# UK conveyancing sector faces pressure to overhaul referral fee transparency amid market growth and rising costs



The conversation about referral fees in the UK conveyancing market has gained new urgency amid significant industry challenges and change. Following two years of contraction, the market saw a 4.5% growth in 2024 and is projected to expand by a further 5.7% in 2025. Despite this positive trend, the sector faces serious operational pressures, with a 15% decline in conveyancer numbers since 2021 and job vacancies doubling since then. These factors create strains on service delivery and have intensified scrutiny over referral arrangements, particularly in light of the Council for Licensed Conveyancers’ thematic review triggered by concerns over consumer choice and disclosure revealed in investigative reporting.

For estate agents, the issue of referral fees extends beyond legalities; it directly impacts their reputation and client relationships. Poor conveyancing experiences—characterised by delays, lack of communication, or opaque processes—reflect negatively on agents themselves. In an era where online reviews and digital transparency shape consumer decision-making, the quality of conveyancing service linked to agent referrals becomes a critical element of business success. Rather than rejecting referral partnerships, industry leaders argue that agencies should redefine these relationships through shared value, greater transparency, and a genuine commitment to client outcomes.

The best referral partnerships go beyond mere transactional exchanges and become strategic alliances. Agents benefit most when legal partners communicate proactively, invest in technology for real-time case tracking, and take full ownership of service quality instead of merely processing files. These attributes can accelerate transactions, reduce fall-through rates, and build stronger client trust—differentiating agents in a competitive marketplace. Transparency plays a key role here; treating disclosure of referral fees not as a regulatory obligation but as a competitive advantage can bolster client confidence. An open dialogue about why preferred legal partners are chosen for their service quality and how referral fees do not inflate client costs, can convert potential scepticism into trust.

While the regulatory landscape in conveyancing is evolving, with the Council for Licensed Conveyancers conducting a review of referral practices, forward-thinking agencies need not wait for mandated changes. Ethical conveyancers prioritising quality and transparency allow agents to set new industry standards and lead market improvement. Some firms have introduced innovative roles such as Principal Relationship Coordinators who monitor client experience and ensure continual service enhancements, creating stronger alignment between agents, conveyancers, and clients.

This focus on trust and transparency comes amidst other market developments affecting conveyancing services. Conveyancing costs have recently hit record highs, with average fees reaching £2,434 in the first quarter of 2025—an 11.9% increase year-on-year. This spike has been driven by heightened demand, partly due to a rush to complete transactions before Stamp Duty changes, and shows regional variation with the North East and Northern Ireland experiencing the steepest increases. Such rising costs add pressure on agents and their conveyancing partners to deliver value and efficient service.

The broader UK housing market dynamics also contextualise these pressures. Recent months have seen a marked slowdown in house price growth, with surveys indicating the sharpest price declines since early 2024 amid economic uncertainty, high inflation, and unclear interest rate trajectories. Although home prices are still forecast to rise by around 3.5% this year, slower transaction volumes and cautious buyer behaviour suggest the conveyancing sector must adapt and optimise service delivery in a more competitive and cost-conscious environment.

Ultimately, estate agency has always been grounded in reputation and long-term relationships rather than mere transactional success. By choosing conveyancing partners who embody their values and committing to transparency and accountability, agents can transform referral fees from a controversial flashpoint into a hallmark of professionalism. The moment calls for resetting industry norms—not retreating—and proving that when conveyancers and agents collaborate earnestly, clients benefit, trust is restored, and the market grows stronger.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://todaysconveyancer.co.uk/building-stronger-agency-conveyancer-partnerships/), [[2]](https://www.globenewswire.com/news-release/2025/01/28/3016619/0/en/UK-Residential-Conveyancing-Market-Report-2025-After-Two-Years-of-Declining-Market-Value-the-Conveyancing-Market-Registered-Market-Growth-of-4-5-in-2024-and-is-Forecast-to-Grow-by-.html)
* Paragraph 2 – [[1]](https://todaysconveyancer.co.uk/building-stronger-agency-conveyancer-partnerships/)
* Paragraph 3 – [[1]](https://todaysconveyancer.co.uk/building-stronger-agency-conveyancer-partnerships/)
* Paragraph 4 – [[1]](https://todaysconveyancer.co.uk/building-stronger-agency-conveyancer-partnerships/)
* Paragraph 5 – [[1]](https://todaysconveyancer.co.uk/building-stronger-agency-conveyancer-partnerships/), [[3]](https://www.propertyreporter.co.uk/conveyancing-costs-hit-record-high-amid-stamp-duty-rush.html), [[4]](https://www.propertyindustryeye.com/conveyancing-costs-hit-record-high/)
* Paragraph 6 – [[5]](https://www.reuters.com/world/uk/uk-housing-market-slows-buyers-retreat-uncertainty-swirl-rics-survey-shows-2025-09-10/), [[6]](https://www.reuters.com/world/uk/uk-housing-market-starts-feel-drag-tax-change-rightmove-says-2025-02-17/), [[7]](https://www.reuters.com/world/uk/uk-home-prices-rise-35-this-year-bank-england-continue-cutting-bank-rate-2025-02-25/)
* Paragraph 7 – [[1]](https://todaysconveyancer.co.uk/building-stronger-agency-conveyancer-partnerships/)

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## Bibliography

1. <https://todaysconveyancer.co.uk/building-stronger-agency-conveyancer-partnerships/> - Please view link - unable to able to access data
2. <https://www.globenewswire.com/news-release/2025/01/28/3016619/0/en/UK-Residential-Conveyancing-Market-Report-2025-After-Two-Years-of-Declining-Market-Value-the-Conveyancing-Market-Registered-Market-Growth-of-4-5-in-2024-and-is-Forecast-to-Grow-by-.html> - The UK Residential Conveyancing Market Report 2025 highlights a 4.5% growth in market value in 2024, following two years of decline. The report forecasts a further 5.7% increase in 2025, indicating a positive trend in the conveyancing sector. It also notes a 15% decrease in the number of conveyancers since 2021, with the Council for Licensed Conveyancers initiating a thematic review of referral arrangements due to concerns over consumer choice and disclosure.
3. <https://www.propertyreporter.co.uk/conveyancing-costs-hit-record-high-amid-stamp-duty-rush.html> - Conveyancing costs in the UK reached a record high of £2,434 in the first quarter of 2025, marking an 11.9% increase compared to the same period in 2024. This surge is attributed to heightened demand as homebuyers rushed to meet the Stamp Duty deadline. The report also highlights regional variations, with the North East and Northern Ireland experiencing the highest increases in conveyancing costs.
4. <https://www.propertyindustryeye.com/conveyancing-costs-hit-record-high/> - The cost of conveyancing in the UK rose by 11.9% in the first quarter of 2025, reaching a total of £2,434 for combined sale and purchase services. This increase follows a 16% rise in the previous quarter, driven by a surge in demand as buyers aimed to meet the Stamp Duty deadline. The report also notes that 10 out of 12 UK regions saw quarterly price rises, with the North East experiencing the highest increase at 6.5%.
5. <https://www.reuters.com/world/uk/uk-housing-market-slows-buyers-retreat-uncertainty-swirl-rics-survey-shows-2025-09-10/> - In August 2025, the UK housing market experienced its sharpest decline in house prices since January 2024, according to a survey by the Royal Institution of Chartered Surveyors (RICS). The house price balance fell to -19, significantly worse than economists' expectations, indicating a broader drop in prices due to weakening buyer demand amid economic uncertainty, high inflation, and unclear interest rate paths.
6. <https://www.reuters.com/world/uk/uk-housing-market-starts-feel-drag-tax-change-rightmove-says-2025-02-17/> - The UK housing market is experiencing a slowdown in the increase of asking prices for newly listed homes due to an upcoming property purchase tax hike, according to a survey by Rightmove. From January 12 to February 8, the average price of properties on the market rose by 0.5% to £367,994, a weaker rise compared to the typical season and a significant slowdown from the 1.7% increase observed in the prior four weeks.
7. <https://www.reuters.com/world/uk/uk-home-prices-rise-35-this-year-bank-england-continue-cutting-bank-rate-2025-02-25/> - British home prices are expected to increase by 3.5% in 2025, exceeding previous projections, though rental costs are anticipated to rise even faster due to high demand and limited supply. The Bank of England is predicted to cut interest rates by 75 basis points to 3.75% by the end of the year, which could support the housing market and improve purchasing affordability for first-time buyers.