

## Protecting Transaction Funds

*By Emily Haskey, Operations Manager, Dye & Durham*

There has been a significant rise in cyber-attacks over the past few years, corresponding with the growing shift to digital workflows. The majority of communication these days is through email, for example, and email is vulnerable to interception. Remote work means logging in, and this can provide a weak point for hackers, particularly if firms use shared account access or if employees use the same passwords for multiple logins.



Conveyancers are a particular target for hackers because of the large financial transactions they handle for property sales.

For law firms, the repercussions of cyber fraud can be devastating for both clients and the business. That's why it's so important for legal professionals to take proactive steps to ensure due diligence and protect clients and the law firm.

We know that one of the main risks is criminals impersonating other law firms to receive the funds transacted on a property. Impersonation, usually through email interception, made up 91 per cent of SRA Scam Alerts in 2021.

Fraudsters can intercept phone calls, redirect and replace posted communication and hack into emails, usually impersonating a real law firm, with the objective of attempting to divert property transaction funds into their own accounts. It can be easy to miss the slight alteration of just one digit in a sender's email address and suddenly a conveyancer has been supplied with a fraudster's bank account details instead of the law firm they believed they were working with.

Furthermore, many firms do not independently check/verify another conveyancer's details, trusting that they are communicating with a genuine individual or law firm when they may be liaising with a criminal impersonator.

One case reported by the Law Society Gazette in October 2021 details how £640,000 was handed over to criminals when emails between the buyer and the buyer's solicitor were intercepted. According to the Gazette: "They created an email account made to look like that of the solicitor to request payment. Payment details were provided on headed paper via the spoofed email, and the amount requested was exactly what the buyer had expected to pay. Most of the money was never recovered."

When being **certain** is everything

Although nothing is 100% guaranteed, defense strategies can be implemented to safeguard every transaction. Lawyer Checker is such a solution.

To mitigate risk, Lawyer Checker checks the law firm's account details against Dye & Durham's unique database to determine whether those details have a track record of successful usage within conveyancing. Lawyer Checker is a web-based solution and can be accessed securely from any location 24/7 at the click of a mouse, supplying an audit trail for law firms as well as ensuring due diligence by adhering to the SRA Code of Conduct for Solicitors (SCCS) 4.2 – Safeguard Client Money and Assets.

Lawyer Checker's unique algorithm checks details against 10 different databases in real time. It checks SRA scam alerts and safeguards transactions against human error and typos while also providing the most up-to-date information. All frequent and infrequent results are processed through the latest NatWest tracker to check bank account details. Lawyer Checker has verified thousands of accounts and reported back on incorrect details. It also features a dedicated research team that's highly skilled in providing further investigation when necessary.

Lawyer Checker's reports are low cost and can be attributed as a disbursement and include two searches – one completed at the start of the conveyancing process, plus a further check just before the funds are transferred. Lawyer Checker's unique algorithm ensures there have been no new alerts in the interim. This is critical due to protracted transaction times to ensure the search is fully up to date, making it easy and cost-effective to mitigate the risk of fraud during the conveyance.

Legal professionals must now ensure that cyber security is high on the agenda for every property transaction and conveyancers are proactive in addressing the increasing risk of cyber-attack. Lawyer Checker can help mitigate risk by ensuring funds are safely directed to the correct bank account.

Lawyer Checker can be ordered through Wessex Searches. Please contact your representative for more information.



When being **certain** is everything