



Your Property Questions Answered

Q. I agreed to buy a house and incurred legal and other expenses only to be gazumped when someone else made a higher offer. Can I claim against the seller for my lost expenses?

A. Unfortunately a seller can pull out of the sale at any time up to exchange of contracts without having to pay you any compensation. The frequency with which transactions fail can be alarmingly high, one in every ten transactions in some areas of England. Of course, the reasons for failure can be many, sometimes it is due to gazumping, where the seller accepts a higher offer, but there are other causes such as a failed survey, a problem with the title or even a change in financial circumstances.

At PowellsLaw we appreciate that moving house involves a lot of costs which can be lost if your purchase falls through, leaving you to start again with a different property. We now include as standard abortive transaction insurance which will allow you to recover the costs and expenses associated with buying a house, such as conveyancing, survey and mortgage arrangement fees up to a maximum of £1500. So, you will have more certainty of the costs even if your purchase unexpectedly fails.

Once an offer has been accepted and we have been instructed cover includes:-

- 1) The seller withdrawing following receipt of an alternative offer from another buyer
- 2) You withdrawing because of one of:
 - An adverse Legal Search (as per policy definition)
 - The Mortgage valuation being less than 90% of the accepted offer
 - Yours or the seller's withdrawal due to:
 - Employer's relocation not completing or involuntary unemployment
 - Death, unforeseen illness or bodily injury caused by a sudden or specific accident

Cover can also be arranged for the costs of your sale by purchasing a separate policy.

You will of course appreciate that no insurance can cover every eventuality and the policy is subject to certain policy terms and conditions as detailed in the policy document but in an uncertain market this policy could prove invaluable.

If you are looking to buy please do not hesitate in contacting our property team on 01934 637903 or e-mail moore@powellslaw.com