

## The complaint

Mr R has complained that Barclays Bank UK Plc has told him that his title deeds comprise an electronic record. Mr R wants Barclays to provide him with his actual paper title deeds or to compensate him for these having been destroyed by the bank.

## What happened

Mr R had a mortgage with Barclays, taken out in December 2016 and which was repaid in December 2020. Mr R was sent a letter by Barclays informing him that its charge had been removed at the Land Registry and advised him to contact the Land Registry for a copy of the Title Information Document (TID). Barclays confirmed that it only held a copy of the TID and no actual physical deeds.

Mr R complained to Barclays, but the bank explained that it hadn't made an error, as it had never held the title deeds.

Dissatisfied with Barclays response, Mr R complained to the Financial Ombudsman Service. He said he was expecting to receive the title deeds when the mortgage came to an end. He believed Barclays destroyed his title deeds. Mr R also says that Russian or Chinese state-sponsored agents can easily hack into UK systems and delete information. If this was to happen, Mr R believes there'd be no proof of his ownership of the property – which would be prevented if he had the title deeds. Mr R says Barclays should have warned him it was intending to destroy his deeds, which would have given him the opportunity to ask the bank to send them to him.

An investigator looked at the complaint but didn't think Barclays had done anything wrong. She was satisfied Barclays wasn't required to hold the title deeds and that it hadn't received them when Mr R re-mortgaged in 2016.

Mr R didn't agree with the investigator. He said his solicitor had told him that Barclays was holding the deeds on trust for him and that Barclays had no right to destroy them. Mr R said his main fear is that the Land Registry will be hacked, as he is aware that state-sponsored hackers in Russia, North Korea and China attacked the US Department of Defense and monitored messages for nine months before being found out.

Mr R said it is not inconceivable that UK government bodies (including the Land Registry) will be hacked for political or ransom reasons, with failure to pay resulting in the destruction of databases. Mr R therefore believed that proof of ownership of his house might be removed through these potential actions.

Mr R said Barclays destroyed the deeds after the mortgage was paid off. His solicitor has confirmed that he wouldn't have been able to sell the house without reference to Barclays as the buyer's solicitors would have carried out a search and discovered the mortgage. There was therefore no risk to Barclays in sending him the deeds.

Mr R said the investigator's findings were appalling and thinks that the Financial Ombudsman Service condones theft. He said there is no proof of ownership without him having to pay money to a third party (the Land Registry).

Because the matter is unresolved, it falls to me to issue a final decision.

### **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I can see Mr R feels very aggrieved at what he claims is Barclays' "*destruction*" of his title deeds. But I think Mr R has misunderstood the position in respect of modern conveyancing processes.

First, I will clarify what is meant by 'deeds'. To borrowers, this usually means all the old historic pre-registration deeds and documents, conveyances, deeds of transfer, searches, etc. showing the history of the property ownership to date.

Prior to 13 October 2003, when a mortgage was taken out over registered land the Land Certificate was handed over to the lender who would apply to register the mortgage against the title of the property. The Land Registry used to prepare a Charge Certificate and send it to the lender. The Charge Certificate was proof that the lender had a mortgage over the property and it contained all the information about anything affecting the land, such as restrictions, covenants, easements, etc., with a plan annexed showing the boundaries. Usually the mortgage deed was attached to the Charge Certificate.

To a mortgage lender, on registered land (and before the register was entirely electronic) 'deeds' used to mean the Charge Certificate and the Mortgage Deed. From the early 1980s onwards mortgage lenders would tell solicitors not to send any of the preregistration documents, as they didn't need them as evidence of title to the property. All the lender required was the Charge Certificate and Mortgage Deed.

But from 13 October 2003, after the implementation of the Land Registration Act 2002, the Land Registry switched to electronic records as proof of title, and lenders no longer required any paper documents for new loans. All existing certificates lost their legal status from that date and no further certificates were issued by the Land Registry after 13 October 2003. So from that date onwards, if the Land Registry received a paper document, it would be destroyed after the electronic record was created.

Mr R has told us that he purchased his property in 1985 with a mortgage from Woolwich (which later became part of Barclays). Given this, in my experience, I think it's more likely than not that all Woolwich would have received after the purchase completed was the Charge Certificate and the Mortgage Deed, as that was all that was needed. Any other documents would probably have been retained by the solicitors who acted for Mr R on his purchase, and kept in his client file. Generally, solicitors retain client files for a maximum of 12 years, after which they are destroyed. The old documents, searches and forms have no intrinsic value and are not proof of title, so there is no prejudice to the property owner if these are destroyed, although I do appreciate Mr R may disagree.

I can see Mr R's Woolwich mortgage came to an end in 2016, and Mr R re-mortgaged to Barclays. By that time, the register was electronic – and had been since 2003 – so there were no longer any paper Charge Certificates. To be clear, there was no need or requirement for Barclays to hold paper documents.

The solicitors who acted on the re-mortgage provided confirmation to Barclays of the TID at the Land Registry, and that was all the bank needed. But even if there had been an old paper Charge Certificate which still existed in 2016 dating from when Mr R took out the original Woolwich mortgage in 1985, this wasn't proof of ownership of the property because it had, as I explained above, lost any legal status in 2003.

I'm satisfied Barclays wasn't under any obligation to inform Mr R his Charge Certificate had been destroyed, because the evidence is persuasive that when Mr R's mortgage completed in 2016, Barclays never held this, only confirmation of the TID, which was the only proof of title in existence. So there was nothing for Barclays to destroy, or to send to Mr R.

I don't doubt Mr R's strength of feeling, I don't think Barclays is at fault. I can see how concerned Mr R is that foreign hackers will delete his entry at the Land Registry. Mr R might want to speak to his MP if he has concerns that the Land Registry computer system is vulnerable to foreign attack. That's not something I can comment on, as it's not covered by the Financial Ombudsman Service.

I appreciate this isn't the outcome Mr R was hoping for. But after taking careful note of everything he and Barclays have said, I don't think the bank has done anything wrong.

### **My final decision**

My final decision is that I don't uphold this complaint.

This final decision concludes the Financial Ombudsman Service's review of this complaint. This means that we are unable to consider the complaint any further, nor enter into any correspondence about the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 16 August 2021.

Jan O'Leary  
**Ombudsman**