

The complaint

Mr S complains about the unfair, unequal and discriminatory treatment by Santander UK Plc of him in the way it has gone about dealing with the discharge of the Standard Security on his property following its winding-up of its Deedcare scheme.

What happened

Mr S has a property in Scotland over which Santander UK Plc has a Standard Security. The property and security are registered in Scotland in the Registers of Scotland General Register of Sasines. Although the loan was effectively discharged, Santander operated a Deedcare scheme whereby if a small amount remained due to Santander it would retain and store the deeds. Santander has been closing this facility, writing off the small balance and returning the deeds to customers. In Mr S's case, the security will remain registered on the property even though the loan is redeemed.

Mr S's objection is that Santander will lodge a discharge for its customers with land registered in England but not for him and will mean he has to meet the legal costs of doing so which he says is unfair and discriminatory. Mr S brought the complaint to Santander which provided him with £80 for lodging the Discharge. Our investigator didn't recommend that this complaint should be upheld saying that the Santander is unable to discharge the security in Scotland as the Scottish legal system is different than that of England and Wales. Mr S disagreed and asked for a review.

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.

This complaint relates to registering the discharge or vacate on Mr S's property now that Santander are winding down its Deedcare scheme which stored title deeds. After the deeds are returned to Mr S, Santander's security will remain on the property until the discharge of its security is registered. I've seen no evidence that Santander agreed that it would always retain the Deedcare scheme so I can't fairly say that it shouldn't be able to wind down the scheme. For Mr S that means that he will have to arrange alternative storage of the deeds but as the deeds are now his property, that's clearly a matter for Mr S to deal with.

The other issue for Mr S is that now that the loan is paid off, if he wants to register that the security is discharged at the registry that the title is registered in - in Scotland in the General Register of Sasines - he will face a cost of preparing a deed of discharge, probably involving a solicitor, and lodging it with that registry. Mr S says that if he was living in England and his property was registered there, Santander would do that for him and that he would not face the legal costs of registering the discharge, but because he lives in Scotland he does have to meet it and that he's been discriminated against. I should say that under the Equality Act 2010 we can't make a finding of discrimination only a court can do that, but I will consider the relevant law including the Equality Act in coming to a decision on what is a fair and reasonable outcome to this complaint.

It seems to me that the different treatment Mr S experiences is the result of the different legal jurisdictions in the UK having different land registries some of which require a greater degree of complexity to register discharges than others. The operation of the Land Registers in England allows Santander to facilitate its customers whose land is registered there to vacate their mortgage by simply electronically sending in a form on their behalf. The operation of the General Register of Sasines does not allow Santander to do that. It can't simply send in such a form, but the register requires the preparation of a deed of discharge which Santander then seals and Mr S lodges. Santander isn't giving preferential treatment to some sets of customers rather than others. The extra burden that Mr S faces is the result of how the different registries operate which isn't in the control of Santander. So, I don't believe that Santander has done anything wrong, and I can't fairly uphold this complaint.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 27 February 2024.

Gerard McManus
Ombudsman