

HM Revenue and Customs (HMRC)

Anti-money laundering supervision – discussion about fees

Response from Propertymark

August 2025

Background

1. Propertymark is the UK's leading professional body of property agents, with over 19,000 members representing over 12,500 branches. We are member-led with a Board which is made up of practicing agents working in residential sales, lettings, commercial and property inventory service providers as well as valuers and auctioneers (property and chattels). We work closely with our members to set professional standards through regulation, accredited and recognised qualifications, an industry-leading training programme and mandatory Continuing Professional Development¹.

Consultation – overview

2. On 1 August 2025, HMRC has proposed raising its fees it charges businesses it supervises under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017. They are doing this because fees have not increased since and the cost of supervision is higher than it was in 2019. The increase in fees is designed to ensure that HMRC can maintain effective supervision. It should be noted that the £300 premises fee accounted for 90% of HMRC's fee income in 2023 to 2024.
3. HMRC currently charges the following fees to cover the cost of anti-money launder supervision for Estate Agent Businesses, Letting Agent Businesses, Art Market Participants and High Value Dealers:
 - A £300 premises fee that is charged annually for every set of premises a business operates from.
 - A £40 approvals process fee for each beneficial owner, officer or manager of a supervised business.
 - A £1,500 penalty administration charge when a business is issued with a compliance penalty

¹ <https://www.propertymark.co.uk/>

- A £350 penalty administration charge when a business is issued with a registration failure to notify and a failure to provide information notice.
4. HMRC is proposing to introduce the following fee increases that would impact property agents
- The annual premises fee will rise from £300 to £400
 - A one-off application fee of £400 will be introduced
 - The penalty administration charge is being restructured into a sanctions charge, potentially increasing up to £2,000.

Propertymark response - Summary

5. Propertymark welcomes the opportunity to respond to HMRC's anti-money laundering (AML) supervision fees discussion paper. Propertymark is an advocate for greater action against money laundering and to reduce economic crime in the housing and property sector. This includes raising awareness of money laundering with our members and provides support on how to carry out AML requirements, including training and guidance documents. Propertymark also meets regularly with HMRC to provide updates regarding anti-money laundering supervision on behalf of our members.
6. Overall, Propertymark thinks that a balance must be struck between ensuring that HMRC has the funding needed to carry out effective AML supervision while preventing costs from negatively affecting compliant businesses. We would encourage HMRC to focus on issuing higher penalties for non-compliance rather than raising fees on businesses that have no compliance issues. Our members who meet the threshold for money laundering supervision have to spend a considerable amount in both staff time and conducting identity checks, which often have to be conducted by a third-party, especially if the agent is an independent business or operation. If fees are increased to unaffordable levels, HMRC may see an increase in property agents seeking to avoid registration, which would ultimately lead to less revenue for HMRC.

Propertymark response – Survey results

7. Propertymark's response has been informed by a snap survey of our members which received over 220 responses. These responses came from sales, lettings and commercial property agents as well as auctioneers. Propertymark asked members two questions regarding each fee and the overall fee increase, we first asked if the fee increase was "reasonable" then if the increase in fees would

present a financial challenge to the business. Of the responses, c.75% came from agents who only owned one branch, highlighting that concerns regarding financial pressures largely came from small agents. However, the majority of property agent businesses are small independent firms rather than large corporate bodies. Of the over 220 responses, 9 agents represented 10 or more branches with the largest having around 180. Geographically, survey respondents were well-represented across all nations in the UK, with the four largest areas being North West England, Yorkshire, South West England and the East Midlands.

8. The following tables demonstrate the response Propertymark members had to the reasonableness of the price increases and the financial impacts they would have on their business.

To what extent do you think HMRC's proposed fee increases in total are reasonable?	
Very unreasonable	62%
Unreasonable	30%
Neither reasonable nor unreasonable	6%
Reasonable	0%
Very reasonable	2%
Don't know	0%

Would the increase in fees present a financial challenge to your business if introduced?	
Significant financial challenge	41%
Minor financial challenge	41%
No financial challenge	13%
Don't know	4%
I don't anticipate the fees will be charged to my business	1%

To what extent do you think the proposed increase to the premises fee from £300 to £400 is reasonable?	
Very unreasonable	39%
Unreasonable	39%
Neither reasonable nor unreasonable	13%
Reasonable	7%
Very reasonable	1%
Don't know	0%

Would the increase in premises fee present a financial challenge to your business if introduced?	
Significant financial challenge	26%
Minor financial challenge	47%
No financial challenge	23%
Don't know	2%
I don't anticipate the fees will be charged to my business	2%

To what extent do you think reintroducing the one off £400 application fee is reasonable?	
Very unreasonable	51%
Unreasonable	29%
Neither reasonable nor unreasonable	10%
Reasonable	7%
Very reasonable	3%
Don't know	<1%

Would the reintroduction of the application fee present a financial challenge to your business?	
Significant financial challenge	33%
Minor financial challenge	37%
No financial challenge	20%
Don't know	3%
I don't anticipate the fees will be charged to my business	7%

9. What should be important to note is that the increase in fees cannot be matched with an increase in revenue generated from the agent. Under legislation in England, Scotland and Wales, letting agents are unable to charge fees to tenants in order to charge for AML checks. Additionally, landlord fees are incredibly competitive, meaning any increase would likely result in landlords switching agents. Likewise, given the current financial situation and competitive housing market, it is going to be challenging for property gents to raise their fees in order to cover the increasing costs of doing business.
10. Considering all this, the response from Propertymark members clear, HMRC's proposed fee increase would likely further exacerbate the ongoing financial pressures on the industry. Should HMRC require additional funding in order to increase their capacity to carry out money laundering supervision, we would urge HM Treasury to prioritise issuing penalties for serious cases on non-

compliance, including larger fines for money laundering practices and to provide additional funding. This would prevent disruption to the housing industry but also tackling money laundering has wider economic and social benefits that would result in net economic gain for the UK economy, making an increase in public spending justified.