

Vacant properties 'stolen' by fraudsters

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Back in 2003, the [Land Registry](#) stopped issuing Land Certificates and many property lawyers warned that 'dematerialisation' would make life easier for fraudsters.

Sadly, those who predicted that going 'paperless' and registering the ownership of houses in a similar way to the registration of cars at the [DVLA](#), have been proved right and property fraud is on the increase.

A recent High Court case, *Dreamvar (UK) Ltd -v- Mishcon De Reya (A Firm)*, demonstrated that the Land Registry could spot a fraudulent transaction... but only after the 'purchase' monies had been transferred to China!

Vacant mortgage free properties are particularly vulnerable. Fraudsters occupy them posing as 'law abiding tenants' and then pretend to be the owners of the property. In such cases, the true owner is often an 'absent landlord' or one who lives abroad.

It takes a bit of luck as well as savvy to pull off such criminal activities. In the above court case, the property was in London but the fraudster instructed a firm of solicitors in Manchester to represent him as the 'seller'.

The Manchester firm did not go far enough with their ID checks and so believed they were representing the true owner of the property. They were also not curious as to why their 'seller' client appeared to know so little about his house when they had to reply to enquiries raised by the purchaser's solicitors.

The fraudster frequently gave good reasons for needing a quick 'sale' and said that he was going through a nasty divorce and was worried that his wife might try to block the proposed sale.

On the day of completion, the Manchester firm transferred the sale proceeds to another firm of solicitors and from there approximately £1.1m was transferred to China.

When the Land Registry received the application to register the duped purchaser as the new owner, they spotted a discrepancy which revealed that the 'sale' was fraudulent.

The good news is that owners of vacant or tenanted properties should not feel helpless and are able to take steps to make fraud more difficult into their own hands.

The proprietorship register can contain up to four addresses for service for the true owner, including an email address and the Land Registry offers a [Property Alert Service](#).

This service alerts an owner if an application is made for official copies of either the 'deeds' or the register of title to the property.

Signing up to this service would allow you early on to spot whether your house or flat might be being targeted!

For more information on how to avoid fraudulent property transactions, contact:

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Note: This is not legal advice; it is intended to provide information of general interest about current legal issues.