


National Association of Professional
Sourcing Agents (NAPSA)

Critical Mistakes Uncovered in the Property Sourcing Sector

General Report November 2025

WWW.NAPSA.ORG.UK

 **NAPSA**



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Over the past 13 years, I have had the privilege of working within this sector, witnessing its growth, evolution, and the opportunities it provides to property investors and professionals alike. This sector has opened doors for investors to access off-market opportunities and tailored deals that would otherwise remain hidden. However, alongside its growth, I have also observed the challenges it faces, challenges that, if left unaddressed, could have serious consequences for the integrity of the UK property market and the wider economy.

The most significant risks facing our sector today are money laundering and fraud. The UK property market, with its stability, high value, and global appeal, has long been an attractive target for those seeking to launder illicit funds. While much attention has been given to high street estate agents and prime property transactions, the property sourcing and deal packaging sector has remained largely under the radar. This lack of visibility has created an intelligence gap, leaving the sector vulnerable to exploitation by organised criminal gangs (OCGs), as well as unscrupulous investors and exposing the UK to significant financial crime risks.

At NAPSA, we are committed to raising standards, improving compliance, and fostering transparency within the property sourcing sector. This report is a culmination of our efforts to shine a light on the risks posed by the sector, gaps in regulation and knowledge, and the steps we must take to address these issues.

This report is a call to action for all sourcing agents, deal packagers, and property investors who want to operate ethically and responsibly. It provides a detailed analysis of the sector's vulnerabilities, supported by data and research, and offers actionable recommendations to address these challenges.

We are already taking steps to address some of these challenges at NAPSA, however we require a collective effort from the sector to help tackle the greater issues at large.

TINA WALSH
CEO of NAPSA



“ I firmly believe that by working together, we can create a property sourcing sector that is not only compliant but also trusted and respected. This report is a step in that direction, to raise awareness, to improve standards, and I hope it inspires meaningful action across the industry. ”

i About NAPSA

NAPSA was founded in 2020 by Tina Walsh, a property sourcing expert with over 13 years of experience; with the core goal of addressing the lack of guidance, oversight and resources in the property sourcing and deal packaging sector.

As the only trade body dedicated exclusively to this sector, NAPSA provides essential support to sourcing agents and deal packagers, helping them navigate the complexities of the property transaction process, while adhering to all regulations including anti-money laundering (AML). NAPSA's work is underpinned by a commitment to professionalism, transparency, and investor protection.

NAPSA envisions a property sourcing sector that is trusted, respected, and professional. To achieve this, we already work closely with members, and other supervisory bodies to drive positive change. By fostering a culture of compliance and ethical operating, NAPSA is helping to protect the integrity of the UK property market and reduce the risk associated with money laundering, terrorist financing and fraud.

Our Mission

Raise Standards:

Promote professionalism and best practices across the sector, ensuring that sourcing agents and deal packagers operate ethically and responsibly.

Support Compliance:

Equip members with the tools, training, and resources they need to meet all regulatory requirements, including AML compliance.

Foster Transparency:

Improve visibility and accountability in the sector, addressing the intelligence gaps that have left it vulnerable to exploitation.

Protect Investors:

Educate property investors on how to find and work with compliant agents, reducing the risk of financial loss and ensuring a safer investment environment.

Key Industry Statistics

The following statistics, taken from the latest Home Office National Risk Assessment Report, or NAPSA research, illustrate the scale of the challenges facing the property transaction sector as a whole.

£10b*

Annually

Estimated to be laundered annually through the UK property market. The risk of money laundering through UK companies remains high.



Overseas Entities*

Recognised as vulnerable to investments of illicit finance and money laundering, particularly through complex ownership structures.



Off-Market Deals*

A significant intelligence gap exists, as these transactions are often hidden from scrutiny and regulatory insight

40%

Fined businesses offer only a sourcing service

Based on the HMRC report, these businesses offered purely sourcing services, whilst the remaining 46% offered mixed services in addition to sourcing, such as conveyancing, sales, or lettings.

£1.1M

Fines issued to sourcing agents

136 sourcing businesses were fined by HMRC during January 2023 and March 2025 for AML supervision failings. From our own research we have discovered that 84% of agents have not registered for AML Supervision.

10,000

Estimated sourcing businesses or companies offering sourcing services in the UK (based on NAPSA research)

* Referenced in the Home Office National Risk Assessment Report 2025'

Main Findings

This report identifies several widespread issues prevalent within the property sourcing and deal packaging sector:



High Risk of Money Laundering

The National Crime Agency (NCA) latest report estimates that £10 billion per year is laundered through the UK property market. With property sourcing and deal packaging often hidden under the radar in WhatsApp and Facebook groups, focusing on 'off-market', BMV, overseas buyers; they pose a significant risk for money laundering, tax evasion or other financial crimes.



Lack of Clarity - Mandatory Supervision

HMRC are fining a lot of businesses that provide sourcing or deal packaging services. National Trading Standards state in their guidance that if you, '...have a business that introduces buyers or investors to a 'property deal' also known as property sourcing' you're carrying out estate agency work. This means that they both consider our sector to be mandatory supervision.



Data Limitations

Because sourcing agents and deal packagers use different SIC codes or titles to disguise what they do, they are often hidden in plain sight. Accurate data for the sector, numbers operating and transactions completed are therefore difficult to come by, without in depth and time consuming research.



Unregulated Poor Quality Training

For many years now, the private training sector has been awash with companies or individuals running courses to teach people how to property source or deal package. Some claim they can get you fully compliant in as little as 10 minutes, or you can sell your deal through them with no need for any compliance in place. Compliance training and documents provided on many of these courses or platforms is often non-existent or at best poor, leaving those taking these routes with critical gaps in their compliance and vulnerable to fines.

💡 Tips For Sourcing Agents

Based on our experience working with sourcing agents and discovering key compliance gaps, we have provided tips to help you keep your business protected and operating legally.

🕒 Check Your Training:

When did you last complete data protection and anti-money laundering training? Did they cover property sourcing specifically and include terms such as proliferation financing? Every shareholder and director of an EAB is expected to complete this training at least annually, to make sure you are up-to-date on money laundering risk and data knowledge gaps. You are required to have completed training for both before registering your business with ICO and HMRC.

📄 Check Your Documents:

There are currently 20x legally required documents you must have in place, including Contracts, Policies, Risk Assessments, Controls and Procedures, Complaints, and Staff Training Matrix.

You must not use an NDA as a contract to work with investors. Instead, make sure you have a fit-for-purpose Terms of Business Agreement which clearly covers your services, fees, cancellation process, and critical contract details.

📄 Check Your Insurance:

Your Professional Indemnity (PI) Policy must cover at least £100k and state property sourcing (or have it in writing from your provider that it specifically covers your services).

We often see agents with standard estate agency policies, which will not protect their business when sourcing or deal packaging.

🕒 Check Companies House:

Do you know what SIC code your business is registered under? Anyone operating a property sourcing or deal packaging business must include the code 68310.

☰ Check Your Registrations:

Is your business registered with ICO, HMRC for AML supervision, or a government-approved redress scheme (either TPO or Property Redress)?

We found that 90% of sourcing agents are missing one or more of these critical registrations. They are there to protect you and your clients should something go wrong, and are a legal requirement.

Tips For Investors

We see too many investors lose money to sourcing agents and deal packagers who are lacking in training, knowledge, and the right compliance protections.

Working with sourcing agents can be professional, ethical and successful; however investors need to be aware of the checks and due diligence they need to make before starting any business relationship.

Do They Have Registrations?

First and foremost, please make sure that any agent you work with is registered with the ICO, HMRC and a property redress scheme (either TPO or Property Redress)

Are Their Services and Terms Clear?


Do you understand what services they will be providing and their fee structure? Have they provided you with a clear Terms of Business Agreement which outlines your contract with them?

Do They Have Insurance?

Does their insurance policy state property sourcing and cover a minimum of £100k? If they are project managing, do they have a relevant policy to match their services?

Do They Understand Your Area and Strategies?

From your conversations, is it clear this agent understands the area you wish to invest? Are they clear on what you are looking for? Do they understand the regulations and intricacies of the strategy you wish to invest in?



At NAPSA, we check every single agent that registers with us by carrying out a 25-point compliance and professionalism check.

Investors should still carry out their own due diligence, however you can have the confidence that key protections are in place before you work with an approved NAPSA agent.

✓ Results and Findings - HMRC Fines Lists

136
Fined

Sourcing businesses or companies offering sourcing services over a 27 month period.

£1,126,538

Total fines issued to businesses sourcing or offering a sourcing service between Jan 2023 - Mar 2025.

Failing
To Register

All of the 136 fines included breaches for failing to register for AML supervision.

5

The number of average Fines Per Month For Sourcing Businesses based on the HMRC reports.

51%

Not Registered With Redress Scheme

Despite offering sourcing services, this level of companies were not registered with either government approved redress scheme.

40%
Sourcing
Only

Of the 136 businesses fined, 40% were offering purely sourcing services. The remaining offered a mixture of surveying, and other property services, such as sales or management.

£8,407

Average fine between the 136 businesses over the report period.

19%
RICS
Registered

Of the sourcing businesses, this level were operating as RICS surveyors and offering additional 'acquisition', sourcing services.

54%
Incorrect
SIC Code

Of the 136 companies fined, many had a handful of SIC codes assigned, and non included the required 68310 for Estate Agents and Lettings (also covering sourcing services at this time).

29 | 82990 | 41100 |
68310 | 68100 | 682
09 | 70229 | 82990 |
82990 | 41100 | 5510

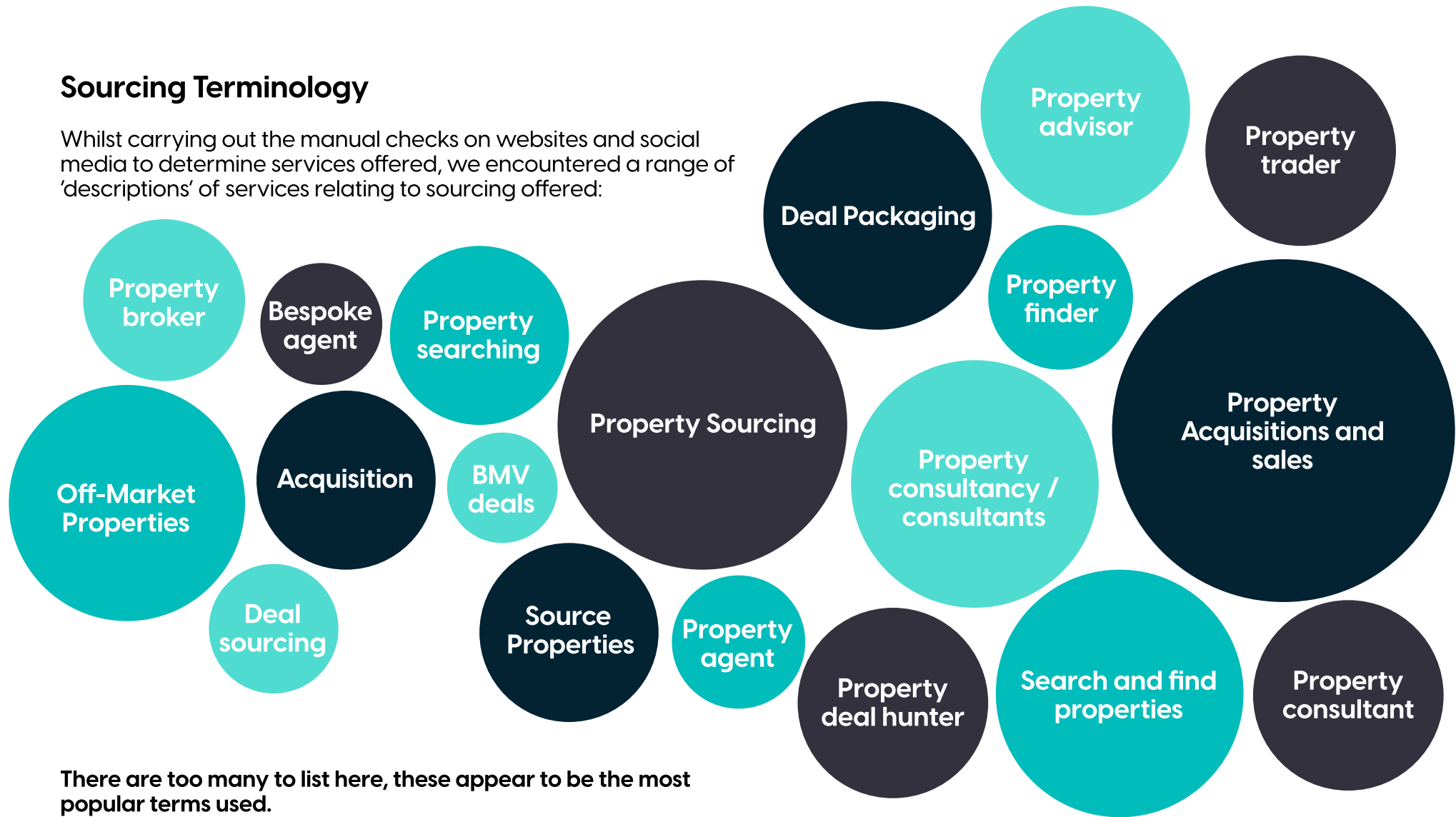
SIC Code List

There were varied codes used in HMRC fines lists, some businesses more than one assigned for the mixed services offered, or to mask property services completely.

✓ Results and Findings - HMRC Fines Lists

Sourcing Terminology

Whilst carrying out the manual checks on websites and social media to determine services offered, we encountered a range of 'descriptions' of services relating to sourcing offered:



There are too many to list here, these appear to be the most popular terms used.

○ Additional Spot Checks - September 2025

In addition to the HMRC fine data, we expanded the research to highlight the scale of issues within the sector.

We researched 500 businesses that had the term 'property sourcing' in their company name, regardless of the SIC code registered under.

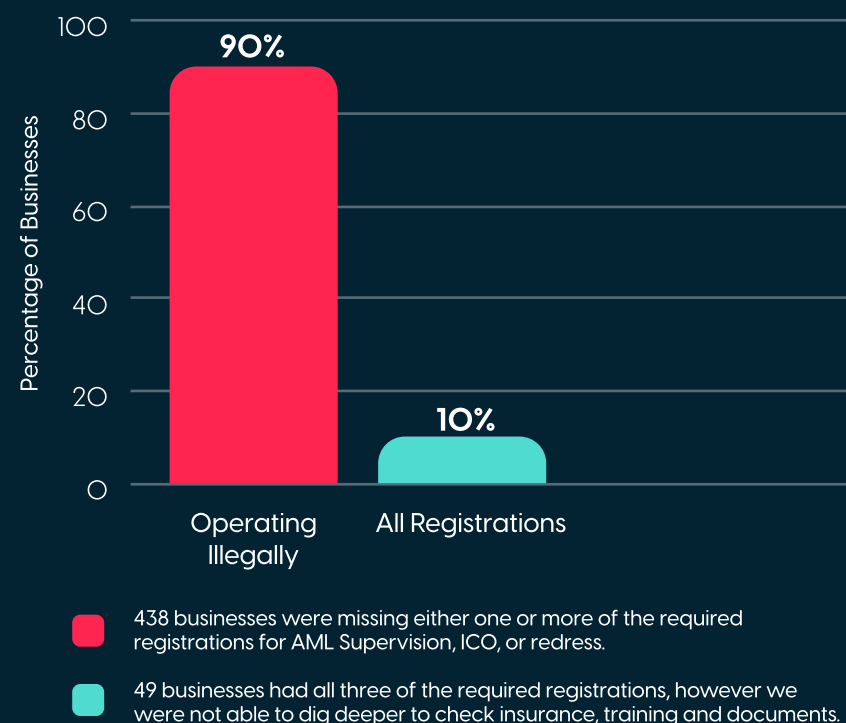
68310 | 68100 | 68209 | 70229 | 82990 | 41100 | 55100

We have included the data findings for how many companies we checked, how many sourcing businesses or companies offering sourcing services were discovered, and whether they were meeting current standards for required registrations.

We also filtered the search down on Companies House to only show businesses registered with specifically the phrase 'Property Sourcing' in their company name. This would give us a higher level of qualification that these businesses are operating as property sourcing agents.

Of the 500 businesses that we gathered for the research, 482 were shown as being 'Active' on companies house.

Business Registration Overview



90%

**Based on our research
of 482 active businesses**

↗ NAPSA – Proactive Not Reactive

In order to reduce the risk of money laundering, fraud and tax evasion in the property sourcing and deal packaging sectors NAPSA must become much more proactive and not reactive.

Already in Place:

25 Point Compliance and Professionalism Check

All members who join NAPSA and complete the registration process, go through a 25-point internal check, including standard compliance requirements through to professional checks such as knowledge and documentation standards. We work with each agent on a one-to-one basis to make sure they meet and keep to the national minimum standards each year.

Code of Practice

We worked directly with both approved redress schemes, to create and have approved the NAPSA Code of Practice. We keep this updated and inform all members and the wider sourcing sector when any changes are made. Both redress schemes agree and follow NAPSA's Code of Practice when reviewing complaints against a sourcing agent or deal packager.

Educating Property Investors

We have dedicated free resources for investors to read, watch and download, as well as regular webinars they can attend to understand the sourcing process, what they need to look for, as well as their responsibility regarding information sharing and AML checks. Our goal is to avoid investor complaints, money being lost unnecessarily and of course the risks of money laundering.

UK SIC codes

NAPSA has provided feedback to the ONS in the latest review of the UK codes, the first since 2007. We have suggested that the now overloaded SIC code 68310 (Real estate agents), which currently covers everyone other than conveyancers and lettings agents be reviewed and have suggested two different ways that this could be changed.



No Fines.

We can confirm that no NAPSA approved agents have received fines from either redress scheme or HMRC.

This is a testament to the initial and continued level of checks we carry out on each member to make sure they meet the standards expected.



Final Thoughts

The property sourcing sector has **immense potential to contribute positively to the UK property market**, but only if its current failings are addressed.

The real threat lies in the businesses that fail to register for all required supervision and have little or no knowledge of overall compliance requirements; as well as those property investors who see an agent's compliance as being of no importance to them - until it is.

To address some of these issues much needs to change. From a co-ordinated approach by supervisory bodies, better understanding from agents working in the sector, to more definitive guidance for property investors.

By working together, industry professionals, policymakers, supervisory bodies, and trade organisations, we can create a sector that is not only compliant but also trusted and respected. This report serves as a call to action for all stakeholders to take the necessary steps to protect the integrity of the UK property transaction market and ensure the long-term success of the property sourcing and deal packaging sector.

NAPSA is already taking proactive steps to address the challenges identified in this report. However, much more research work is needed to establish a more accurate figure for numbers of 'Active' sourcing and deal packaging agents currently operating in the UK.

We need more assistance, support and measures in place, particularly around data and compliance requirements so that we can increase our efforts and reach across the UK.

NAPSA will continue to guide and support those who wish to be at the forefront of this change and move the sector into a much more professional and stable future.

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