

News

OPBAS confirms that conveyancing work is high-risk

12 December 2024

The Office for Professional Body AML Supervision (OPBAS), our oversight regulator for anti-money laundering (AML), has [published a letter](https://www.fca.org.uk/publication/correspondence/opbas-conveyancing-risk-letter.pdf) [https://www.fca.org.uk/publication/correspondence/opbas-conveyancing-risk-letter.pdf], confirming its view that conveyancing work should be considered a high-risk area for money laundering. This aligns closely with the findings of our [MLRO Annual Report](https://upgrade.sra.org.uk/globalassets/documents/sra/board-meetings/2024/july/annex-1--mlro-annual-report-ye-april-2024.pdf?version=4a13a71) [https://upgrade.sra.org.uk/globalassets/documents/sra/board-meetings/2024/july/annex-1--mlro-annual-report-ye-april-2024.pdf?version=4a13a71] and our [sectoral risk assessment](https://upgrade.sra.org.uk/sra/research-publications/aml-risk-assessment/) [https://upgrade.sra.org.uk/sra/research-publications/aml-risk-assessment/].

Key points from the OPBAS letter

- **Conveyancing as high-risk:** OPBAS identifies conveyancing as an area of persistent risk for money laundering, reflecting the significant sums involved in property transactions and their attractiveness to criminal activity.
- **Risk of complacency in oversight:** The involvement of multiple supervised parties in a single conveyance (eg, lawyers, estate agents, financial institutions) can lead to a risk of complacency. Each party may assume that others are undertaking adequate scrutiny, potentially resulting in gaps in due diligence.

How this aligns with our approach

- **High-risk classification:** We have consistently designated conveyancing as high-risk in AML frameworks. This reflects both the inherent risks in property transactions and the need for robust controls.
- **Proactive oversight:** Our MLRO Annual Report highlights the steps we take to address these risks, including:
 - Regular supervisory activities to assess compliance.
 - Provision of clear guidance to the regulated community on identifying and mitigating conveyancing-related risks.
- **Support from oversight regulators:** The confirmation from OPBAS demonstrates that our approach is aligned with broader regulatory expectations. Firms should be aware that the consideration of conveyancing as high-risk is unlikely to change.

Sector-wide impact

The confirmation from OPBAS that conveyancing work remains high-risk reinforces the need for firms involved in this area to adopt AML controls at every stage of the transaction. Property transactions involve large sums of money and are, therefore, attractive targets for money launderers. Firms must make sure they are not only aware of these risks, but are actively mitigating them through robust systems and processes.

Next steps

We recommend that firms review both the OPBAS letter and our guidance to make sure compliance with AML obligations in conveyancing. Where necessary, firms should enhance their systems, processes, and staff training to address the risks highlighted.

We will continue to monitor AML compliance in this area closely and provide support to help firms meet their obligations. Further updates will be shared via our communications channels.

For more details or guidance, please refer to the linked resources.