

Cameron clean-up plan won't stop dirty money, say critics

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£122bn worth of UK property is owned via offshore companies

David Cameron's plans to crack down on "dirty money" being used to buy UK property have been criticised by tax and property experts.

Later this year, the Land Registry in England and Wales will have to publish the names of all property owners, the prime minister announced.

Up to now, it has only been obliged to publish details of the legal owners of a property - who can be trustees.

But experts say the change will do little to help catch criminals.

"There is a ridiculous presumption that criminals follow the rules," said offshore tax expert Mark Davies.

"If Mr Big wants to hide laundered money and he wants this to remain hidden, he will simply have someone else named as the owner of the property," said Mr Davies.

Ownership

However, Mr Cameron insisted the measures could make a real difference.

"We need to stop corrupt officials or organised criminals using anonymous shell companies to invest their ill-gotten gains in London property," he said in Singapore.

According to Transparency International, £122bn of property in England and Wales is owned by offshore companies.

Mr Cameron highlighted the case of Nigerian fraudster James Ibori, who was jailed for 13 years in 2012.

He owned properties in St John's Wood, Hampstead, Regent's Park and Dorset.

The prime minister also said there would be a consultation on increasing transparency further.

This could involve the rules on declarations of who owns UK companies being extended to cover foreign companies too.

Legitimate reasons

One senior London estate agent was cynical about plans to get the industry to help uncover international fraud.

"I believe the government is asking too much of agents to try to detect highly sophisticated fraud," said Jeremy Leaf, former residential sales chairman of the Royal Institution of Chartered Surveyors (Rics).

"Reporting suspicious behaviour among homeowners is one thing, but identifying dodgy signals in complex company structures is quite another," he said.

Despite the promised transparency in ownership, some experts also believe it will still be relatively easy for criminals to hide their ownership of property in the UK.

"Unfortunately it will be," said Henry Pryor, a buying agent for the upper end of the market.

"If criminals can get access to these assets – and trade them overseas – it makes it very difficult for the authorities to understand exactly where the ownership really lies. That remains the problem," he told the BBC.

Other industry experts welcomed the announcement by Mr Cameron, saying it was time such criminal activity was stopped.

"However, the vast majority of the 36,000 off-shore companies that own property in London were set up for legitimate tax planning reasons, so don't expect a swathe of arrests or properties being confiscated," said Jeremy McGivern, founder of property company Mercury Homesearch.