

Land Registration (Amendment) Rules 2018

Post Implementation Review

April 2023

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Executive Summary

1. The Land Registration (Amendment) Rules 2018 (the 2018 Amendment Rules) govern registration of title to land and interests in land. They are essential to deliver a fully digitised land registration service as they amend the principal Land Registration Rules 2003. They allow HM Land Registry (HMLR) to offer more options in the use of its services and bring the principal rules into alignment with its business strategy.
2. There is a statutory requirement to review the regulations within five years of their coming into force, and every five years thereafter, and to publish a report of the review findings. The report must set out the objectives intended to be achieved, assess the extent to which those objectives have been achieved and assess whether they remain appropriate. This Post Implementation Review (PIR) is the evaluation tool that fulfils the statutory requirement.
3. HMLR was successful in realising some benefits to date because of the 2018 Amendment Rules. A key highlight was the ability to remove the last strict requirement for any paper in the land registration process and introduce a digital service for some re-mortgage applications. The 2018 Amendment Rules have also enabled HMLR to consider, research, design and start to implement a fully digital land registration process where applications can be completed instantly. HMLR also plans to use the rules to support future digital transformation work and further automation.
4. The 2018 Amendment Rules are deregulatory, as they remove some existing regulation and will prevent the need for additional regulatory activity in the future. They were changed to facilitate HMLR's strategic objective to drive innovation, continually improve processes via digital transformation and to reflect the modernisation of HMLR's operations and services.
5. The rule changes were not a fundamental overhaul of all land registration Rules. The changes are relatively narrow in focus and often reflected existing practice. By creating this space within the legislative framework, HMLR has been able to launch new services, processes, and system enhancements without the need for legislative change each time. They have also enabled a broadening of thinking about what services can be developed, leading to research into topics such as smart contracts as well as blockchain and tokenisation.
6. Since the 2018 Impact Assessment (IA) was published alongside the 2018 Amendment Rules, HMLR's organisational context and priorities have changed considerably, because of several factors including COVID-19 pandemic, market variation and operational demand. HMLR's current priorities are focused on reducing its backlog and automating all the steps in the application process to deliver an improved speed of service for its customers.
7. As a result, HMLR has not always made use of the amended Rules in the way it had envisaged in the IA, and this has made it difficult to make direct quantitative assessments of some of the original assumptions. This report provides qualitative comment of anticipated benefits where it has not been possible to quantify outcomes.
8. Overall, this report concludes, from proportionate monitoring, evaluation and stakeholder engagement, that the changes were necessary and appropriate. They are required to deliver better services for HMLR customers and to enable future plans for automation. Whilst the report acknowledges that the policy ambitions behind the Rule changes have not yet been realised to their full potential, they have enabled HMLR to embrace technological advances to deliver beneficial services. HMLR's ability to deliver through technological innovation would remain restricted without the Rules change.

9. The current regulatory arrangements should remain in place as they continue to support HMLR's strategic objectives and underpin its ability to deliver its Strategy 2022+¹. These measures will continue to enable HMLR to operate effectively and flexibly, allowing it to adapt to future operating demands without the need to legislate each time it launches a new service. HMLR will continue to work with its customers and stakeholders to build on the opportunities that the regulations enable and monitor the benefits they bring.

¹ The five pillars of HMLR's Strategy 22+ are: - 1) Providing secure and efficient land registration 2) Enabling property to be bought and sold digitally 3) Providing near real-time property information 4) Providing accessible digital register data 5) Leading research and accelerating change with property market partners

Background to Post Implementation Review (PIR)

10. In England and Wales more than 1 million residential and around 100 thousand commercial property transactions are completed each year. In 2021-2022 HMLR received over 38 million requests to access their services from customers.
11. Digital technology has not been as readily embraced by the property transaction market as it has in other sectors. The UK's current system of home buying and selling lacks the basic digital experiences that people expect from professional services in the 21st Century. Most parts of the transaction are paper-based, forms completed by hand, documents that need to be printed and signed, systems don't connect effectively between parties, and there is very little automation. The UN Economic Commission for Europe identifies² 'digital transformation' as the most significant opportunity facing land registries around the world.
12. In 2017 HMLR launched a government consultation³ setting out proposed changes to the Land Registration Rules 2003. These would future proof HMLR as an organisation and allow it to embrace technological innovation. The consultation received 49 responses which broadly supported the proposed changes. The Government confirmed its intention to proceed with the amendments to facilitate HMLR's strategic objective to drive innovation and continue its digital transformation programme.
13. The overarching policy initiative behind the changes was to allow the introduction of new digital alternatives to paper conveyancing and registration over time. The rule changes were future focused but also reflected how HMLR had modernised and simplified services.
14. The 2018 Amendment Rules allow for the gradual introduction of new digital conveyancing and registration services. They removed the need for rule changes for each new service and with it the slower implementation timeframes. The enabling powers allow HMLR to extend the benefits of digitisation to other conveyancing documents, not just mortgages (charges).
15. This PIR is required by Rule 7 of the Land Registration (Amendment) Rules 2018 (S.I. 2018/70). This report and associated PIR template evaluate the effectiveness of HMLR's actions and decisions now that the 2018 Amendment Rules have been operational for some time.
16. This document provides an overview of changes made to the Land Registration Rules 2003 in 2018 and the impact these have had. The amendments include: -
 - Changes made to the Land Registration Rules 2003 by the Land Registration (Amendment) Rules 2018 (SI 2018/70)
 - The revocation of the Land Registration (Proper Office) Order 2013 (SI 2013/1627)
 - The revocation of the Land Registration (Electronic Conveyancing) Rules 2008 (SI 2008/1750).
17. The report also briefly mentions changes made to the Land Registration Rules 2003 by the Land Registration (Amendment) Rules 2020 (SI 2020/425). These replace Rules 216 and 217 which had previously been updated by the 2018 Amendments.

² Scenario Study on Future Land Administration in the UNECE Region -November 2021 Scenario Study_E_0.pdf (unece.org)

³ [Proposals to amend the Land Registration Rules 2003 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/proposals-to-amend-the-land-registration-rules-2003)

18. Over 80 rule changes, additions or deletions were required to support the 7 proposals, each of which had a distinct policy intention as detailed below:

	Proposal	Policy Intention
A	Allow for the introduction of fully digital conveyancing documents with e-signatures to be used for land transactions and land registration and to revoke existing Rules allowing only limited digital mortgages	Removes the last strict requirement for any paper in the process and allows for the incremental introduction of new digital conveyancing and registration services, without rule changes for each new service.
B	Revoke the Proper Office Order and make consequential amendments to the Land Registration Rules 2003	The Order directed that applications must be delivered to certain offices of HMLR on a geographical basis, where the paper records were held. Due to digital processes, the Order was superfluous.
C	Allow for the introduction of new statutory services identified as beneficial to HMLR users through user research	To reap the benefits that digital services can bring, the Rules now allow for copying of parts of the register and documents, as well as historic information, using online services.
D	Reflect the modernisation and simplification of HMLR services through digital transformation	As most applications are made electronically with scanned documents, detailed provisions about the retention and return of paper documents were no longer required. Conveyancers can now make a full application immediately online, this meant Rules that protected the ordering of applications that were to be made by post were no longer required.
E	Allow for more flexibility as to when HMLR is open for business and open to the public	Amendments clarify the definition of "business day" as with increasing use of digital working, HMLR could be open for business for longer periods than the typical working days as defined in the principal Rules. The amendments also facilitate more rational arrangements for personal visits to HMLR offices by customers.
F	Make minor improvements in the Rules	To help customers by making applications simpler or registration requirements clearer.
G	Correct clerical errors and make updates	Provisions relating to execution of conveyancing documents by companies are amended to reflect changes made by the Companies Act 2006 and the Overseas Companies (Execution of Documents and Registration of Charges) Regulations 2009.

Review scope and approach

19. This PIR assesses the effectiveness of the 2018 Amendment Rules and the extent to which these policy objectives have been achieved. Using evidence from a variety of sources, the review addresses:
- The extent to which the 2018 Amendment Rules have achieved their objectives, as set out in the IA.
 - Whether the objectives are still appropriate and/or if they could be achieved in a less burdensome way.
 - Whether the types, and scale, of costs and benefits associated with the 2018 Amendments Rules were largely as expected and, if not, how they diverged from the estimates in the original IA.
 - Any significant unexpected consequences, positive or negative.
 - Refinements and improvements that could be made to enhance the benefits of 2018 amendments, reduce burdens on business, reduce other costs, and improve compliance.

Sources of Evidence

20. HMLR collects qualitative information via product managers, account managers and the regular dialogue the customer insight team has with HMLR's business customers, stakeholders and the Land Registry Advisory Council. Insight gleaned from these sources helps to set HMLR's business objectives and has fed into the findings in this report. HMLR also has well-established customer engagement platforms which allow regular dialogue to inform service improvements and new service development. Additional informal feedback provides an opportunity to review against the qualitative feedback.
21. In line with the Regulatory Policy Committee's (RPC) proportionality guidance, HMLR has taken a relatively light touch approach to data collection and stakeholder engagement. HMLR engaged at different times with the RPCs Secretariat to discuss the appropriateness of their approach to this report, particularly regarding proportionality and expected level of detail. HMLR followed their suggestions in terms of evidence and content which has helped make the PIR more insightful and robust.
22. Due to the range of ongoing insight and engagement, HMLR were unable to approach all customers and stakeholders as directly as they would have liked to formally research their feedback. A PIR survey⁴ was sent to 127 customers asking for feedback on the 2018 Amendments Rules. This was prepared by HMLR's senior social researcher to ensure questions were worded to elicit honest feedback. HMLR made the sample representative by identifying customers across various market sectors including lenders, conveyancers and intermediaries. 108 customers out of the 127 represented roughly 40% of substantive applications lodged with HMLR and are some of their higher volume lenders and intermediaries; the remainder 19 were selected to give a sample from smaller businesses.
23. HMLR received 10⁵ responses to the survey. As the survey responses were anonymous, it was not possible to ascertain more about the impact on different categories of businesses (e.g., small business and any geographical disparities), which is something that will be

⁴ See Annex B

⁵ The survey was anonymous, so we are unable to quantify the % of substantive applications they represent.

considered for the next round of consultation. The only information available about respondents is that they were from solicitor/conveyancing firms.

24. The responses were primarily positive, acknowledging benefits due to the Rule changes which included cost savings and increased security and reliability of document handling. Whilst there were no substantial criticisms to the PIR survey, requests for information (requisitions) were highlighted as an area customers would like to see improved. This is already an active area of work for HMLR. HMLR is working with customers to help drive down the number of requisitions they send, which cause delays in the registration process and can lead to cancellations.⁶ HMLR will continue to actively engage with customers to improve their overall experience of working with HMLR.
25. Considering the general high level of engagement HMLR ordinarily have with their customers and stakeholders, the scale of non-responses seems to suggest that there were no significant concerns to be raised within that group.
26. Taking the survey responses into consideration alongside regular informal dialogue with customers and stakeholders including regular customer satisfaction surveys, it seems likely that customers have adapted to the changes and that the changes are not causing any major difficulties. Survey responses can be found in Annex B.
27. HMLR also provides an ongoing and regular opportunity for feedback and engagement (over 8000 survey responses, gathered quarterly from a strategic sample of customers). There has been no discernible negative feedback here either.
28. HMLR have had recent and ongoing engagement with customers who use their Digital Mortgage service⁷. It provides the opportunity to discuss developments with the service. Customers are positive about using Digital Mortgage and the impact on homeowners who are remortgaging.

⁶ HMLR publishes guidance on requisitions and general advice on how to avoid requisitions. <https://www.gov.uk/guidance/hm-land-registry-requisitions>. Practice guide 50 also provides information of requisition and cancellation procedures.

⁷ Sign your mortgage deed is HMLR's Digital Mortgage service. Lenders and conveyancers can use the service to create and register legal mortgages of residential property for homeowners who are remortgaging. Homeowners who are remortgaging can use the service to sign their mortgage deed quickly and securely. <https://sign-your-mortgage-deed.landregistry.gov.uk/>

Have the 2018 amendments met their objectives?

29. The original IA highlighted that the intention was to use the 2018 Amendment Rules over time, to support continuous improvements in service delivery as HMLR moves to a more automated and joined up conveyancing system.
30. The 2018 Amendment Rules are relatively narrow in focus and often reflected existing practice. This section assesses how HMLR has used the 2018 Amendment Rules to address the policy intention set out in proposals A-G to date.

Proposal A: Allow for the introduction of fully digital conveyancing documents with e-signatures to be used for land transactions and land registration and to revoke existing Rules allowing only limited digital mortgages

31. The 2018 Amendment Rules have enabled HMLR to provide a more flexible offering of HMLR services and a reduction in paperwork. HMLR now accept electronically signed property transfers and mortgages, removing the last strict requirement for any paper in the process.
32. HMLR have been working with customers, stakeholders and others in government to set up a digital identity-checking standard for conveyancers that avoids the need to meet clients to take paper copies of documents. Conveyancers are working with HMLR on the adoption of the more secure, qualified electronic signatures (QES) and the development of a standard for digital property transfer and mortgage deeds.
33. Earlier legislation meant that new Rules were required each time a new service was developed to specify the type of transaction that can be carried out electronically and be regarded as deeds. HMLR followed this route with the Land Registration (Electronic Conveyancing) Rules 2008 which specified limited types of mortgages as transactions that can be carried out electronically. The majority of the 2008 Rules were revoked as the 2018 Amendment Rules now allow new services dealing with documents in electronic form to be introduced via publication of a notice by the Chief Land Registrar instead of via the legislative process. To date HMLR has issued 2 notices⁸.

Notice 1: Digital Mortgage (also known as sign your mortgage deed)

34. To coincide with the 2018 Amendment Rules coming into effect, HMLR issued its first Notice under the Rule change in April 2018. Notice 1 set out arrangements for the creation and registration of digital mortgages. It allowed one named conveyancing firm and one named mortgagee to take part in a limited private beta (pilot) of the service.
35. After registering the first Digital Mortgage in 2018 HMLR continued to test the service in a controlled environment before rolling it out more widely. In January 2019 the Notice was updated to widen the service to any customers meeting the conditions for the Digital Mortgage service. The service was launched by HMLR to reduce paperwork and delays when applying to register a re-mortgage.
36. There has since been a year-on-year increase in Digital Mortgage registrations as well as lenders and conveyancers signing up to the service. From only 2 lenders and 1 conveyancer

⁸ Under Rule 54C.

in 2018 HMLR now have 19 lenders⁹ and 7¹⁰ conveyancers, these represent approximately 80% of the re-mortgage market. Some of these are major lenders and conveyancers which give huge potential for future users of the service. This is particularly relevant in the context of facilitating digitisation in the property market.

37. The digital mortgage service is currently available for straightforward re-mortgages which include no change of ownership and no additional borrowing. As such the current acceptance of applications through HMLR's Digital Mortgage service accounts for less than 2% of all re-mortgages registered (that is over 20,000 digital applications per year). This is lower than the assumed take up figures published in the original impact assessment, which anticipated approximately 180,000 per year (44%).
38. Reasons for the lower take up include lack of market readiness as demand is driven by mortgage availability and customers must fulfil the lenders' criteria. There are also some lenders who have access to the Digital Mortgage Service but have not yet partnered with a conveyancer who is also signed up to the service. This helps to demonstrate that appetite for the service has not been exhausted but there are other factors outside HMLR's control regarding the take up. The COVID-19 pandemic was also a contributing factor to lower uptake as much of the industry was unable to operate at full capacity and other priorities emerged during that time. As lenders expand their offer of digital mortgage products it is likely uptake will accelerate. HMLR have also had to take a broader transformational approach beyond the focusing on the Digital Mortgage product to progress wider service development and digital functionality for their customers.
39. The Digital Mortgage service was also one of the first government services to use digital signatures and the very first service which moved away from the concept of a paper deed. It has been a useful sandbox for developing more complex future digital services and has stood as a proof of concept for customers who interact directly with data, meaning the 'normal' practice of using a physical deed or wet signature was removed.

Notice 2: Qualified Electronic Signatures (QES)

40. In September 2021 HMLR published a second Notice to allow for a private pilot¹¹ exercise that tests the use of Qualified Electronic Signatures (QES) and allows HMLR to explore the signing of deeds without the need for a witness to be present. This notice was updated in February 2022 to increase the scope of the pilot to include a wider range of transactions where a QES can be used and so enables more to be learnt from the pilot.
41. QES are recognised as the highest standard of electronic signature within the UK and European legislation on electronic identification and trust services (known as eIDAS).
42. QES differ from other e-signatures and provide an easier service because it does not require witnesses. QES are also an example of how the enabling policy intention has led to changes in land registration practices that benefit from technological advances beyond those identified in the original IA.

⁹ Lenders include, Coventry Building Society, The Mortgage Works (UK) plc, National Westminster Bank Plc, Clydesdale Bank PLC, The Royal Bank of Scotland plc, Yorkshire Bank Home Loans Limited, HSBC UK Bank plc, Nationwide Building Society, The Co-operative Bank p.l.c. (trading as Platform), Barclays Bank UK PLC, Godiva Mortgages Limited, TSB Bank plc, Santander UK Plc, Clydesdale Bank PLC (trading at Virgin Money), Leeds Building Society, Halifax division, Lloyds Bank plc, Bank of Scotland plc, Birmingham Midshires division.

¹⁰ Conveyancers include, Enact, Hugh James, ONP, LMS, Optima, Solex, Knights (formerly Shulmans) .

¹¹ The pilot deals with documents in electronic form that purport to effect transfers and legal charges of registered estates.

43. QES also offers a more robust identification of a signatory. Existing forms of identity verification checks may require manual processes and physical meetings to deal with paper documents and are reliant on the skill and attention to detail of the person doing the checking. By contrast, digital identify verification as used in QES, uses cryptographic and biometric checks, is multi-layered with detailed technical specifications; the checks carried out are more sophisticated and robust and create additional barriers to fraudsters. The increased security around property transactions as a result of these more robust checks should have the effect of reducing the number of fraudulent transactions which make their way on to the register, in turn reducing HMLR's exposure to liability in terms of the number and value of claims made against the indemnity fund as a result of fraud.
44. The pilot is in its early stages and is a crucial learning process towards digital conveyancing. QES are not currently a mass market product within the UK and the pilot will look to encourage and test the use of QES with other firms across residential and commercial transactions. HMLR are also engaging with Registers of Scotland to discuss the respective approaches to practice and policy on QES. Sharing insights is helping to shape both registries' approach to testing and promoting the use of QES in transactions across both property markets.
45. The conveyancing industry can take time to adjust to modernisation, however, the industry's accelerated adoption of electronic signatures during the COVID-19 pandemic demonstrated a potential for adaptability in the market when it is required and there are visible benefits. HMLR will continue to promote the benefits of QES to encourage the market to support their wider adoption
46. HMLRs proactive approach to QES has been commended¹² by the expert Industry Working Group on Electronic Execution of Documents ("The IWG"). The IWG is an independent working group established by the Ministry of Justice (MOJ) following a recommendation from the Law Commission. The IWG provides best practice guidelines for the electronic execution of documents, with a view to improving standards, reliability, and security. HMLR are, therefore, continuing to consider how it may accept the registration of electronic documents signed using QES and to develop processes to automate the checking of their validity in HMLR application services.

Industry Working Group on Electronic Execution of Documents

"The Working Group considers that 'the approach of HMLR to the use of QES matches its own views as to the extra assurance provided by this level of eSignature. Further, it also seems to align with the views of the Group that witnessing of deeds is no longer strictly necessary and ought to be reviewed at the earliest opportunity.'"

Proposal B: Revoke the Proper Office Order and make consequential amendments to the Land Registration Rules 2003

47. HMLRs register is now held in digital form, as such The Proper Office Order which required that applications were lodged at the specific HMLR office that held the paper records for that geographical area was superfluous. The order could only be revoked by another statutory instrument and the 2018 Amendment Rules where the legal mechanism used to achieve this. HMLR are satisfied that the objectives have been met.

¹² [Industry Working Group on eSignatures interim Report - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/107442/industry_working_group_on_e_signatures_interim_report.pdf) February 2022.

Proposal C: Allow for the introduction of new statutory services identified as beneficial to HMLR users through user research

48. Previously some statutory services were limited, for example, the inspection and copying of documents, and historic information. The earlier Rules were drafted when making a paper copy of part of a register or document was a time-consuming, manual process. The 2018 Amendment Rules now allow for copying of parts of the register and documents, and historic information, using online services.
49. Customer research had suggested that customers would like to inspect and copy parts of the register and use a digital service to enable them to obtain information regarding the history of the register of a particular title. The 2018 Amendment Rules allow for the possible introduction of these services via HMLR's digital platforms.
50. Whilst HMLR are yet to use the 2018 Rule Amendments to launch a new service, the legislative change underpinned the launch of HMLR's Search for Land and Property Information service¹³ which is aimed at members of the public and small businesses. The service presents sometimes complex register information in a more user-friendly format than its predecessor and the service receives 1.8 million requests a year. As such HMLR now have digital platforms that could support new services when they decide it is appropriate to introduce them.

Proposal D: Reflect the modernisation and simplification of HMLR services through digital transformation

51. Whilst HMLR has been moving towards fully digital applications and away from paper-based electronic applications, most applications to HMLR are still made electronically with scanned documents. When paper documents are sent, customers are encouraged to retain the original documents and send certified copies with their applications. HMLR no longer asks for original paper documents with most applications and as such the Rules were amended or revoked as appropriate to reflect current practice.
52. The earlier Rules that contained detailed provisions about the retention and return of paper documents were no longer required. HMLR now retains the electronic copies of documents and uses them to issue official copies.
53. The digital system has created the ability for Conveyancers to make a full application immediately online, giving the application full priority¹⁴ protection. The need to make an outline application electronically, to protect the priority of a full application that was to be made by post within the following four days, was rendered obsolete and therefore revoked.

Proposal E: Allow for more flexibility as to when HMLR is open for business and open to the public

54. The increasing use of digital working including the automatic processing of applications has meant that HMLR may operate outside traditional working hours. The earlier Rules had stated that HMLR should be 'open to the public' daily except at weekends, bank/public holidays, days specified by the Secretary of State or interrupted days. In a world that is more digital, customer interaction in person is not always required.

¹³ [Search for land and property information - GOV.UK \(www.gov.uk\)](https://www.gov.uk/search-for-land-and-property-information)

¹⁴ To protect the priority of an application that could not otherwise be protected by applying for an official search of the register with priority.

55. The 2018 Amendment Rules provided clarity in confirming that HMLR had flexibility to make appropriate arrangements. They changed the language to explain that HMLR shall be 'open for business' daily except at weekends, bank/public holidays, days specified by the Secretary of State or interrupted days and inserted a new Rule¹⁵ that allows the registrar to make such arrangements as he sees fit for public attendance by members of the public for the purpose of HMLR business.
56. Unexpectedly the COVID-19 pandemic led to the closure of HMLR offices for personal visits and interim solutions were put in place. The flexibility provided by the Rule changes facilitated HMLR's response to the pandemic and the change in customer behaviour.
57. The Rule changes also clarified that a business day was a day on which HM Land Registry was open for business and gave the registrar the power to declare additional days to be business days and allowed other Rules to be simplified. Prior to the Rule change, business days were used to calculate priority periods, notice periods and the amount of time a customer had to reply to a request for information. All of which are very important because they provide specific dates when action needs to be taken by the customer or will be taken by HMLR. Clarity in understanding what was and was not a business day is therefore important to customers.
58. A need for further change was identified in 2020. The Land Registration (Amendment) Rules 2020 (SI 2020/425) made further amendments to the Land Registration Rules meaning that the Chief Land Registrar has the power to certify a day as an "interrupted working day". Previously the Registrar was only able to do this for business days. The amendment was required to ensure that customers would not be prejudiced if HMLR temporarily had to cease operations during a crisis.

Proposals F and G: Make minor improvements in the rules, correct clerical errors and make updates.

59. The 2018 Amendment Rules make applications simpler and registration requirements clearer. Customers were sometimes confused by which of two application forms to use when applying to register certain easements (rights). If the wrong form was used their application could be rejected and a new application required which could prejudice their priority. The 2018 Amendment Rules now allow for either form to be used.
60. The Rules also now allow for changes by the registrar to add or update details of organisations with statutory powers of investigation or enforcement, which entitle them to confidential access to HMLR information. So far this has enabled four applicants from other public sector organisations to access HMLR's statutory information services without the associated delay or prejudice to investigations of waiting for land registration legislation to reflect the creation, powers or renaming of a specific organisation.
61. The 2018 Amendment Rules have also introduced two standard restrictions¹⁶ to address mental incapacity of the proprietor. The benefits of being able to apply for a standard form restriction are (a) acceptability to the registrar and (b) a lower application fee, which mean time and cost savings for the customer. The restrictions have been used 1669 times between 2018 and 2021¹⁷.

¹⁵ Rule 216(9)

¹⁶ A restriction is an entry in the register that prevents or regulates the making of an entry in the register in respect of any disposition or a disposition of a specified kind (section 40(1) of the Land Registration Act 2002)

¹⁷ 2022 data was unavailable at the time of publication.

Are the measures set out in the 2018 Amendment Rules fit for purpose?

62. This section reviews the provisions in the legislation and assesses whether the changes introduced by the 2018 Amendment Rules continue to be appropriate and fit for purpose.

Proposal A: Allow for the introduction of fully digital conveyancing documents with e-signatures to be used for land transactions and land registration and to revoke existing Rules allowing only limited digital mortgages

63. The 2018 Amendment Rules have been used to support this proposal¹⁸. The legislative space that has been created now allows HMLR to flexibly introduce other digital conveyancing documents, including more complex mortgages and digital transfers.
64. Earlier Rules required further legislation to enable digital services. As such the 2018 Amendment Rules are an enabler for future services. New services need to be implemented by means of Notices issued by the Chief Land Registrar. HMLR have done this for straightforward re-mortgaging through HMLR's Digital Mortgage Service and again for the QES pilot.
65. As evidenced above, legislation of some form was required to allow HMLR to roll out more digital services. The revocation of the Land Registration (Electronic Conveyancing) Rules 2008 (SI 2008/1750) was required because it was too narrow in focus and would have hindered technological innovation.
66. Whilst HMLR has chosen QES as the form of signature to test, the Rules could also allow for the use of other forms of digital signature without the need for a witness.
67. These Rules have allowed HMLR to provide additional optional services for their customers and provide a mechanism that continues to allow them to develop services that are fully digital and connect easily with other services. HMLR are satisfied that the 2018 Amendment Rules are fit for purpose.

Proposal B: Revoke the Proper Office Order and make consequential amendments to the Land Registration Rules 2003

68. The revocation of the Land Registration (Proper Office) Order 2013 (SI 2013/1627) and consequential amendments to the Rules remain relevant.
69. The Land Registration (Proper Office) Order 2013 was needed to evenly distribute paper applications for registration, when paper records were held at different HMLR offices. The revocation removed the requirement to submit a specified application type at a specific office. As HMLR's register is now held in digital form it reflects steps already taken by HMLR to make the delivery of applications simpler, both by post and electronically. Applications that are sent

¹⁸ The legal explanation is:- The creation or transfer of a legal estate requires a deed. Certain formalities for execution of deeds, including witnessing, are required under statute. However, section 91 Land Registration Act 2002 allows for a digital document that does not meet the criteria for being a deed, to take effect as if it is a deed – subject to certain conditions. Rule 54C as per the 2018 Amendments allows HMLR to prescribe conditions in a flexible way.

in paper now go to a single address for scanning and electronic distribution.

70. This has benefited customers who now have an easier more immediate way to submit applications and it removed the burden of identifying what office a particular application must be submitted to. It has also allowed HMLR to process applications and allocate resources more efficiently as applications can now be allocated for processing to staff in any HMLR office.
71. The revocation of the order reduced regulatory burden. As the revocation is still appropriate, HMLR are satisfied that no further amendments are considered necessary.

Proposal C: Allow for the introduction of new statutory services identified as beneficial to HMLR users through user research

72. When the principal Rules were originally drafted, providing copies (official or otherwise) of part of the register was a time-consuming process, however the introduction of digital processing and services made it much easier for HMLR to consider offering this service.
73. User research conducted amongst customers of HMLR's Find Property Information service¹⁹, indicated that 86% of those surveyed felt that the Rules should provide for an online service to allow customers to easily inspect and obtain official copies of parts of the register or documents held by the registrar.
74. In a similar vein, customer research connected to the Find Property Information service suggested that customers would also like a digital service to enable them to obtain information regarding the history of the register of a particular title - essentially a history of applications previously entered on the Day List²⁰. In addition, customers wanted a digital solution to allow them to easily obtain historic editions of the register. Prior to the Rule change historic Day List Information was not available, and historic editions of the register could only be obtained via a paper application. The Rule change allowed for the possible introduction of these services via HMLR's digital channels.
75. As highlighted in the Government response to the consultation there were no immediate plans to build these services. HMLR proceeded with the amendments so that the services can be built when resources allow. This is not a current priority for HMLR, but the 2018 Amendment Rules allow them to review this position when time and resources allow.
76. These 2018 Amendment Rules allow HMLR to provide additional services without the need for secondary legislation with its associated costs/delays. They allow HMLR to digitise the most useful register information for their customers and prioritise register digitisation to support a sustainable, data-driven economy. They also allow HMLR to make their data more findable, accessible, interoperable, and reusable and as such HMLR believe that they are still relevant and will prevent regulatory burden in the future. As such the Rules remain fit for purpose.

Proposal D: Reflect the modernisation and simplification of HMLR services through digital transformation

77. This proposal reflected HMLR practice of no longer asking for original paper documents with most applications. Detailed Rules about retention and return of documents were no longer

¹⁹ This service predated the current 'search for land and property' service.

²⁰ The Day List contains pending applications that have been lodged at HMLR and are in the process of registration.

required. Consequential amendments were then required to remove reference to the revoked Rules.

78. Mailed packs of documents which could include multiple pages which can be lost or misplaced have the potential to be removed from the property process with the use of electronic documents and signatures and also digital deeds and signatures.
79. This proposal also removed the Rule that allowed an applicant to submit an outline application or an oral outline application by attending an office personally ahead of the full application to protect their priority position on the day list. As customers can now make full applications online this process is obsolete. In any case the outline application can only protect a right or interest that already exists and could never apply retrospectively. HMLR are not aware of any complaints surrounding this change.
80. The earlier Rules allowed for applications (and objections) to be made by telephone and fax. The telephone service was withdrawn in 2012 due to falling use and HMLR no longer has the facilities to send or receive fax for general registration²¹. This has been superseded by the ability to make immediate online applications.
81. There remain other options available for submitting applications digitally, online or in paper by post.
82. No further amendments are considered necessary and as such the Rules are considered fit for purpose.

Proposal E: Allow for more flexibility as to when HMLR is open for business and open to the public

83. This amendment facilitated more rational arrangements for personal visits to HMLR offices and clarified the definition of “business day”.
84. Following a review of HMLRs ‘in person’ service, a policy decision was made not to reopen the Customer Information Centres (CICs) following their closure in March 2020 due to the COVID-19 pandemic. The services for which many customers visited HMLR offices can now be delivered through alternative, more inclusive, channels negating the need for customers to travel long distances. A large proportion of personal visits were for ID verification checks when there was no conveyancer acting. Alternative arrangements for ID verification have made it easier for most customers as their identity can now be verified by a much wider range of people via a video call. The “in person” element of the service was also not fair to customers in geographical areas where HMLR do not have any offices²².
85. HMLR records indicate that they received 22 complaints from Dec 2021 to Jul 2022 relating to CICs not being open, the majority of which were not upheld. HMLR will continue to offer in-person appointments in limited circumstances which also support their statutory and Equality Act 2010 obligations. Servicing ID verification through the new arrangements will also create savings to HMLR as resources can be directed to other priority work.
86. Increasing use of digital working, including the automatic processing of some applications, meant that HMLR could be open for business for longer periods than working days as defined

²¹ There remains a facility to lodge Land Charges applications by fax, but this facility has not been used for more than three years and as such demonstrates that the fax requirement is generally obsolete. Land Charge applications are not affected by the 2018 Rules.

²² Prior to the Rules changes there had been several HMLR office closures and therefore less regional footprint for personal visits by customers.

in the Rules. The change was intended to give HMLR the flexibility to open for business on non-working days. At the same time, to avoid customers being disadvantageded by a change in business days, various Rules were changed so that the priority period given by a search (for an application to be lodged) and the time periods by which customers had to reply to correspondence or notices sent by HMLR would be calculated by reference to working days rather than business days. This has been a technical change, and to date no change has been made to the days on which HMLR is open for business.

87. The report also notes the Land Registration (Amendment) Rules 2020 (SI 2020/425) meaning that the Chief Land Registrar could certify a day as an “interrupted working day”. Previously the registrar could only do this for business days. The power to declare an interrupted working or business day has not needed to be exercised. However, the amendments remain a necessary precautionary measure in case of unforeseeable events where HMLR services may be interrupted.
88. Whilst the Rules under this proposal are considered fit for purpose, it is acknowledged that the provisions for interrupted, working and business days are now complex, and they might benefit from simplification in the future. HMLR is not aware that this has caused any difficulties for its customers but will consider whether, at a future point, the references to business days and working days in the Rules should be simplified.

Proposal F: Make minor improvements in the Rules

89. The Rules under this proposal are considered fit for purpose. They have made minor improvements to help customers with their applications and added new categories of person who may have sufficient interest to apply for a restriction. They also allow additional or renamed organisations with statutory investigation or enforcement powers access to HMLR statutory confidential information services without the delays of a full rule change.
90. HMLR data suggests high take-up of the two new forms of standard restriction which address mental incapacity of the proprietor. These restrictions provide an estimated cost saving for customers of around 44.5% against the fee for the previous non-standard restriction and as such HMLR are content the Rules support their customers’ needs.
91. Four public sector applicants have gained access to HMLR statutory information services more quickly than would have been possible previously.
92. Whilst HMLR consider the Rules themselves fit for purpose; they continue to revise external practice guidance to help customers.

Proposal G: Correct clerical errors and make updates

93. This clarified that applications to search the index of proprietors' names (IOPN) are not included in the Day List of pending applications.
94. It also provided for 6 necessary corrections, 1 improvement to a form to help indicate to applicants what evidence they need to submit and 1 update as it was no longer necessary to register at Companies House certain financial charges created by certain overseas companies.
95. No further amendments are considered necessary, and the Rules are considered fit for purpose.

Costs and benefits

96. This section considers the costs and benefits of the 2018 Amendment Rules.
97. Organisational priorities and market factors have had a significant impact on the delivery of the original policy intentions. HMLR has had to ensure that its digital transformation aligns to the needs of its customers and has had to work closely with them to ensure that they are ready to transform alongside. Transformation has taken place at a slower pace than envisaged in the original IA leading to reduced benefits and costs over the five-year period.
98. The original IA focused heavily on the Digital Mortgage product. As explained earlier this service has a much lower take up than originally assumed so it has not been possible to compare all the costs and benefits directly with the assumptions made in the original IA. However, there is evidence to suggest that the expected benefits outlined in the original IA have been met, just on a smaller scale.
99. The overarching benefits and costs covered in the original IA and the assessment of the current position as part of this PIR are outlined below:-

Benefits:

- Efficiencies for conveyancers
- Time saved for lenders/conveyancers - fewer chase up enquiries to conveyancers
- Fewer documents lost between conveyancers and borrowers
- Fewer requests for information (requisitions) raised by HMLR as many customer errors are “designed out” of the application process
- Potentially fewer cases of fraud

Costs:

- Familiarisation
- Programming costs.

Efficiencies for conveyancers

100. HMLR's experience with Digital Mortgage confirms that a fully automated service can provide considerably faster processing times for customers. Some customers have been able to complete the re-mortgage process in 3 days, 18 days less than the average for a paper transaction.
101. The processes that the 2018 Amendment Rules enable also facilitate the reduction of the administrative burden on lenders, and conveyancers acting on their behalf, by providing savings in time and resource because of the removal of face-to-face signatures. The feedback from Digital Mortgage customers has been positive and HMLR have not received any feedback that things have worsened because of the 2018 Amendment Rules.

Customer feedback on the Digital Mortgage service

“The Sign your Mortgage deed journey works very effectively and has resulted in quicker re-mortgage completions, registrations and fewer requisitions. The automation of registration works particularly well, meaning a registration can potentially be returned within an hour. Having worked with the digital deed process since inception, it is so rewarding to see the benefits for ourselves and for our clients. The customer journey has improved and feedback is positive” Jenny Ratcliffe - www.enact.co.uk.

Time saved for lenders / conveyancers

102. The original IA estimated processing time savings for conveyancers would be £40,800 based on an uptake of 20,000 cases in the first year and an assumed 5 minutes time saving per case. It further estimated that members of the public would save £43,900 based on an uptake of 20,000 cases in the first year and an assumed 15 minutes time saving per case. The annual total cost savings were expected to grow in line with increased uptake of Digital Mortgages.
103. More recently, HMLR economists calculated that Digital Mortgage saves conveyancers £4.40 per application and borrowers £3.30 per application which reflects a time saving of 15 minutes allowing time to be spent on other legal work.²³
104. As the borrowers and lenders relationship is interdependent for each Digital Mortgage application, by multiplying the joint cost saving by the 20,000 Digital Mortgage applications registered per year it equals an overall saving of approximately £150k per year. Converted back to 2017 prices (using the standard CPIH measure of inflation) the total saving would be around £128k per year, i.e. higher than the £85.7k saving calculated in the original IA based on a take-up of 20,000 cases.
105. This demonstrates that cost savings per case are higher than estimated in the IA but there have been fewer total cost savings over the period due to take up being lower than expected.
106. As the volume of applications processed through the Digital Mortgage service increase so will these benefits. HMLR expect to deliver similar benefits for other types of casework, such as transfers or leases particularly as HMLR expands automation to other areas of a land registration.

Fewer documents lost between conveyancers and borrowers

107. The benefit is that the end-to-end digital process removes the requirement for delivery of physical documents. It removes the risk of lost documents in its entirety.
108. An additional benefit is the issue of documents being lost within HMLR. If paper documents were not lodged at HMLR then these could not be lost. For example, last year alone, six maladministration payments relating to lost documents were paid by HMLR at a total value of £1,875. If the deeds had been in an electronic format, the claims would not have arisen.

²³ Source: HMLR internal calculation. To note that it was deemed proportionate to provide a guesstimate on these savings, which is only informally confirmed by evidence. The key point here is that DM allows for time savings for both sides and this has a positive impact on society.

Fewer requests for information (requisitions) raised by HMLR

109. HMLR frequently need to go back to applicants to seek to correct a mistake or ask for missing information (known as raising a request for information or ‘requisition’). In general, HMLR sends around 1 million requisitions a year. These stop just over 1 in 5 applications being processed first time and are costly for both HMLR and their customers²⁴.
110. The original IA assumed that one of the advantages of a fully electronic system is that it can be designed to prevent a number of common errors so they can be resolved before submission of the application to HMLR. Evidence shows there has been a decrease of up to 300 requisitions²⁵ per month for digital mortgage customers compared to other applications to register mortgages. Requests for information pause the applications and mean further manual intervention is required by HMLR and the conveyancer. Time saving estimates could amount to savings of approximately £35,000 per year for HMLRs current customers²⁶, freeing up time which could be spent on other work. This also amounts to a saving for HMLR in terms of resources saved.
111. If Digital Mortgage take up increases, the potential savings are significant. If all paper mortgage registrations had been digital, the savings from decreased requests for information would be about £1.5 million per year for customers, plus the HMLR resource savings.
112. Fewer requests for information speed up the end-to-end process. As a decision is made more quickly it places the lender’s interest on the register quicker than a paper application or a digital application that requires manual intervention, making the overall transaction more efficient.

Potentially fewer cases of fraud

113. HMLR is not aware of any reported fraudulent applications submitted using the Digital Mortgage service.
114. HMLR have also worked closely with the Government Digital Service (GDS) to ensure the right person is signing the deed by using their government identity assurance service. By working with GDS, HMLR have been able to ensure that a borrower can easily progress from verifying their identity to digitally signing their mortgage deed. Enabling customers to verify their identity and to use government services supports wider government strategic aims and HMLR will continue to work with GDS as they roll out their new single sign on and identity solution.
115. It has not been possible to quantify how much this change in legislation has improved HMLRs effectiveness in preventing fraud, though it is believed to have made it more difficult. This is because the number of cases of fraud in the property market is small. In the 2020 to 2021 financial year £5.7m (including HMLR legal costs) paid out against 598 claims for victims of fraud or error²⁷ and there is often a delay of some years between a fraudulent change to the register and the discovery of the fraud it enables. This is in the context of £260 billion worth of

²⁴ Based on assumptions taken from HMLR caseworker insight it is considered that raising, issuing and servicing requests for information involves HMLR caseworker time. In terms of staff cost, this amounts to a range of between £2.3 and £3.2 million per year. Please note this is total requests for information relating to all application types.

²⁵ Source: HMLR internal data.

²⁶ We have previously calculated the average cost of a requisition to a customer at £10.57 per requisition. To calculate the yearly savings, we have multiplied this unit cost by the monthly volume (up to 300) and multiplied by 12.

²⁷ The Land Registration Act 2002 places a legal liability on HMLR to indemnify for losses resulting from errors or omissions on the register of title. This includes errors resulting from frauds perpetrated by third parties. Note this applies to England and Wales only.

property transactions taking place in the UK over the same time. For these reasons HMLR do not have clear data on the numbers of frauds perpetrated before and after the changes.

Unplanned Benefits

116. **Accessibility of service during the COVID-19 pandemic.** E-Signatures enabled transactions to continue when other services ceased. Speed of service was also maintained for automated Digital Mortgages. Over 20% of Digital Mortgage applications during the COVID-19 pandemic were automated end to end and had no manual intervention. Had this service not been available HMLRs speed of service targets would have been missed and applications added to the backlog. In general, a key benefit of automation (as enabled by the changes described here) is that HMLR can be more resilient to varying market conditions, and so deliver a smoother service for the market as a whole.
117. **Research and Development.** Digital Mortgage has been a testbed for services of the future. Without the lessons from Digital Mortgage, HMLR would not have been able to respond swiftly to developments in signature policy needed during the COVID-19 pandemic. For example, in July 2020 HMLR permitted the signing of documents, including deeds, using electronic signatures, which had not previously been possible outside of the Digital Mortgage service. This practice is still in force today. Whilst HMLR did not need the new Rules to facilitate that, the lessons learned from Digital Mortgage around digital signatures, their forms and uses, helped inform the development of that policy.
118. HMLR have workshopped ideas and believe there are no negative unintended consequences because of the 2018 Rule Amendments. To support this assumption the survey results did not highlight anything new.

Costs and benefits going forward

119. It remains difficult to provide estimates of the potential impact of the introduction of other digital conveyancing documents. The original IA highlighted that it was not possible to assess the impact of all new digital conveyancing documents and their registration. Although the Digital Mortgage service is operational much is still unknown about how the market will respond to future transaction types.
120. Whilst Digital Mortgage has shown that the industry can be conservative in adopting modernised practises, momentum is building, and HMLR expect a shift in approach towards digital conveyancing and future automation. The industry has demonstrated its ability to adopt more modern practices during the COVID-19 pandemic.
121. HMLR's 3 core transaction types are:
- Discharge (the removal from the register of entries relating to a mortgage)
 - Transfer (the transfer of the ownership of legal title to land)
 - Charge (a mortgage against a property which secures the money advanced by a lender).
122. HMLR's 3 core transaction types; Discharge, Transfer and Charge make up 55% of all manual applications. If the Rules change is used to enable the end-to-end automation of these, savings will be significantly more than for Digital Mortgage with simple re-mortgages.
123. Other new digital deeds will also require familiarisation and will incur build costs, but it is not yet possible to realistically predict when and what those costs will be. As the process is likely

to be more complex the assumption is that the familiarisation and build costs will be higher.

124. It is also assumed that the benefits realised will increase beyond those for the current Digital Mortgage service due to a higher volume (over 55%) of applications being fully digital and automated.

125. Customers will also need to factor in external costs from third party service providers used in the service delivery process, for example costs for using external e-signature and identity verification platforms.

126. HMLR will continue to engage closely with their customers to identify costs and benefits as they roll out future services.

Next Steps

127.HMLR's vision for the future is set out in HMLRs Strategy 2022+. The aim is to enable a world leading property market as part of a thriving economy and sustainable future. This includes HMLR providing a secure and efficient land registration service whilst enabling property to be bought and sold digitally. HMLR want customers to receive an outstanding fully digital service, where property transactions are near frictionless, more user friendly and secure. HMLRs goal is to have a fully digital Land Register that is integrated within a fully digital conveyancing system.

128.Through business planning HMLR will draw out the public commitments made in their Business Strategy 2022+ and explain how HMLR will prioritise and coordinate improvements to its digital transformation journey. This work is complex and needs to sensitively account for external market factors and work with industry over time. This will be done through HMLRs published Business Plans and they will report progress through their Annual Reports.

The future: Digital by default

129.HMLRs experience building the Digital Mortgage service has helped to inform the direction of further services relating to electronic documents and e-signatures. The space in which to create new services has been enabled because of the 2018 Amendment Rules and it appears that customers and stakeholders are increasingly ready to embrace digital technology. The new technology is filtering through HMLR and they are confident in the benefits it can bring the property transaction market.

130.In the 2021 to 2022 financial year only 8% of applications to change or add to the register came in by post. However, the majority of the remaining 92% came in electronically rather than via fully digital channels. A key change to this trajectory is that from April 2022 to January 2023 applications submitted through the electronic system²⁸ have decreased by 83%²⁹ and those submitted via the Digital Registration Service (DRS) have increased by 317%.³⁰ This pattern in customer behaviour helps to demonstrate the importance of providing secure fully digital services for HMLRs customers. On the 30 November 2022 HMLR became "Digital by Default" meaning DRS is now the first port of call for application submission for almost all applications being submitted.

131.HMLR are transforming land registration processes so they are digital and can be connected to customers' systems. All services supporting the sale and purchase of property will be delivered through online portals or a direct system-to-system connection. HMLR also want to increase the ease of access to these services, for example through mobile apps.

132.HMLR will continue to review practice and process requirements to promote more digital and secure ways of transacting land.

²⁸ When documents are scanned and submitted electronically.

²⁹ This represents a decrease in applications submitted per month from 126,345 in April 2022 to 21,643 in January 2023.

³⁰ This represents an increase in applications submitted per month from 36,107 in April 2022 to 150,655 in January 2023.

Automation

133. The regulatory changes touched on in this report are also an enabler to automation, allowing applications to be processed without manual intervention. Digital Mortgage is only one part of a fully digital land registration service. It has been the first part of testing automation and is the foundation of being able to automate other applications in the future. Automation is now at the heart of HMLR's plans to develop efficient and resilient land registry services, as set out in their Strategy 2022+.
134. A current HMLR focus is improving speed of service through end-to-end automation of their processes. End-to-end digital automated conveyancing relies on enabling digital dispositions³¹ of registered land to take effect as if they were deeds. Without digital dispositions, the benefits of technological innovation and automation will be limited which is why the introduction of digital services for their customers is a priority.
135. Enabling digital application processing does not itself rely on all the 2018 Amendments, but other services such as HMLR's Digital Registration Service (DRS)³² will have limited value in transforming the conveyancing process if the dispositions cannot be effected by digital means.
136. There are plans to increase the number of mortgages automated by HMLR through the Digital Mortgage service. This is likely to be done by widening the suitability Rules so more people can apply through the service and amending business Rules which will allow the end-to-end automation of more applications. As Digital Mortgage has been a new area of policy and service development, HMLR have steadily progressed the service through continuous improvement to ensure that the service remains secure and meets the needs of their customers. An internal policy decision is due to be made on this, but calculations show that customers using the Digital Mortgage service might benefit by seeing over 60% of Digital Mortgages utilising end to end automation compared with the current rate of just over 20%. This would support customers by delivering a quicker speed of service for more applications and deliver more of the benefits set out above.

E-Signatures and Identity Verification

137. HMLR will continue to work with GDS to develop digital ID alternatives that can be accessed by customers in support of paper and digital applications. HMLR have already formed a private beta partnership with GDS to integrate with their new verification offering. HMLR have also been collaborating with tech providers to explain HMLR's Digital ID standard and push for more affordable options tailored for conveyancers.
138. The use of digital signatures, whether through using Digital Mortgage or via HMLR's new standards, is more cost efficient, sustainable, user-friendly and more secure. They will therefore form an important part of HMLR's strategic goals and commitments.
139. Where digital signatures are used, HMLR can have strong assurance in the identity of the signatory and the integrity of the signature, reducing the need for manual, operational checks of deeds. This reduces the time taken to review an application and increase speed of service in line with other strategic initiatives.

³¹ Further details on what a disposition is can be found here: - [Identifying an application caught by a restriction - Practice Guidance \(lr.net\)](#)

³² Digital Registration Service (DRS) is HMLR's default route for most applications lodged electronically by business customers from November 2022. Customers can choose to use HMLR services through the free online portal, or to connect via APIs with services via third party software suppliers.

140.HMLR's Digital Mortgage service used GDS's Verify as the platform to facilitate e-signatures. Verify is being decommissioned and work is progressing with GDS to ensure design thinking and digital service delivery, including Digital Mortgage, is aligned to their GOV.UK One Login solution and the standard of verification is optimal.

Collaboration

141.The past 5 years have shown that there is significant benefit in embedding collaborative working across sectoral boundaries. HMLR have well established mechanisms in place to build future plans together with their customers and key stakeholders. HMLR will continue to build on these in the future.

142.HMLR will drive innovation by working with the property sector to encourage awareness and adoption of digital technology. HMLR will develop services that are fully digital and connect easily with other services in the property sector and promote a secure and inclusive digital system of conveyancing. This will make the process of buying and selling property easier.

143.To support conveyancers' needs, HMLR will explore their priorities for data digitisation, such as the potential for online guaranteed index map searches and a means of drawing new title plans using shared base data.

144.HMLR will continue to work across Government to ensure the delivery of the best service for customers and work with other UK Registries to drive and encourage demand across the property sector.

145.Creating a digital property market will enable faster transactions and unlock the potential for all segments of the market to radically transform for the benefit of businesses and the consumer. HMLR will continue to plan through proportionate research and analysis with customers and stakeholders.

Conclusion

146. The 2018 Amendment Rules have provided an important enabling foundation to deliver a fully digitised land registration service. They continue to be relevant as the legislation underpins HMLR's approach to automating and digitising work. Future plans for a fully automated land registration service have been inspired and advanced by the work that was enabled by the 2018 Amendment Rules, which will help HMLR meet the commitments set out in its Strategy 2022+ and Business Plans.
147. The home buying and selling process is complex and land registration forms only part of this. Whilst it remains challenging to make detailed forecasts of the future uptake of digital systems HMLR has made great advances toward a complete digital transformation on the back of the 2018 Amendment Rules.
148. Digital Mortgage is the first example of an automated service to update the register, without a caseworker manually reviewing the case. This is the vision of the future for more of HMLR's services. Through the knowledge gained from Digital Mortgage HMLR has undertaken research to consider the full extent of what was possible. This has allowed HMLR to develop a deeper understanding of smart contracts (where a digital contract is 'complete' when certain specified criteria are met) and advanced APIs (allowing external software greater and more secure access to the Land Register).
149. Simultaneously, HMLR was able to respond to market demand and introduce Qualified Electronic Signatures, again developing further understanding of the technical requirements for a fully digital land registration process.
150. HMLR know that customers would like more digital services and as such HMLR is creating a plan to monitor future development. HMLR will collaborate with their main stakeholder groups and conduct user research to ensure that the roll out of future services considers wider market factors. HMLR will continue to work collaboratively with customers and stakeholders, conducting user satisfaction research to understand the external environment, to inform future plans and to manage the practicalities of how to best implement further digital transformation.
151. This report has demonstrated that the 2018 Amendment Rules have broadly met their intended policy objectives. The benefits envisaged when the legislation was laid may not have been fully realised yet, but HMLR's plans for future automation will deliver a wider set of additional benefits. Further information gathering and analysis will help clarify the costs and benefits over the next PIR period.
152. HMLR commits to subsequent reports at intervals not exceeding 5 years to assess the ongoing impact of these regulations.

Annex A – Post implementation review template

Title: Post Implementation Review of the Land Registration (Amendment) Rules 2018 PIR No: DBT003(PIR)-23-LR Original IA/RPC No: RPC-4128(1)-DBY Lead department or agency: DBT Other departments or agencies: HM Land Registry (HMLR) Contact for enquiries: Danielle Humphries	Post Implementation Review
	Date: 04/04/2023
	Type of regulation: Domestic
	Type of review: Statutory
	Date measure came into force: 06/04/2018
	Recommendation: Keep
RPC Opinion: Not Required	

<p>1. What were the policy objectives of the measure? (Maximum 5 lines)</p> <ul style="list-style-type: none"> To offer HMLR customers digital alternatives to paper conveyancing and land registration. Revoke the Proper Office order which had become superfluous with digital working. To introduce new HMLR digital statutory services. To reflect the modernising and simplifying of HMLR services through digital transformation. To allow for flexibility as to when HMLR is open for business and open to the public.
<p>2. What evidence has informed the PIR? (Maximum 5 lines)</p> <ul style="list-style-type: none"> Internal evidence from HMLR data to assess the market response to the 2018 Amendment Rules and uptake of digital mortgages. Qualitative feedback through HMLR's existing customer and stakeholder engagement platforms. Light touch external survey with customers and business users to understand what impact the measures have had and what other services they would like from HMLR.
<p>3. To what extent have the policy objectives been achieved? (Maximum 5 lines)</p> <ul style="list-style-type: none"> There is evidence that the policy objectives have been achieved. The roll out has been gradual and to some extent it has been slower than anticipated. This is in line with the original intention that services would be implemented over time. This remains the case.

Sign-off for Post Implementation Review: Chief economist/Head of Analysis and Minister

I have read the PIR and I am satisfied that it represents a fair and proportionate assessment of the impact of the measure.

Signed: **Hiroko Plant**

Date: 07/03/2023



Kevin Hollinrake MP

Date: 04/04/2023

Further information sheet

Please provide additional evidence in subsequent sheets, as required.

4. What were the original assumptions? (Maximum 5 lines)

- Key assumptions related to various costs and benefits that would be associated with the uptake of the HMLR Digital Mortgage service.
- It was assumed in the original IA that the take up of Digital Mortgages would increase to 44% by 2022.

5. Were there any unintended consequences? (Maximum 5 lines)

- Accessibility of HMLR services during the COVID-19 pandemic. Facilitated by e-signatures and automated processing. Speed for service was maintained for some Digital Mortgage applications.
- A need for further change was identified as a precautionary measure in case of emergency. This led to The Land Registration (Amendment) Rules 2020 (SI 2020/425).
- Test bed for HMLR services of the future and the enabling of research and development.

6. Has the evidence identified any opportunities for reducing the burden on business? (Maximum 5 lines)

- The evidence suggests that the delivery of more digital services which include other HMLR transaction types could reduce burden on conveyancers, lenders, and intermediaries.

7. How does the UK approach compare with the implementation of similar measures internationally, including how EU member states implemented EU requirements that are comparable or now form part of retained EU law, or how other countries have implemented international agreements? (Maximum 5 lines)

- This is not an EU measure.

Annex B – Stakeholder survey results

Survey live 10th October to 8th November 2022

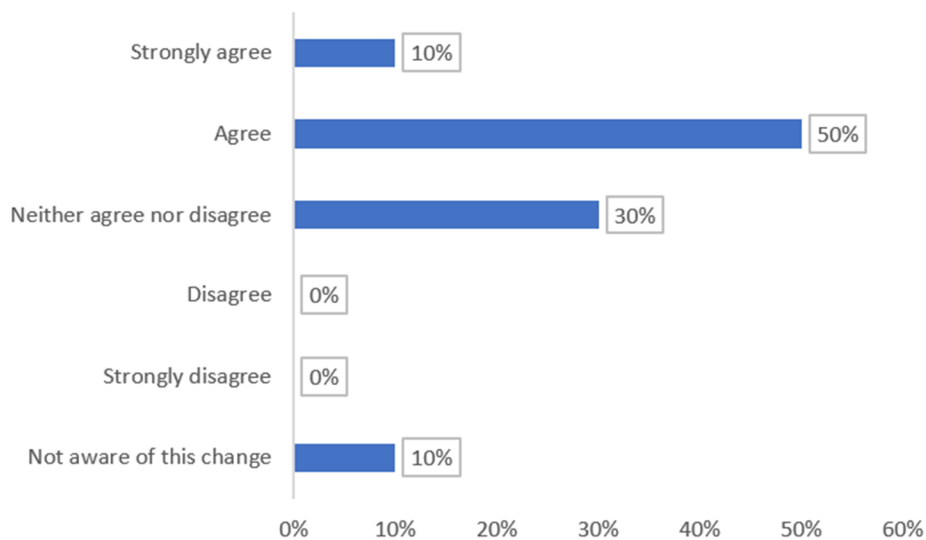
- 10 responses. All solicitor/conveyancing firms

1.

Change Introduced: To allow for the introduction of fully digital conveyancing documents with e-signatures to be used for land transactions and land registration, and to revoke existing rules allowing only limited digital mortgages.

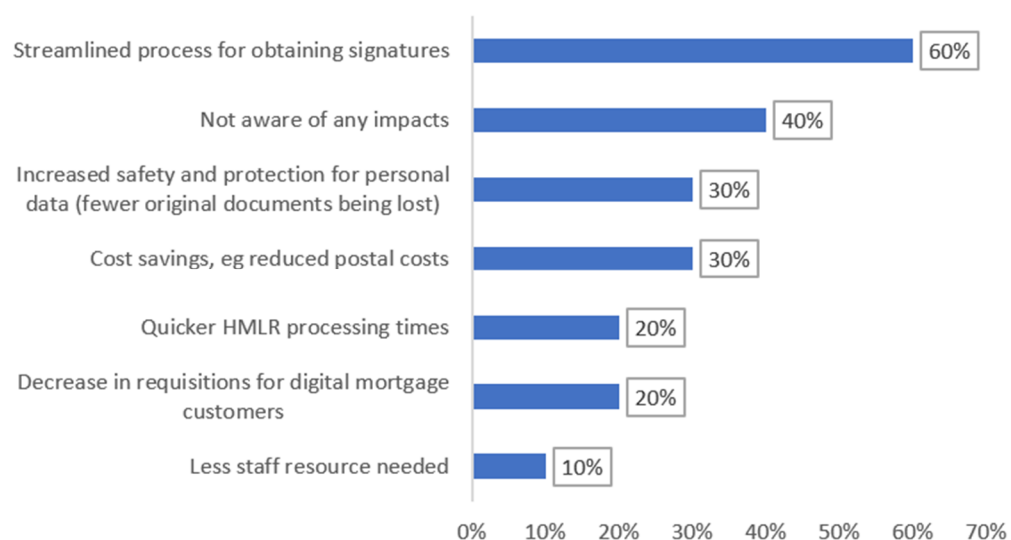
Please tell us to what extent you agree or disagree with this statement:

'The introduction of digital mortgages with e-signatures for land transactions and land registration had a positive impact'



Please tell us what positive impacts you have seen as a result of this change;

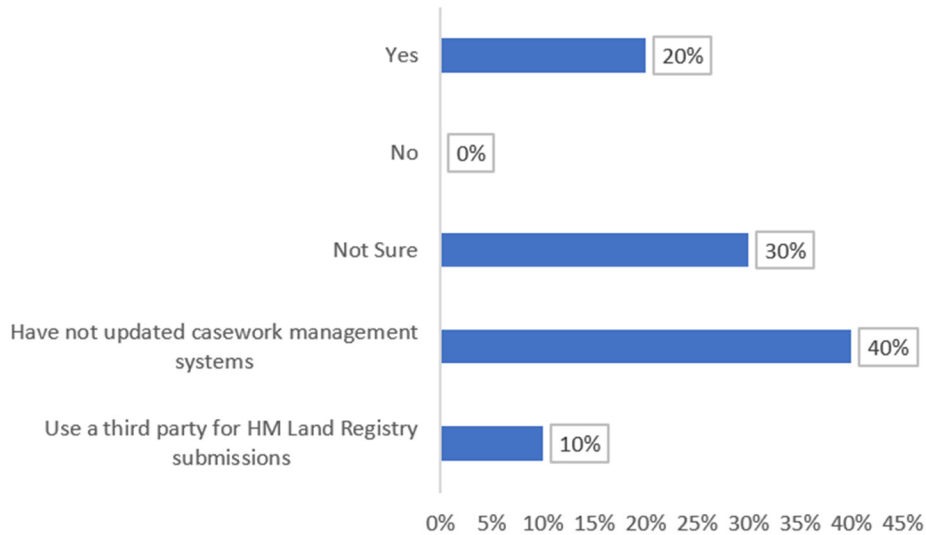
(Please select all that apply)



If you have any ongoing concerns related to this change please tell us about these here:

They can only be used with Business Gateway - excludes lots of the market

Have these benefits outweighed the costs of updating your casework management systems?



2.

Change Introduced: Revoke the Proper Office Order and make consequential amendments to the Land Registration Rules 2003 (The Proper Office Order removed the need to lodge applications at a particular HMLR office)

Please tell us what the impacts of this change, if any, have been for you, your organisation, your clients, or stakeholders:

- No need to look up the office. The disadvantage is that applications go into a big bucket and we don't know who will deal with them. An application involving more than one title may involve several case workers and we have had several instances where some case workers have registered some part of the application and others have not and raised a requisition despite all the documentation being the same.
- Useful we used to have relationships with the teams at our local Land Registry which made it easier to know who to go to for a steer. Now we get different responses from different offices
- It meant we could lodge electronically via the portal.
- There have been no impacts to this change.
- We submit most of our applications online using the Portal so this is not a significant change.
- There is no continuity between offices and caseworkers - we get some applications of exactly the same nature completed by some caseworkers, Requisitioned or rejected/cancelled. This has increased our workload, makes applications more difficult to keep track of and increases the risk of priority for our clients.

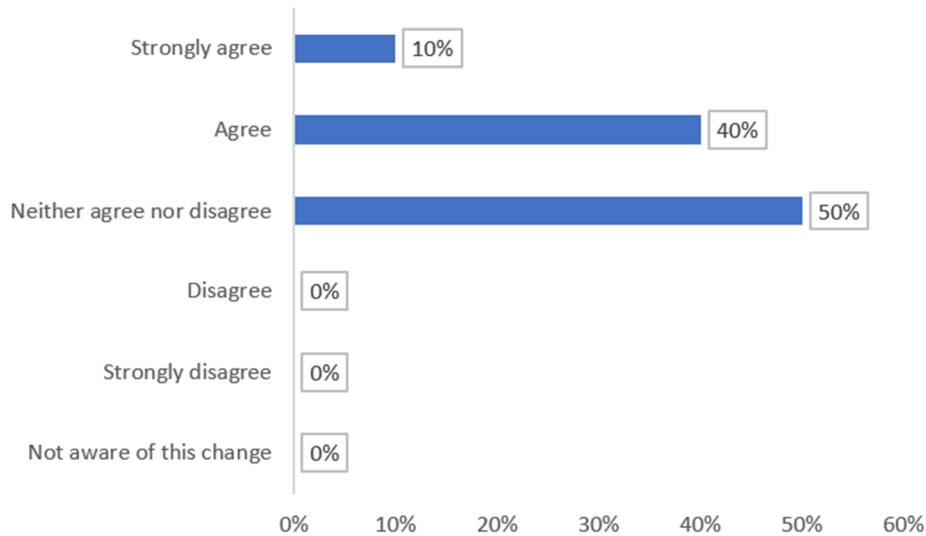
3.

Change Introduced: Allow for the introduction of new statutory services identified as beneficial to our users through research.

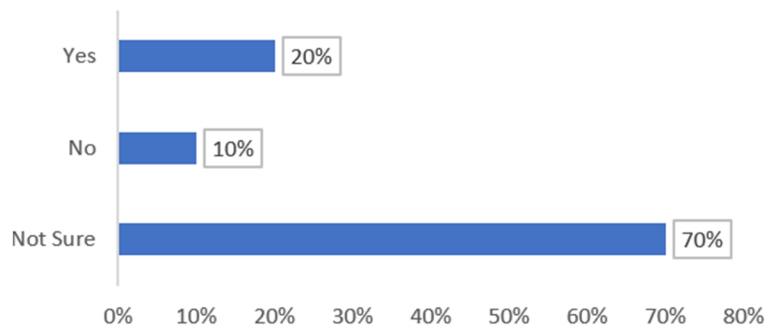
An example of this could be the development of the Search for land and property information service - www.gov.uk/search-property-information-land-registry

Please tell us to what extent you agree or disagree with this statement:

The Search for land and property information service provides a more flexible search service



Has this service improved efficiency for you, your organisation, your clients or stakeholders?



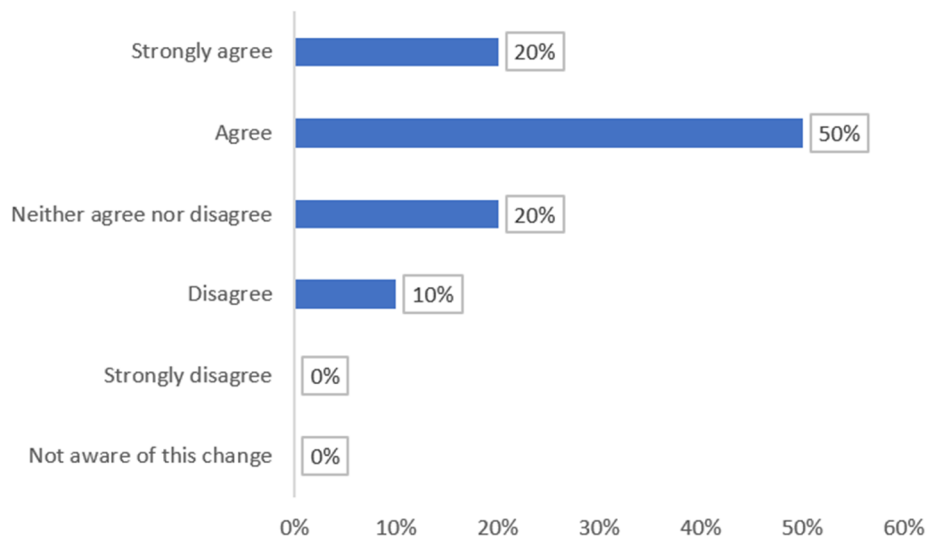
4.

Change introduced: Reflect the modernisation and simplification of our services through digital transformation.

HMLR no longer retains physical documents and encourages certified copies to be submitted. As our register is now electronic, this allows for the immediate online submission of the full application

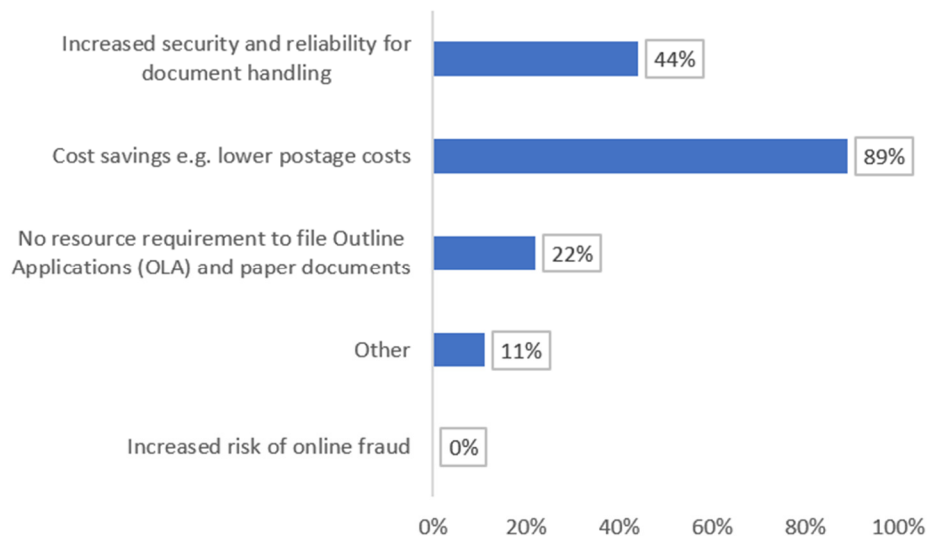
Please tell us to what extent you agree nor disagree with the following statement:

The digitisation of the register has led to a simplification of HMLR services



Please tell us what the impacts of this change have been for you, your organisation, your clients, or stakeholders:

(Please select all that apply)



If Other please tell us about the impacts:

- Difficult when Solicitors will not accept it. But it also reduces the work required for our teams in the submission.

If you have any other comments about the topics in this survey, please give those here:

- I appreciate that HMLR is fully aware of the significant delays in registration especially those requiring the creation of a new title. It is difficult to assess positively the changes while those backlogs persist.
- Some digital transformation costs the conveyancer more to benefit HMLR
- HMLR should be mandating digital signatures as it would make it easier to gain adoption. Currently because it is not in CQS, solicitors and some conveyancers and lenders will not accept digital signatures.
- The digital registration service is not fit for purpose and will result in increased costs due to additional time and inefficiencies encountered when using it. We have provided feedback but the necessary improvements have not yet happened.
- I have seen some very worrying requisitions from digital applications including one telling us that the fee we stated was from the old fees scale, yet the fees are not manually inputted and therefore the fees LR have set on the DRS system are or have been incorrect. With regards to continuity between offices and Caseworkers there needs to be a clear precedent that is followed if newer caseworkers are following the practice guides word for word and are not experienced enough to recognise risk and taking a view on applications then surely the more seasoned case workers should be working the same way so that we have a consistent handling of every application submitted.