3 March 2014

Dear Member

Lender Exchange update

I wanted to update you again regarding the developments with Santander and Lender Exchange.

Following correspondence with Santander and internal discussions we have identified a number of issues that we remain concerned about; in particular the requirement to agree that information can be passed to affiliates/group companies of Decision First. We will continue to raise these concerns with Santander and also have an urgent meeting with Decision First, taking place this week.

Understandably some members may remain cautious about agreeing that the data they have supplied to the data collection company previously used by Santander can be transferred elsewhere. Equally members do not want to put at risk their panel membership. The decision regarding the system is for individual firms and the Law Society will do its best to investigate, monitor and provide as much information as possible for firms to make an informed decision.

I know that there are those who may try to use these developments to undermine the success of CQS. I think it is important to remember that CQS was about both probity and quality; improving standards for clients. This remains the case and our commitment to continuing to support our firms and improve the conveyancing process for all involved is underlined by our plans to develop a Conveyancing Portal - an on-line interactive forum wherein conveyancing professionals can communicate with each other, conduct due diligence on clients and other parties and which facilitates the conveyance of residential property via established protocols. The development of the Conveyancing Portal, which was announced at the Property Section Conference in October 2013, and has now been approved by the Society's governing body, will evolve the concept behind CQS from a scheme based around a firm based quality mark, to a facilitative system, that embeds the CQS process and protocols within an online environment. The Portal will increase efficiency and reduce cost within the conveyancing process for each individual transaction. Our plan is that members will be invited to participate in a pilot of the Portal later this year.

It is also worth noting that Santander still retain the requirement for CQS as a pre-requisite for panel membership, as do some other lenders including HSBC.

Desmond Hudson, Chief Executive