

Dacre, Son & Hartley Client Checks Updated January 2020 to include the 5th Anti Money Laundering Directive

Our business (which includes Estate Agency, Lettings and Property Management, Commercial Agency, Land & Agriculture and Surveys) is based on mutual trust with our clients. Due to the transactional nature of the services we provide, just like lawyers, accountants and financial services firms, all agency businesses are required by law to carry out customer checks. These checks serve to ensure that we comply with our legal obligations and help regulators to ensure that the industry is not misused to facilitate money laundering or the financing of criminal activities.

If you are a customer of Dacre, Son & Hartley verification checks will be undertaken on a risk-based approach. A Risk Assessment will be carried out, the results of which will determine the ID process we need to carry out. These verification checks will be carried out either:

- Electronically via Smartsearch UK and simply involve us confirming your identity and proof of ownership with basic information being requested from the customer (full name, date of birth, property address etc.). Where the initial basic checks on Smartsearch do not result in a PASS, further information will be requested in the form of photographic ID. More information with regards to Smartsearch and our electronic checks can be given on request.
- By way of photographic proof of identity and proof of address. If you are purchasing proof of funding will also be requested to the value of the offer that has been accepted.

Under the Anti Money Laundering 5th Directive that came into force in January 2020, if a tenant is paying their rent in advance for the period of the tenancy and this equates to more than £10,000, or the rent per calendar is higher than £5,000, the above verification checks must also now be adhered to.

If you live abroad or use corporate structures to hold real estate assets further documentation will be required to identify the individuals who will ultimately benefit from the transaction.

These requirements are applied universally across the industry and our processes comply with the relevant legislation. We apply them to every client who uses our services. We will never ask for more information than is required and all the information that you provide will be held in strict confidence.

The following frequently asked questions explain why we need to complete client checks. Should you have any concerns or questions then please speak with us.

[1. What are the regulatory requirements placed upon Agencies?](#)

All agency sectors in the UK are required to comply with a number of laws designed to prevent illicit funds passing through the UK. These include the Proceeds of Crime Act 2002, the Criminal Finances Act 2017, the Terrorism Act 2006, Money Laundering Regulations 2017 (to be updated January 2020) and RICS professional standards and guidance; Countering bribery and corruption, money laundering and terrorist financing 1st edition, February 2019.

All transactions are seen by the UK Government and crime agencies as posing a particularly significant money laundering threat. As such the Money Laundering Regulations 2017 require agencies to understand and verify exactly who their customers are and have evidence that they have completed all relevant client checks. Should an agency become suspicious of a prospective client or anti-money laundering client check, it must report this to the HMRC.

We take our anti-money laundering responsibilities very seriously and believe that the laws governing the UK property industry are critical tools in the fight against organised crime and terrorist financing. If we did not complete the relevant client checks we would undermine our corporate responsibilities and also place ourselves and you at risk of prosecution.

2. Why do Dacre, Son & Hartley ask their clients to provide information about themselves or the business they represent?

Agencies in the UK are required to comply with, amongst other things, the Proceeds of Crime Act 2002, the Criminal Finances Act 2017, the Terrorism Act 2006 and the Money Laundering Regulations 2017. These place various obligations upon agencies, with one of the key requirements being to undertake Client Checks to verify the identities of their clients. For corporate clients these checks will need to be extended to enable us to identify the Ultimate Beneficial Owner and/or those who have ultimate executive control.

3. What information will you request and what checks will you need to do?

Parties representing themselves

Where you are representing yourself and:

- Wish to sell/let a property that you directly or jointly own;
- Are considering buying a property/letting from one of our selling customers
- Are seeking advice from us on a particular transaction

We will either carry out electronic client checks through Smartsearch UK or request photographic documentation confirming your identity and paperwork confirming your primary residential address. Where you wish to purchase through us, or where you want us to advise you on a particular transaction, we will also need information clarifying the origin of the funds being used to complete the transaction. If you currently reside outside the UK we may require further information from you.

Clients using Corporate Vehicles, Trust structures, Not for Profit Organisations and Investment Funds

The extent of information and checks undertaken on corporates, trusts, not for profit organisations and investment funds depends on the perceived money laundering risks associated with a given structure, jurisdictions used, or nature of business activity underpinning the entity.

For all cases, irrespective of the structure used, you will be required to provide information to enable us to evidence the identity of the individuals who ultimately benefit, or will benefit, from owning the asset. The business checks will be carried out electronically through Smartsearch UK, along with individual beneficial owner checks where necessary.

4. Can Dacre, Son & Hartley not rely on information provided to other professional advisors?

No. As Dacre, Son & Hartley is ultimately responsible in law for ensuring that the Dacre, Son & Hartley Client Checks have been undertaken properly and comprehensively we undertake our own checks. However, if you have already provided the documentation that we require to a third party professional adviser

(i.e. solicitors or banks), you can request that they forward this to us for use in our files. This does not mean that we will not ask you for further information, but it may save you replication of effort.

5. How will you use my information?

Your information will be used for the sole purpose of completing our Dacres, Son & Hartley Client Checks in order to meet our legal obligations. Your information will be held confidentially and will not be shared with any third parties outside of Dacre, Son & Hartley Ltd, unless we are required to in order to comply with a regulator or law enforcement authorities. In the event of an inspection/investigation by the regulator or law enforcement authorities, your information will only be shared if requested and to the extent we are obliged to provide it. Should you wish for us to provide the information that we hold about you to another third party acting on your behalf, or on the other side of a transaction, we would be pleased to do so following your written instruction.

6. Who regulates Estate Agents for the purposes of the Money Laundering Regulations 2017?

For the purposes of the Money Laundering Regulations 2017, estate agents are regulated by HM Revenue & Customs. Link to the HMRC is below;

<https://www.gov.uk/money/money-laundering-regulations>

7. Do I have to answer these questions?

Yes. In order for us to act on your behalf and provide our services, Dacre, Son & Hartley are obliged to ask these questions and obtain answers to these questions to meet our regulatory requirements. The questions we ask are inside the scope of the guidance provided by the regulators.

8. What happens if I do not answer the questions/ What happens if I do not give you the information/documentation you have requested?

Throughout the Dacres, Son & Hartley's Client Checks process, we may contact you to request additional information or further clarification if the information we have is incomplete or insufficient to meet our regulatory obligations. If a client ultimately fails to provide the necessary information, we will be unable to act on their behalf (or will be required to terminate an existing agreement if one is already in place), in order not to violate our legal obligations. In some instances a SAR (Suspicious Activity Report) may be lodged with the NCA (National Crime Agency) should we deem it necessary.

9. Do other Estate Agents request this information?

In order to comply with the Proceeds of Crime Act 2002, the Criminal Finances Act 2017, the Terrorism Act 2006 and the Money Laundering Regulations 2017, all agencies should complete comprehensive checks.

Without having adequate processes and procedures in place to check and confirm a client's provenance, as obliged to by the law, the agency is putting its reputation, its clients and the wider public at risk.

10. Do you ask all of your Dacre, Son & Hartley client's these questions?

Yes.

11. I feel some of the questions are intruding into my privacy, are you really allowed to ask me these questions?

Yes. The processes we have established are within the scope of the law and are proportionate to the guidelines set by the regulator. We complete them for every customer. We will never ask for more information than is required and all the information that you provide will be held in strict confidence and on a secure system.

12. You already asked these same questions last year. Why are you asking me them again?

We are legally required periodically to re-confirm the information we hold about our clients if we remain in an ongoing business relationship with them. The period of time that elapses between subsequent client check approvals is dependent on a number of perceived risk criteria.

13. Where can I learn more about the requirements?

www.gov.uk/topic/business-tax/money-launderingregulations
www.gov.uk/government/consultations/money-launderingregulations-2017
www.nationalcrimeagency.gov.uk/crime-threats/moneylaundering
www.rics.org/uk/upholding-professional-standards

14. What can I do to help with this process?

If you are an individual the process should be straightforward. We will be able to confirm the documentation that we require to enable us to complete our checks quickly; the basics are covered earlier in this document.

If you are using a corporate or trust structure, are a not for profit organisation or an investment fund, we have a dedicated team that can work with you to identify the information that we require from you to ensure that we meet our regulatory obligations.

15. May I see your Privacy Policy?

Yes. Please use the link below;

https://mr2.homeflow.co.uk/files/site_asset/image/3550/4002/GDPR_DSH_Privacy_policy.pdf?1527000498

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