

BEWARE! 'CHEAP AS CHIPS' HIPs

As the property market continues to struggle to slowly revive it is easy to understand why some property professionals and vendors are opting for the attractive option of 'cheap as chips' HIPs mainly sourced from Internet based providers – all we can advise is, beware!

Home Information Packs or HIPs are relatively new and are now required to be in place before ANY marketing of a residential property can take place. In the main, Estate Agents are responsible for ensuring they are in place, however, more and more individuals are sourcing their own Home Information Packs.

Individuals may be attracted by the exceptionally cheap HIPs being advertised on the internet in the belief they provide better value for money. The quality and accuracy of some of the information included in these cheap HIPs is questionable and they may not fully comply with the HIP Regulations

Having seen several examples of these cheap HIPs, many of which are not compliant or fit for purpose we thought we would take this opportunity of advising of some of the things to look out for.

Despite HIPs it is still 'caveat emptor' and purchasers who have been provided with these 'cheap as chips' HIPs ought to be made aware. Always seek professional advice from your solicitor

Some of these HIPs are merely an email with 7 or 8 attached pdf documents, some are incomplete or inaccurate, some ask for the solicitor to add the Official Copies of the Deed or Plan, some may not have adequate insurance and many HIP providers are no longer operating, leaving those they supplied HIPs to without redress

Taking a recent example of a HIP we were asked to comment on, a number of issues were easily highlighted – No HIP Code logo, advertising by the HIP provider of other products/services, No Index, Spelling mistakes, Sale Statement inaccurate and incomplete, Local Search inaccurate, and no complaints procedure within the HIP.

The HIP did not carry the HIP Code Logo, whilst not mandatory the HIP Code does demonstrate that the HIP provider agrees to be regulated, deliver HIP products and services to an agreed standard and quality and have in place adequate insurance and operate a complaints procedure.

The Local Search within the HIP should also carry the 'Search Code' logo demonstrating that the personal Search Company operates to high standards and carries adequate insurance and operates a complaints procedure.

Examples of the logos of the HIP and Search Code can be seen below.



It is worth noting that despite some personal search companies carrying the 'search code' logo, the quality and accuracy of the information contained within their searches cannot always be relied upon. For example, one search company states in response to questions regarding Traffic Schemes that "None shown on Unitary Development Plan" (UDP) The UDP is NOT the source of this information.

One HIP supplied by a firm of solicitors carried advertising of their other services on the front page. This is contrary to the HIP regs which state...

Exclusion of advertising information

12.—(1) Information advertising or marketing goods or services must not be included in the home information pack or a pack document—

- (a) By a responsible person;**
- (b) At his request; or**
- (c) With his permission.**

The INDEX. A HIP must contain an Index, it is not merely a Contents List, the Index lists the documents, dates and other details outlined below, the HIP Regulations state...

Required matters

1. A home information pack index must—

- (a) Display prominently the title, "Home Information Pack Index";**
- (b) Contain the address or proposed address (which may include a plot number) of the property;**
- (c) Contain a list of all the documents included in the home information pack;**
- (d) Be revised whenever a document is included in or removed from the pack;**
- (e) Where regulation 16, 17 or 20 apply, indicate—**
 - (i) That a document otherwise required by these Regulations is missing from the pack;**
 - (ii) Specify which document it is; and**
 - (iii) The reason why it is missing; and**
- (f) Where regulation 16 or regulation 17(2) (e) apply, indicate—**
 - (i) Such steps as are being taken to obtain the document;**
 - (ii) The date by which the responsible person expects to obtain the document;**
 - (iii) The reason for any delay which has occurred or is likely to occur to the date described in paragraph**

The Sale Statement in the HIP did not contain the title, 'Sale Statement' or address of the property as required in the HIP Regulations, The Leasehold Information was incomplete and did not contain the length of lease details, an extract of the HIP Regs state...

3. Sale statement

A sale statement must—

- (a) Display prominently the title "Sale Statement";**
- (b) Contain the address or proposed address (which may include a plot number) of the property;**

So, how can you be sure you are remaining compliant, receiving a quality, compliant HIP along with the very best service?

That's easy...Insist on a reputable HIP provider and do not be tempted by cheap faceless internet providers or others whose longevity in the business and sources of information and compliance may be questionable.

“The bitter taste of poor quality lingers far longer than the initial sweetness of a cheap price”

The Property Search Group (PSG) is a franchised organization with over 70 offices throughout England and Wales.

The PSG office based in Swindon operates throughout Wiltshire, Oxfordshire and Gloucestershire and, has direct access to all PSG offices nationally.

They have been dealing with local solicitors and property professionals for over 9 years and have an enviable reputation within the industry for service and quality.

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