

The complaint

Mr P's complaint about Lloyds Bank PLC (Lloyds) relates to the temporary loss of title deeds (deeds) to his property which had been placed into their safekeeping. I issued my Provisional Decision on the 25 July 2023 and both Ms U on behalf of Mr P and Lloyds have responded. Lloyds have accepted the decision, but Ms U has asked me to reconsider the direct financial loss she feels Mr P has sustained.

What happened

Mr P's daughter Ms U acts on Mr P's behalf as he no longer has capacity to manage his affairs. At the material time, Mr P was resident in a nursing home and Ms U was managing the sale of his property. She had located her father's handwritten note indicating that Lloyds Bank Central Store Centre held the deeds. The note also indicated she should contact the local branch for further details.

As she required the deeds for the solicitors instructed on the sale, in June 2022 Ms U contacted the local branch and asked the manager to speak with the solicitors regarding the deeds. Sometime later Lloyds told her that the deeds could not be found, and without a mortgage reference number it would be impossible to locate them. Ms U then liaised with various elements of Lloyds throughout July, August, September, and October, trying to locate the deeds, but without success.

When Ms U brought this complaint to our service she said matters had been ongoing for four months and the lack of title deeds was holding up the sale of the property. She said that one purchaser had withdrawn from the sale. She explained that the sale proceeds were needed to pay for her father's home fees.

In December 2022, having investigated Ms U's complaint, Lloyds rejected it explaining that Mr P had taken out a mortgage in the 1950's and redeemed it in the 1970's. Having searched their systems, they had no record of her father's mortgage account and could not find the deeds.

Ms U then contacted a different branch of Lloyds in February 2023 and was told by the assistant manager, in March, that the deeds had been located and would be sent to a branch for her to collect. Unfortunately, this turned out to be incorrect. Ms U's solicitors then contacted Lloyds. Following a further search by a different Lloyds employee in or around May 2023 the deeds were then located.

Ms U has said that all of this has caused her and her father stress and that she couldn't put the house on the market until the deeds had been found. She also complains that because of the delay in locating the deeds this led to the loss of a sale and when the property was eventually sold the offer made was £50,000 less.

Mr P was unhappy with Lloyds' final response and so approached this service to see if we could assist in resolving the dispute. Our investigator thought that Lloyds hadn't done

anything wrong and had dealt with the complaint fairly. Ms U didn't agree and asked for the complaint to be passed to an Ombudsman for 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.

My summary of what happened is brief and I know the parties went into a lot more detail. I'm going to focus on what I think are the key issues. Our rules allow me to do this, and it reflects the nature of our service as an informal alternative to the courts. So, if there's something I've not mentioned, it isn't because I've ignored it, it's because I don't need to comment on every individual argument to be able to reach what I think is the right outcome.

The starting point to this complaint is that Mr P placed his deeds into Lloyds' custody for safekeeping. They were therefore bound to keep the documents safe and produce them upon request. This they failed to do. Much has been made about the passage of time, and the movement of the deeds over the years and the effect of all of that upon Lloyd's ability to keep track of them. It is not a complicated process to record the name, address, and any other identifying factors in order to keep deeds safe. The simple point, well made by Ms U repeatedly, is that Lloyds lost the deeds when they ought not, and of course, it was ultimately able to locate them since they were there to be found. For Lloyds part ultimately they have accepted that they failed to provide Mr P with the level of service he was entitled to receive, and so the issue now becomes what level of redress is appropriate.

In our investigator's second view she highlighted the difference between the two types of compensation this service can consider. I shall deal first with compensation for trouble and upset. Ms U has brought the complaint on behalf of her father. As she is representative she cannot make a claim for any trouble and upset she may have experienced in representing her father. I understand she holds a Power of Attorney for her father, but that simply means she is his legal representative acting on his behalf. She is not the complainant herself. It is only the trouble and upset her father has suffered which is relevant since he is the complainant. Mr P however has not dealt with this complaint himself and so to an extent has been shielded by Ms U from the inconvenience in having to contact and liaise with the varying members of Lloyds staff. I have no doubt that Ms U will have spoken to her father about the loss of the deeds, especially when Lloyds were initially saying they could not find them. I am quite certain that would have caused him some distress.

When this service considers what an appropriate level of compensation might be, we consider a variety of factors, including the trouble, upset, distress and inconvenience that may have been caused and we try to place customers back into the position they would otherwise have been in. We categorise awards and examples of these can be found on our website. What is important to remember is that there is no set figure, since the facts of each case are different, and ultimately it is an exercise of judgement, looking at all the circumstances of the case and coming to a figure which feels fair, when set against the effect upon the complainant of any particular service failures.

When this service considers the second type of compensation it is for the complainant to prove that there has been a financial loss incurred. Ms U has asked me to reconsider this element of compensation. She has said that her father's house has still not been sold and there remains a liability for the property's utilities which he would not have had if the property had been sold. She accepts that is not entirely due to Lloyds. She also says that the property market has plummeted, and house prices have fallen placing her father in a worse position than a year ago.

I understand Ms U says a purchaser pulled out of the sale because the deeds could not be found, and for the same reason the property could not be rented out, but I'm afraid I cannot accept that proposition. I know Mr P's property is unregistered and it will require first registration, but there does exist a procedure to cater for the scenario where a person no longer has possession of the deeds. It is not uncommon for deeds to have been lost or misplaced. Equally, possession of the deeds is simply not required to draw up and execute a tenancy agreement. I am therefore not persuaded that the mis location of the deeds is responsible for the loss of any sale or renting of the property.

As I have found that the temporary loss of deeds was not a factor in losing the initial sale or any subsequent sales, or indeed renting the property, the utilities, insurance, and additional solicitors fees have not arisen because of that. So, I can't say any of these costs have been caused by Lloyds. Further there is no evidence of such losses.

So, I can't say that Ms U, on behalf of Mr P, can prove that there has been a direct financial loss caused by Lloyds.

Putting things right

In my view, any award for the trouble and upset caused here also needs to be balanced and measured against the ups and downs of life which we all face when dealing with other people, businesses, and organisations, and recognising that at times it can be inconvenient. So, having weighed up all the evidence, I think the Lloyds should pay Mr P £250 as recompense for the service failures. I know Ms U feels this is too little, but I do think it reflects the impact of Lloyds error.

My final decision

My final decision is that Lloyds Bank PLC should pay Mr P £250 to reflect the trouble and upset caused to him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 15 September 2023.

Jonathan Willis
Ombudsman