

Thank you for your request to the Jersey Bankers Association to respond to the Scrutiny Panel on our experience with Domestic Jersey property transactions. We have consulted with members who provide property lending to local residents and below is a synthesis of their responses.

Our members advise that they do not believe that there are systemic issues pertaining to late failures of property transactions. Such occurrences are rare although can be highly disruptive for the buyer, vendor and bank when they do occur.

Conveyancing discrepancies (such as boundary disputes) can be a cause of delay if not picked up early, or if they are picked up and negotiations to resolve them become protracted. Share Transfer transactions can also present additional challenges, due to unusual clauses in the company M&AA documentation which are often not brought to the bank's attention until the eleventh hour. A recent example concerned a buyer who was unable to complete because the other shareholders in the company had not approved them as a suitable occupant for the property.

There will always be vendors who change their minds as there will always be purchasers who decide not to proceed. We don't consider this to be a widespread problem.

One bank cited that of the cases that they have had go to court this year the average time from acceptance to court date is 41 days. If we were to remove the small number of cases that have taken over 100 days and other exceptions, the average reduces to 35 days. Please note this is not an analysis of data from initial meeting/first appointment to approval but from acceptance/agreement to completion in court. The key driver of this aspect of completion is the customer albeit in turn driven by the vendor and Estate Agent.

We have examples and have experienced delays in valuations being arranged due to the relatively small number of valuers in Jersey and this can bottleneck at peak holiday periods. The impact is less in arranging standard valuations and tends to occur with the Building Surveys and Home buyer Reports which take more time to complete and put together.

Although we do not see widespread incidents of 'gazumping' in the Jersey market at the present time, the lack of specific legislative protection against the practice means that we cannot rule this out as a problem for the future.

I hope that the above assist the Panel.

Regards