

buying a property: source of funds guide

This part of buying a property can seem unusual, intrusive or complex, so here are some questions and answers!

What does 'source of funds' mean?



Source of funds refers to the money that is being used to fund the purchase of your property. You will need to provide a copy of your bank statement showing all of the money in place and provide sufficient documents to show how this money has accumulated.

I have some money from an inheritance, what will I need?



You will need to show us the letter from the solicitor/executor confirming the inheritance and the amount due to you along with a bank statement showing the money being transferred into your account.

Why do I have to provide so much information and copies of documents? This feels intrusive.



We understand it can feel intrusive and inconvenient, however there are strict anti-money laundering laws in the UK which we have to comply with, and this means that we must be sure we know where the money has come from.

If I have received a settlement from a divorce or from compensation, what should I provide?



A copy of the letter from the solicitor or the court order confirming the settlement along with your bank statement showing the money being transferred into your account.

What if all of the funds are coming from a mortgage and the sale of my property?



If all the money to buy a new property is coming from a mortgage and a sale that we are dealing with, we are unlikely to require any further documentation from you. If you have already sold your property, we will need a copy of the Completion Statement from your solicitor and your bank statement showing the money being transferred into your bank account.

What do I need to provide if I have some money saved up?



If you are using savings, we will need bank statements showing these savings building up over time, at least six months or more. We will also need to know how you saved these, for example from wages or a pension and are likely to need to ask for more documents from you to support that. This also applies to Help to Buy ISAs - we will need statements.

What if someone is giving me some money as a gift?



We will need identification documents from anyone who is gifting money to you. We will also need the same information from that person to establish the 'source of funds'.

What if I don't want to provide this information or the documents?



Unfortunately, we can't continue to help you purchase a property until we have everything required.

We are there for you - if you have any questions please ask!

Note: This is a broad overview of the requirements and depending on your particular circumstances we may need to ask you for further documents to ensure that we satisfy the requirements of the anti-money laundering laws.