

The Anti-Money Laundering Process A guide for tenants purchasing their home

Section One – An Overview

To comply with the Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017, Sandwell MBC is required to see proof of where funds have come from to purchase their home. This guide will give comprehensive information on the whole process to enable tenants to complete the process as quickly as possible.

Section Two – The Declaration

The declaration is a three page document that details where the funding for your property is coming from. It is essential that this document is completed in full and contains no corrections or crossings out. Please use block capitals throughout. Figure 2.1 is an example of a correctly completed page one of the declaration:

	Tenant	Joint Tenant (if applicable)
First names	DAVID JOHN	JANE
Surname	SMITH	SMITH
Date of birth	1.1.1970	1.1.1971

Current address	1 EXAMPLE STREET		
	WEST BROMWICH.		
		Post Code	870 85Z

You will need to provide documentation to confirm the identity of those listed above (there is a list of acceptable documentation at the end of this form).

Figure 2.1. Names, dates of birth and address have all been entered correctly in block capitals.

Page two of the declaration is split into two sections. In the top half, you are asked to confirm the names and addresses of anyone contributing funds to the purchase. You must also specify your relationship to each person. Figure 2.2 shows this section completed correctly:

Other people involved in the purchase
Please confirm the names and addresses of **all** the people involved in the purchase (excluding yourself). This should include people who may be providing money who have not been named on the Right to Buy application.

Name	Current address	Relationship to you
PETER SMITH	1 SANDWELL STREET WEST BROMWICH Postcode B70 9SE	Son
JOHN JONES	90 HIGH STREET WEST BROMWICH Postcode B71 1ZQ	FRIEND.

You will need to provide documentation to confirm the identity of those listed above. There is a list of acceptable documentation at the end of this form.

Figure 2.2. Every person who is not a tenant but is contributing funds needs to complete this section.

Beneath this is the section that details where the money is coming from, with all contributions accounted for. Please note that the total in the “Amount” column *must* add up to the purchase price *exactly*. The name in the “Name” column must be a person’s name, not the name of a bank or building society. Figure 2.3 shows a declaration for a property costing £100,000:

Source of funds
Please tell us where the money for the purchase is coming from. If family/friends are lending or gifting the money, include their names below and details of where the funds are coming from. Funds that are being gifted from friends or family members must be transferred into the tenant/tenant’s account before the submission of this form.

Name (Note: this MUST be the person’s name, not the name of bank, mortgage provider, etc)	Source (i.e: mortgage, savings, inheritance, loan) – including the name of the company.	Amount (£)
MR & MRS SMITH	SANDWELL BANK - MORTGAGE	£80,000
DAVID SMITH	ACCOUNT N2 1234567 - SAVINGS	£10,000
JANE SMITH	LOAN - SANDWELL BANK	£5,000
PETER SMITH	SAVINGS - ACC 7632161	£3,000
JOHN JONES	SAVINGS - ACC 0011223	£2,000

You will need to provide proof of all the amounts stated above. This includes full mortgage offer, bank account statements, etc.

Figure 2.3. Note that the amount column totals £100,000. Bank account numbers are clearly shown and each entry contains a name.

Page three of the declaration is for everyone mentioned in the declaration to sign and date the form. Please note that the “Date” field is the *date signed* and not the date of birth. Please enter only one digit per box, following the convention DDMMYY. For example, the first of December 2023 would be entered as follows: 011223. See Figure 2.4 for an example of a page 3 that was *incorrectly* completed on the 2nd November 2019:

Name (Print)	DAVID JOHN SMITH	Signature	D Smith
Date Signed	0 1 0 1 7 0		
Name (Print)	PETER SMITH	Signature	
Date Signed			
Name (Print)	JOHN	Signature	John Jones
Date Signed	0 2 1 1 1 9		
Name (Print)		Signature	
Date Signed			
Name (Print)		Signature	
Date Signed			
Name (Print)		Signature	
Date Signed			

Figure 2.4. There are four errors on this page. David Smith has entered his date of birth in the date signed field, Peter Smith has not signed the declaration, John Jones has not entered his full name and the joint tenant, Mrs Smith, has not completed the declaration at all.

Section Three – Identification

Every person involved with the purchase needs to provide proof of identity. The ID must be valid and in date and must take the form of any of the following:

1. A full photographic driver's licence. Provisional driving licences cannot be accepted.
2. A valid passport.
3. A birth certificate. Where the birth certificate is not in the current name, we will need further official documentation confirming the applicant's current name. This will need to be a marriage certificate, a Deed Poll document or other official notification.
4. Home Office documentation.

No other forms of ID are acceptable. However, additional documentation may be required if the ID provided is not satisfactory. This will usually be in the case where a signature does not match the declaration, but can also be for other reasons.

Section Four – Proof of funding

Funding for your property must be explicitly proven in full. The most common sources of funding are discussed in full below:

1. Savings/Cash

Savings must be held in a UK bank or building society. You will need to produce at least 12 months' statements to show you have the funds declared on page 2 of the declaration. Full branch copies of statements must be produced; we are unable to accept ATM statements or pass books. If large amounts of cash are being stored at home for the purpose of purchasing the property, you will need to deposit these funds into a bank account and show proof of how these funds have accrued.

If there is an opening balance of £10,000 or more for an individual account (that is to say, the balance reads £10,000 or more on the first statement provided to us), you will need to provide five years' worth of statements.

You will also need to produce official documentation (such as legal paperwork) for any deposits of £8,000 or more. However, we may ask for official documentation for deposits of less than this sum if there is a one-off deposit or regular payments to the account that do not have an obvious source.

Please note that all statements must, *without exception*, be in UK currency. This does mean in the case of money coming from overseas that you may have to pay to get documents translated and converted into pounds sterling.

If funds are coming from a business account, please provide a letter on letterheaded paper from the business's accountant stating that the funds showing on the bank statements are an accurate reflection of the business's activities. The letter must be signed by hand and accompanied by at least 12 months' statements from the business account.

2. Loans

Loans must be accompanied by official loan paperwork. We cannot accept email confirmations of loans; official letters must be produced that specifies the amount of the loan. Bank statements will need to be provided for at least a 12 month period (see above) showing the loan amount entering the account.

3. Inheritances

Similar to the above, in the event of funds coming from an inheritance, official paperwork must be produced showing the following:

- The name and address of the beneficiary
- The amount of the inheritance

Bank statements will need to be provided for at least a 12 month period showing the inheritance amount entering the account.

PLEASE NOTE: for all instances where cash is being used to fund a property, the funds *must* be transferred into the tenant's account prior to submission of your documentation.

4. Mortgages

Full mortgage offers will need to be provided. We cannot accept agreements in principle, mortgage illustrations without an offer or computer-generated offers. The mortgage offer will need to contain all of the following information:

- The address of the property
- The name(s) of the person(s) borrowing the money
- An expiry date sufficiently far into the future to allow the sale to complete

Please ensure that all of the pages of the mortgage are present. If there is a covering letter for the offer, please also provide this.

When all of the above is ready to be submitted, please refer to our guidance notes (issued with the form itself). *Never post anti-money laundering evidence, especially ID documents.* If documents are posted, they will be returned, and your application will be on hold until you comply fully with these requirements.

Section Five – Submitting your documentation

For audit and counter-fraud purposes, we are required to have a clear digital trail of submissions. We will need to receive your documentation in one pdf document in the order given in the guidance notes. This then needs to be emailed to us to review. We cannot accept submissions split over separate emails or an email with several attachments. This is to ensure that there is no ambiguity on what is being declared and protects Sandwell Council in the case of a challenge on the contents of your file.

As your submission may contain hundreds of pages depending on the method of funding, your file may become too large. If your file is too large, please do the following:

- Please remove any blank pages and backs of statements (pages that do not contain financial information).
- Please ensure there are no documents that haven't been requested, such as bills, Council Tax records, Acceptance slips, Offer Notices, etc.
- Please ensure that you have only provided statements for the periods requested (12 months for all accounts unless the opening balance is £10,000 or more - in which case five years as detailed above).
- Optimise your file using your application's editing features. Free PDF editing software is also available by performing an Internet search.

If your file is still too large, please rescan your documentation at a lower resolution (150dpi is acceptable). As long as the text can be read, we will be able to accept your file.

Section Six – Further Checks

Depending on circumstances, further checks may be necessary. For example, if you are claiming Housing Benefit or receiving Universal Credit, your declaration will need to be passed by other sections as well as by the Home Ownership Services. We will always pass the information on to these sections as soon as we are able, but please bear in mind that they will not be able to give us a timescale for when they will be able to work on your declaration.

Section Seven - Completion

Once your declaration has been passed by the Home Ownership Services and any other relevant sections within the council, your documentation is passed to Sandwell's Legal section for a final check. You will receive notification from the Home Ownership Services to confirm that we are satisfied with the paperwork provided and you will be given a guideline of when you can expect to hear about finalising the purchase. Once our Legal section have completed their process, they will liaise with your solicitors to arrange a completion date. At this stage, you should contact your solicitors if you have any queries.

Appendix – Contact details

If you have any queries on your Right to Buy application or the Anti-Money Laundering process, please contact us at by email to leasehold_services@sandwell.gov.uk