



Introduction

Changes in banking standards mean that from **1st May 2025** law firms will need to include a *Purpose Code* for some property related CHAPS payments.

Purpose Codes are a simple way for the payer to describe the purpose of a payment, which then makes it easier for banks to detect potential fraudulent transactions.

Mandatory Codes

From 1st May 2025, property related payments sent by CHAPS will need to include a Purpose Code if the payment is being made for any of the reasons listed below.

Optional Codes

There are over 100 Purpose Codes for other types of payment. Whilst using them is currently optional, adopting them early is advisable.

Ultimately, including Purpose Codes makes it easier for banks to spot and prevent potentially fraudulent transactions - for example if someone at your firm is tricked into sending money to the wrong account.

More Information

For more information on Purchase Codes and the future of banking payments generally, visit the **“Knowledge Base”** section of our website at www.safecapital.co.uk.

Purpose	Code	Explanation
Property Loan Repayment	HLRP	Transaction is related to a payment of a property loan
Property Loan Settlement	HLST	Transaction is related to the settlement of a property loan
Property Loan Disbursement	PLDS	Payment of funds from a lender as part of the issuance of a property loan
Property Deposit	PDEP	Payment of the deposit required towards purchase of a property
Property Completion Payment	PCOM	Final payment to complete the purchase of a property
Property Loan Refinancing	PLRF	The transfer or extension of a property financing arrangement to a new deal or loan provider, without change of ownership of property