DEAL FOUNDRY
BY WILD STONE

FREE FOR NEW SOURCERS

The New Sourcer's Set-Up and Compliance Checklist

Every step to set up a legal, compliant UK deal sourcing business, in order, with what it costs.

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> People charge for this. It's free here, from Karinna at Wild Stone Property, because nobody should be stopped by not knowing where to start.
>
> **How to use it:** work through the steps in order and tick each box as you go. Most new sourcers can be fully compliant within 4 to 8 weeks, and the biggest wait is usually HMRC's anti-money laundering approval. **Don't market deals or take a fee until steps 1 to 5 are done.**

What it costs

Budget about **£1,300 to £2,000 in year one** and **£950 to £1,500 a year after that** for a one-person limited company working from home. Insurance is the cost that varies most, so get quotes.

Item	Year one	Every year after	Who you pay
Limited company set-up	£100	£50 (confirmation statement)	Companies House
AML supervision: application	£300 (one-off)	none	HMRC
AML supervision: premises	£400 per premises	£400 per premises (annual declaration)	HMRC
AML approval check	£40 per director or owner	none	HMRC
Redress scheme	about £228 to £423 incl. VAT	about £228 to £334 incl. VAT	The Property Ombudsman or Property Redress
ICO data protection fee	£52 (£47 by direct debit)	£52 (£47)	ICO

Item	Year one	Every year after	Who you pay
Professional indemnity insurance	estimate £150 to £500	same	an insurer or broker
Public liability insurance	estimate £60 to £150 (often bundled)	same	an insurer or broker
ID and AML checks on clients	estimate £2 to £5 per person	as used	an ID check provider

Official fees were checked on 14 October 2026. Insurance and ID check prices are typical estimates, not quotes. Sole traders skip the Companies House fees.

Step 1: Set up the business

A limited company is the usual choice: it looks more professional to investors and keeps your personal assets separate. A sole trader is cheaper and simpler to start; speak to an accountant if you're unsure.

- [ ] Choose a business name and check it's free on the Companies House register
- [ ] Verify your identity with Companies House (free, using GOV.UK One Login). Every director now has to do this
- [ ] Register the company online (£100), or register as a sole trader with HMRC for Self Assessment (free)
- [ ] Choose your SIC code. 68310 (real estate agencies) is the usual one for sourcing
- [ ] Register for Corporation Tax within 3 months of starting to trade (free)
- [ ] Open a separate business bank account
- [ ] Set up simple bookkeeping, and consider an accountant
- [ ] Buy a domain name and set up a business email address
- [ ] Put your company name, number and registered office on your website, emails and invoices (a legal requirement for limited companies)

You don't need to register for VAT until your turnover passes the VAT threshold.

Step 2: Register with HMRC for anti-money laundering

This is the big one. HMRC treats deal sourcing as estate agency work, so you must be registered for anti-money laundering (AML) supervision **before** you start trading. Trading without it is a criminal offence. Approval can take several weeks, so apply as soon as your business is set up.

- [ ] Write your business-wide AML **risk assessment** first. HMRC can ask to see it

- [ ] Write your AML **policies, controls and procedures** (who you check, how, and what you do if something looks wrong)
- [ ] Name a **nominated officer** to report suspicious activity. As a one-person business, that's you
- [ ] Apply online as an estate agency business: HMRC money laundering supervision. Fees: £300 application, £400 per premises (your home office counts) and £40 approval check per owner, director or manager
- [ ] Complete AML training, and keep a record of it
- [ ] Choose how you'll verify identity (an online ID and AML check provider is easiest)
- [ ] Diary your annual declaration and £400 fee every year

Once registered, on every deal:

- [ ] Carry out customer due diligence on the investor who pays you, and on the vendor: ID, address, and who really owns or controls them
- [ ] Check where the investor's money comes from (source of funds)
- [ ] Screen against the UK sanctions list
- [ ] Do extra checks for higher-risk clients (overseas, politically exposed people, complex company structures)
- [ ] Report anything suspicious to the National Crime Agency, and don't tip the client off
- [ ] Keep your records for at least 5 years after the deal ends

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Step 3: Join a property redress scheme

By law, anyone doing estate agency work must belong to a government-approved redress scheme, so clients have somewhere independent to complain. Trading Standards can fine you, or ban you from estate agency work, if you don't. Pick one of the two:

Scheme	Joining fee	Annual fee	Notes
The Property Ombudsman (TPO)	£74.26 + VAT	£277.96 + VAT per branch	Full Membership covers property sourcing; 3 case reviews included
Property Redress	none listed	from £190 + VAT (Entry) or £280 + VAT (Enhanced)	Entry charges per complaint; Enhanced includes complaint fees

- [ ] Compare both and join one
- [ ] Put your membership number and the scheme's logo on your website and paperwork

- [ ] Write a simple **complaints procedure**: how clients complain to you first, your timescales, then how to escalate to the scheme
- [ ] Diary your renewal date

Step 4: Register with the ICO and handle data properly

You'll hold names, ID documents and financial details, so you must pay the ICO data protection fee. Most sourcers are tier 1: **£52 a year, or £47 by direct debit**. If you don't register, the ICO can fine you and treats you as the top tier by default.

- [ ] Pay the fee on the ICO website and note your registration number
- [ ] Publish a **privacy notice** on your website: what you collect, why, how long you keep it, and people's rights
- [ ] Keep ID documents and client files somewhere secure (not loose in your downloads folder or WhatsApp)
- [ ] Use strong, unique passwords and two-step sign-in on email and storage
- [ ] Only ask for the data you need, and delete it when you no longer need it (AML records: 5 years)
- [ ] Know what to do if data is lost or leaked: serious breaches go to the ICO within 72 hours

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Step 5: Get insured

Professional indemnity (PI) insurance isn't a legal requirement for sourcers, but serious investors will ask for it. It protects you if an investor says your figures or advice cost them money.

- [ ] **Professional indemnity:** get at least 2 or 3 quotes. Tell the insurer you do property sourcing for investors, so the policy actually covers it. Cover of £100,000 to £250,000 is a common starting point
- [ ] **Public liability:** covers injury or damage when you're viewing properties with clients. Often bundled with PI
- [ ] **Employers' liability:** a legal requirement as soon as you employ anyone
- [ ] Check what's excluded, especially advice on investments and returns
- [ ] Save your policy certificate where you can share it with investors
- [ ] Diary the renewal date

Step 6: Paperwork and marketing rules

The Estate Agents Act 1979 says your client must have your terms and fees **in writing before** they're committed. Get this right and you'll be ahead of most of the market.

- [ ] **Terms of business:** your service, your fee, when it's due and your cancellation and refund rules
- [ ] **Sourcing agreement:** signed by the investor for each deal, before you reveal the address
- [ ] **NDA:** to protect deal details before the investor commits
- [ ] **Personal interest:** if you, your family or your business have any interest in a property, tell the investor in writing
- [ ] **Invoices:** with your company details, and VAT only if you're registered
- [ ] **Don't hold client money.** Have deposits and purchase money go to solicitors. Holding client money brings extra rules and protection requirements

Marketing deals to investors:

- [ ] Make every figure honest and evidenced: comparables, rents and refurb costs. Misleading claims break consumer protection law
- [ ] Never promise or guarantee returns
- [ ] Take care with deals that look like investments rather than a property purchase (joint ventures, loans, "guaranteed" yields, pooled money). These can be financial promotions regulated by the FCA. A common safeguard is only sending them to investors who've signed a high net worth or sophisticated investor statement (high net worth: income of £100,000+, or net assets of £250,000+). Get legal advice if you're unsure
- [ ] Follow the rules when you contact people: no spam emails or texts to people who haven't opted in

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Step 7: Before your first deal, and every year after

Final check before you market a deal:

- [ ] Company registered and bank account open
- [ ] HMRC AML registration **approved** (not just applied for)
- [ ] Redress scheme membership live
- [ ] ICO fee paid
- [ ] PI insurance in place
- [ ] Terms of business, sourcing agreement, NDA and complaints procedure ready
- [ ] Your registration numbers on your website and deal packs: company, HMRC AML, redress scheme, ICO

Your yearly renewals:

What	When	Cost
HMRC AML annual declaration	Every year, on your registration anniversary	£400 per premises
Companies House confirmation statement	Every year	£50
Company accounts and Corporation Tax return	Every year (an accountant can do this)	accountant's fee
Redress scheme	Every year	about £228 to £334 incl. VAT
ICO data protection fee	Every year	£52 (£47 by direct debit)
Insurance	Every year	as quoted
AML risk assessment, policies and training	Review at least once a year	free

Missed renewals are how good sourcers fall out of compliance. Put every date in your calendar now with a reminder a month before.

Please note

This checklist is general guidance for UK property deal sourcers, checked on 14 October 2026. It isn't legal, tax or financial advice, and fees and rules change, so check each link before you pay. If your business does anything unusual, such as holding money, joint ventures or lending, take advice from a solicitor or accountant.

Want all of this in one place?

Deal Foundry by Wild Stone keeps your registrations, renewal reminders, agreements and investor checks together, and shows your compliance to investors on every deal pack.

wsdealfoundry.co.uk/start: 7 days free, then £57 a month, everything included.

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