

The complaint

E (a limited company) complains that Barclays Bank UK PLC didn't return deeds for properties it had mortgaged with the bank, didn't confirm the mortgages had been repaid and hasn't released its charges over the properties.

E is the complainant here. But it is represented by its director, Mr I. As all of our dealings have been with Mr I, I'll mainly refer to him within the decision.

What happened

E had two commercial mortgages with Barclays on two properties. One mortgage was repaid in 2018 and the other mortgage was repaid in 2019. Mr I complained to Barclays in 2021 saying that the original deeds and leases hadn't been returned to him. He also said that he'd not had confirmation that the mortgages had been repaid and that Barclays still held a charge over the properties.

Barclays responded to the complaint saying it had discharged both mortgages shortly after they were repaid and wrote to Mr I confirming this at the time. It said it hadn't been provided with the original deeds but said it had sent Mr I copies of the lease it held for one of the properties and the preregistration deeds at the time of the mortgages being redeemed. Barclays sent Mr I another copy of the lease it had held. It also offered Mr I £100 compensation for the time it took to respond to his complaint.

Mr I didn't accept this, and he referred the complaint to us. One of our Investigators looked into the complaint. She was satisfied that Barclays had confirmed that the mortgages had been paid. However, she thought it was likely Barclays had held the original deeds and lost them. Our Investigator explained that deeds were now held electronically at the Land Registry so this wouldn't have an impact on Mr I or E. But she thought that Barclays should compensate E a further £150 for the inconvenience of having to contact the Land Registry to obtain copies of the deeds.

Barclays accepted this, but Mr I didn't. He said, in summary, that he'd spent nearly two years trying to obtain this information from Barclays and he didn't feel £150 covered this sufficiently. He also said that Barclays still held charges over the properties at Companies House and wanted Barclays to remove these.

Mr I asked for the complaint to be reviewed by an Ombudsman. So it's been passed to me to consider and make 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.

Barclays has provided us with screen shots and copies of the letters which show it confirmed the mortgages had been repaid in 2018 and 2019. I don't know why these letters weren't received by E, but, on balance of probabilities, I think it's most likely they were sent. So, I

don't think Barclays has made a mistake here.

Mr I says he's spent two years trying to get this confirmation plus copies of the original deeds. However, Barclays has no records of him contacting it after the mortgages were repaid until 2021. And Mr I hasn't provided any evidence to show he'd been in contact any sooner. It seems that when Mr I did get in contact in 2021, Barclays quickly responded confirming the mortgages had been repaid and provided Mr I with the information it still held, including copies of the lease it had. So I don't think E has been caused an significant inconvenience in relation to this particular issue.

Moving on to Mr I's point that Barclays hasn't returned the original deeds. Barclays says it didn't hold the original deeds. However, Mr I says the deeds were held by Barclays. And he's provided an email from his solicitor to confirm they were sent to Barclays. I also know it was common at the time for lenders to hold the original deeds. I can't say for sure, but on balance I think it's more likely than not these deeds were sent to Barclays when E took the mortgages.

This means, it's more likely that not that Barclays has lost the deeds. I understand Mr I is frustrated by this and would like copies of the deeds. However, the Land Registry moved all of its records to being held electronically some years ago. We've checked, and the deeds are showing correctly for the two properties. So Mr I will easily be able to get copies of them. Mr I says that not having the original deeds may make it harder to sell the property. I don't agree though. Given that the deeds are now stored electronically, I can't see why this would have any impact on the ability of Mr I to sell the property.

I'm sure this has caused Mr I some frustration and distress. But he isn't the eligible complainant here, his company E is. A company can't be frustrated or distressed. It can be inconvenienced though. And having to obtain copies of the deeds is an inconvenience. But I'm satisfied the additional £150 our investigator has recommended is sufficient compensation in this regard. I can't see this has caused any financial loss to E.

Lastly, Mr I says Barclays still holds charges over the two properties. We've contacted the Land Registry who have confirmed that there are no outstanding charges held by Barclays over either of the properties. We've also contacted Companies House who have confirmed that Barclays has two outstanding charges over E itself. Whilst it is Barclays responsibility to remove any charges registered against the properties with the Land Registry, this isn't the same for charges registered with Companies House.

To remove these charges, a form (MR04) needs to be filed at Companies House confirming the charge has been satisfied. Only the director of a company – in this case Mr I on behalf of E – needs to sign the form. Barclays need not be involved in this process. So once the loans had been paid off, it was up to Mr I to ensure that these charges were removed. Mr I can now do this.

Overall, I think Barclays has caused E some minor inconvenience in losing the deeds to the properties. But I don't think this will have any financial impact on E. And I think the £150 our investigator has suggested is fair compensation in the circumstances. So I won't be recommending further compensation.

Putting things right

Barclays should pay E a further £150 compensation (in addition to the £100 it's already paid) to settle this complaint.

My final decision

I uphold this complaint and direct Barclays Bank UK PLC to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask E to accept or reject my decision before 27 May 2022.

Rob Deadman
Ombudsman