

## **HM Land Registry comments on Ofcom Call for input: The future of the universal postal service (published 24<sup>th</sup> January 2024)**

### **Introduction**

1. HMLR is a non-ministerial department with an administrative function to register land and interests in England and Wales, in accordance with the Land Registration Act 2002 and Land Registration Rules 2003. The value of land in England and Wales is estimated at around £8 trillion with over £260 billion worth of property transacted each year. Registration of land at HMLR means the title is guaranteed by the state and should anybody suffer a loss because of a mistake on, or omission from, the register, they may get compensation.
2. A key current process within land registration involves HMLR serving notices in the form of a physical letter via Royal Mail to an address for service recorded on the land register. As explained below, at least one address for service of a notice must be postal.
3. Other examples of postal documents we send via Royal Mail are requests for further information on pending applications or the documents of title once an application is completed. This is usually where customers have stated that they are unable to interact with us digitally.
4. In the previous year to date, we sent approximately 450,000 items via Royal Mail first class post.
5. Further information about HMLR's strategy is published here [HMLR Strategy](#) , our business plan is here [HMLR Business Plan](#). Our most recent Annual Report is here [HMLR Annual Report 2022-23](#).

### **Call For Input and Summary of areas of concern**

6. HM Land Registry notes that the Call For Input referenced options for changing the Universal Service Obligation in relation to the frequency and speed of letter delivery. We have set out four key areas of concern regarding these options below. We would welcome an opportunity to explain these in more detail.

#### **A: Impact on HMLR legislation**

7. A key statutory process within land registration is the service of notice. These notices, which may either be for information purposes or to provide a period of objection, are sent by first class post.
8. There are three main areas of legislation affecting notices that would be directly impacted by a change in the USO obligation.
9. Rule 198(3) of the Land Registration Rules 2003 (LRR 2003) requires that a postal address for service must be provided to be recorded on the register of title, although this may be outside of the United Kingdom.

10. Rule 199 of the LRR 2003 defines when service of notice is regarded to have taken place. This is set out in the table below.

<i>Method of service</i>	<i>Time of service</i>
Post to an address in the United Kingdom	The second working day after posting
Leaving at a postal address	The working day after it was left
Post to an address outside the United Kingdom	The seventh working day after posting
Document exchange	On the second working day after it was left at the registrar's document exchange
[...]	[...]
Electronic transmission to an electronic address	The second working day after transmission

11. Rule 216 of the LRR 2003 defines a working day as any day from Monday to Friday (inclusive) which is not Christmas Day, Good Friday or any other day either specified or declared by proclamation under section 1 of the Banking and Financial Dealings Act 1971 or appointed by the Secretary of State. It is also possible to designate an "interrupted day" under rule 216A(5).

12. In summary, HMLR must record a postal address for service on the register. We serve a notice to that address in certain circumstances and that notice is deemed to have been served on a certain day. With regard to objection notices, this governs the period during which an objection can be made to HMLR by the recipient of the notice, most commonly 15 working days.

13. Other statutory rules govern periods of time to which HMLR is bound, for example the minimum period of time we must provide for a requisition (request for information) to be answered before an application is cancelled.

#### B. Impact on HMLR's finances

14. A premium service whereby mail would continue to be delivered Monday to Friday but at extra cost would affect our finances. HMLR has a funding model designed to be fee neutral to the taxpayer, which is agreed with HM Treasury (HMT) as part of the government spending review process. It is built on a fee order and intended to cover our costs over the economic cycle. Any increase in our cost base for post would represent a move away from our agreed spending settlement. We would need predictability in Royal Mail pricing to allow us to manage budgets and budgetary pressures effectively.

#### C. Impact on HMLR operational contracts

15. HMLR both receives and issues post through contractual arrangements, including an existing contract with the Royal Mail. Any reduction in working day delivery might well lead to an increase in cost for our third-party suppliers.

#### D. Impact on wider conveyancing sector

16. A reduction in working day delivery may impact the wider conveyancing sector by slowing down the house buying process and it is a DLUHC priority within Government to improve home buying and selling. Further delays may have personal and financial implications for citizens and businesses and impact the wider market. We expect that some of our stakeholders and customers might respond to the call for input and provide more detail as to the potential impact on them. Impact assessments to support any proposals for change would need to consider the potential implications on the property market.