Not sure. It all depends upon the detail. Customers do not want to feel that if they have a complaint it could be frustrated by a long winded internal process saturated with technical rules all of which allow the service company to stall dealing with the issue promptly and fairly.

Question 9

Do you agree with the proposed approach for handling complaints, as set out in paragraph 56? If not, please explain your reasons why not.

☐ Yes

☒ No

☐ Not sure

Comments:

It needs to be more robust. Customers have to be confident that complaints are dealt with swiftly and fairly and that the service company is obliged to comply with any awards against it. The proposed Customer complaints process flow chart shows that any decision by the Independent Complaints Reviewer is not mandatory but directory.

Question 10

Do you agree with the escalation process set out for objections in paragraph 56? If not, please state your reasons why not.

☐ Yes

☐ No

☒ Not sure

Comments:

Customers have a reasonable expectation that any complaint/review process is robust timely and fair. Any system that leads the complainant on an unnecessary circular tour would be unacceptable.

Question 11

Do you think the Rule Committee should include a representative from the service delivery company? Please explain why or why not.

☐ Yes

☒ No

☐ Not sure

Comments:

Such a representative would have a conflict of interest and to the outside world it would appear that the service company was self-regulating.

Question 12

The Data Protection Act will protect personal data that is provided to the service delivery company. Would you like to see any protections beyond this, and if so please explain what and why?

☒ Yes

☐ No

☐ Not sure

Comments:

Property owners will expect much tighter controls on the use of their ownership data, its potential disclosure to third parties and their exploitation of it, with tougher sanctions for breach

Question 13

What are your views on the proposed system for safeguarding customer service issues and the continued role of the Independent Complaints Reviewer?

Comments:

Any system must to be comprehensive, fair and robust. There is insufficient detail for us to be able to comment any further

Question 14

Do you think there is a difference between the opportunities and risks depending on whether operational control over the service delivery company is entrusted to Government or a private sector company? If yes, what?

☒ Yes

☐ No

☐ Not sure

Comments:

On the risk side, customers, property owners and investors would feel more confident with the integrity and credit worthiness of a service company entrusted to Government than a private sector company.

Question 15

Do you think there is a difference between the opportunities or risks depending on whether the service delivery company is owned by the Government or a private sector company or both? If yes, please explain your reasons.

☒ Yes

☐ No

☐ Not sure

Comments:

On the risk side, customers, property owners and investors would feel more confident with the integrity and credit worthiness of a service company owned and run by the Government than one controlled by a private sector company.

On the benefit side we believe that the Land Registry operates with a high degree of efficiency backed by a state guarantee, so why is it believed that creating a service company would lead to greater operational efficiencies?

Question 16

What do you think are the constraints and dependencies for Land Registry's successful delivery of the business strategy?

Comments:

The dependencies are public confidence in the integrity of the Registry.

Question 17

Do you have any other comments on the proposals contained in this consultation?

Comments:

The consultation overlooks the considerable improvements that the Land Registry has made in the quality and efficiency of its services and sharing those benefits with its customers including reducing its fees.

It also overlooks the contribution that the Land Registry as a Trading Fund has made to the public purse. In 2011 -12 the Land Registry made a profit of £81.6m and paid a dividend to the treasury of £13.8m, which in 2012 -13 had risen to £98.8m and £26m respectively.

Question 18

Do you have any other comments that might aid the consultation process as a whole? Please use this space for any general comments you may have. Comments on the layout of this consultation would also be welcome.

Comments

No comment

Thank you for your views on this consultation. We do not intend to acknowledge receipt of individual responses unless you tick the box below.

Please acknowledge this reply ☒

At BIS we carry out our research on many different topics and consultations. As your views are valuable to us, would it be okay if we were to contact you again from time to time either for research or to send through consultation documents?

☒ Yes

☐ No

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