

Campaign to prevent properties being bought with laundered money

The government has teamed up with property industry experts targeting estate agents who fail to report suspicions of laundered money used to buy properties.

Working with professional bodies including the Central Association of Agricultural Valuers, the National Association of Estate Agents and the Royal Institution of Chartered Surveyors, the government aims to help estate agents spot the signs of money laundering and reinforce their legal and moral obligations to report suspicious activity.

Money laundering in the UK potentially runs to hundreds of billions of pounds per year, according to the National Crime Agency's National Strategic Assessment 2018.

The campaign, called Flag It Up, has been targeting solicitors since 2014 and accountants since 2015, and is now expanding for the first time into the property sector with support from HMRC, which supervises estate agents under the money laundering regulations.

Ben Wallace, Minister for National Security and Economic Crime, said: "Criminals who seek to use this country as a place to launder money should be in no doubt that they have nowhere to hide. Estate agents are a crucial line of defence against them and that's why they're under a legal and moral obligation to file a report when they spot something amiss.

"It's wrong to think of money laundering as a victimless crime. Those with laundered cash to clean don't just sit on it - they reinvest it in serious organised crime, from drug importation to child sexual exploitation, human trafficking and even terrorism."

The campaign, which is being promoted through social media, digital advertising and at industry conferences, urges estate agents to file a Suspicious Activity Report (SAR) to the National Crime Agency when they spot signs such as a client being evasive or contradictory about the source of a large sum of money or using many different bank accounts.

Over the period April 2017 to March 2018, estate agents submitted just 710 suspicious activity reports compared with accountants submitting 5,036 and independent legal professionals submitting 2,660.

Estate agents could be prevented from trading or even face prosecution if they fail to comply with money laundering regulations. This could result in unlimited fines or a prison term of up to 2 years.

Simon York, Director of HMRC's Fraud Investigation Service, said: "HMRC is determined to crack down on money laundering, and as the supervisor of estate agents under money laundering regulations, works closely with the sector to help them tackle this crime.

"The extension of the Flag It Up campaign to the property industry will help bolster our efforts and sends a clear message from both the Government and the sector that the door is closing on money laundering."

Mark Hayward, Chief Executive of NAEA Propertymark, a professional body for estate agents, said: "Both small and large estate agencies are susceptible to criminal activity.

Houses bought with laundered money often sit empty, taking homes away from the market that could be used for families and having a further negative impact on the wider community.

By partnering with the campaign, we are pleased to see the Government engaging with the sector to support estate agents in their legal anti-money laundering obligations.+