

**Rt Hon Philip Hammond MP**

Chancellor of the Exchequer  
HM Treasury,  
1 Horse Guards Road,  
London  
SW1A 2HQ  
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Dear Mr Hammond,

**Re: Help to Buy ISA**

Regarding the current miscommunication about the Help to Buy ISA, I understand that Mr Tyrie, Chair of the Treasury Select Committee, is to communicate with you about the terms and conditions of the scheme.

In advance of this, as an expert in the conveyancing industry who uncovered this issue, I am writing to offer you some thoughts about resolving the issue successfully.

The concerns of the Treasury appear to be that first time buyers might take up the ISA and receive the bonus then not complete the purchase.

As you will know, in conveyancing, on exchange of contracts, the buyer is contractually bound to purchase the property, risking forfeit of their 10% deposit if they default.

It is highly unlikely that a buyer would pull out after exchange given their large personal investment in the deposit; the bonus, in comparison, will be at most just a small, but important, fraction of this.

At present the bonus is delivered to the solicitor and not to the buyer; and in fact the buyer never physically receives it.

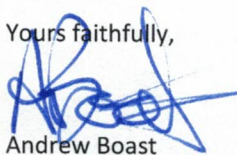
The solution that meets with the original purpose of the ISA is to allow them to use the bonus to add to their exchange deposit. It carries much greater weight at this point – a maximum £3,000 bonus added to their deposit could increase their buying power by £30,000.

To address the concerns of the Treasury, a clause can be added to the HTB ISA contract to state that, should a transaction fail to complete after exchange, a buyer has a personal debt equal to the bonus amount which must be repaid to the Treasury. It is most likely that the buyer will have this in their savings as they already have to be able to pay for stamp duty, land registry and solicitor's fees after completion.

I reiterate that in more than 16 years of working in the conveyancing sector, I have come across no more than a handful of buyers who fail to complete after exchange of contracts.

The declared principle of the Help to Buy ISA, to help struggling first time buyers saving for their home deposit at a time of low interest rates, is extremely laudable and the country needs initiatives like it. I hope you can deliver upon what George Osborne originally promised and keep the focus of the ISA on just this.

Yours faithfully,



Andrew Boast

**Conveyancing Director**  
**SAM Conveyancing**