
MONEY LAUNDERING: mortgage fraud continues to rise

Conveyancers 'vulnerable'

By Jonathan Rayner

Conveyancing solicitors are 'uniquely vulnerable' to exploitation by criminals laundering money, a leading anti-money laundering solicitor has warned.

The warning came as the latest figures from the Solicitors Regulation Authority showed that cases of mortgage fraud continue to rise.

Peter Rodd, a member of the Law Society's money laundering task force, said much of the £15bn of criminal funds laundered in the UK every year is filtered through property transactions.

Speaking at the Law Society's annual anti-money laundering conference last week, he noted that there is a lack of anti-money laundering training specifically for conveyancers, and information about the latest



scams can be out-of-date.

Rodd said conveyancers are typically failing to question the source of funds, and often miss warning signs such as large cash payments, undue haste by clients or a mismatch between the cost of the property and the client's income.

Rodd said: 'Conveyancers are uniquely vulnerable to criminals. They are often under pressure to exchange contracts quickly rather than risk the collapse of a

chain of transactions. Mistakes are made and due diligence neglected because of the need to avoid delays.'

A SRA spokesman said: 'Professional criminals seek out and prey on conveyancing solicitors with a weakness requiring expenditure beyond their means, like an expensive drug habit. Such practitioners, out of desperation, can often be persuaded to collude with dubious deals. The number of conveyancers convicted of money laundering is low, however, although when one is caught the sums involved can be high.'

SRA figures show that there were 222 reports of suspected mortgage fraud in the period up to 31 May this year. There were 411 such reports in 2009. Mortgage fraud rose by 500% in the five years to 2009 and is now valued at £700m a year.

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