

The complaint

Mr B's complaint is that, when he paid off his mortgage to Barclays Bank UK PLC in 2019, Barclays didn't remove the charge from the property title at the Land Registry. This caused delay when Mr B wanted to take out a new mortgage.

To settle the complaint, Mr B wants Barclays to pay £2,500 compensation.

What happened

I do not need to set out the full background to the complaint. This is because the history of the matter is set out in the correspondence between the parties and our service, so there is no need for me to repeat the details here. In addition, Barclays has accepted it should have released the charge, and has offered compensation. Therefore I don't need to analyse what's happened in detail in order to determine whether or not Barclays is at fault. All I need to decide is whether the compensation offered by the bank is sufficient or if there is anything more Barclays needs to do to put things right.

Finally, our decisions are published, so it's important I don't include any information that might lead to Mr B being identified. So for these reasons, I will instead concentrate on giving a brief summary of the complaint, followed by the reasons for my decision. If I don't mention something, it won't be because I've ignored it; rather, it'll be because I didn't think it was material to the outcome of the complaint.

In 1989 Mr B took out a mortgage with Barclays. The original mortgage offer states that the legal charge securing the mortgage was "*designed to secure all liabilities to [Barclays]*". In other words, it was what is known as an "*all monies*" charge, which was the industry standard for bank mortgages in the 1980s. This type of legal charge is intended to secure all borrowing from the bank, including personal loans, credit cards and overdrafts, albeit in this case the mortgage offer confirms that Barclays is limiting its liability under the legal charge to the mortgage loan only.

Generally, with an "*all monies*" charge, once the originating loan has been repaid, the bank does not usually automatically remove the charge at the Land Registry, as there might be other liabilities owed to the bank that are covered by the charge. So historically "*all monies*" charges are usually kept in place until the borrower asks for them to be removed. Barclays has confirmed that this was its policy in 2019, when Mr B paid off his mortgage.

In July 2023 Mr B was taking out a new mortgage with another lender. It was at this point that it was discovered that the charge was still on the property title. Mr B spoke to Barclays on 28 July 2023. His solicitors wrote to Barclays (via fax) on 30 August 2023, explaining that the legal charge was still showing on the title and asking for it to be removed. The request was re-faxed on 11 September 2023. Barclays' records show that the charge was removed on 4 October 2023.

Mr B complained to the bank about the delay. On 18 October 2023 Barclays confirmed the charge had been removed, and offered Mr B £250 compensation for the delay. Mr B didn't accept this and raised his complaint with our service. Mr B thought compensation of £2,500 would be more appropriate.

An Investigator looked at what had happened and, overall, thought the £250 offered by Barclays was fair and reasonable. Mr B disagreed and asked for an Ombudsman to review the complaint. He's made some further comments, which I summarise, as follows.

Mr B wondered if the Investigator worked part-time for Barclays. Mr B said that £250 didn't compensate him for the time he'd spent trying to contact Barclays, that he had lost out on being able to purchase a classic car due to the delay in completing his re-mortgage, and that he'd had to pay solicitors' fees of over £900. Given this, Mr B thought that £2,500 was more appropriate.

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.

As I said at the outset, all I need to determine here is what Barclays needs to do to compensate Mr B for not removing the legal charge from the property title in 2019. I have explained the reasons why the charge remained on the title – due to this being an old-style “*all monies*” charge, which are no longer in use for standard residential mortgages. Barclays has told us that its policy for this type of charge in 2019 was that customers had to ask the bank to remove the charge, but this has since changed.

The request to remove the charge was first made by Mr B on 28 July 2023. I can see from the bank's internal notes that it took longer than expected to remove the charge, due to it being registered with Barclays Wealth, rather than as a standard residential mortgage. It wasn't until 4 October 2023 that the charge was removed, which is longer than I'd have expected it to take.

I'm satisfied Mr B wouldn't have known that the charge hadn't been removed in 2019. It's entirely reasonable for Mr B to have assumed, particularly as Barclays had returned the deeds to him in 2019, that the title register was clear. I fully acknowledge that the discovery of the legal charge resulted in some delay and inconvenience to Mr B in putting his new mortgage in place.

I've noted what Mr B has said – that he lost out on the chance to purchase a classic car, and that he incurred legal fees of over £900. In relation to financial losses, any financial loss claimed from Barclays has to be a reasonably foreseeable consequence of the delay, if I am to find Barclays is at fault.

I can't see that Mr B ever told Barclays that he was about to lose the purchase of a classic car due to the delay in removing the legal charge. This is not a loss that Barclays could, or should, reasonably have foreseen and I therefore can't hold the bank responsible for this.

Mr B has also said he incurred legal fees of £900. He's provided no evidence that these were additional legal fees over and above what he had to pay for the legal work to put his new mortgage in place. Mr B would always have been liable for those fees, and I can see no basis, given that no breakdown of any additional legal fees has been provided, that I can hold Barclays responsible for Mr B's legal costs.

Putting things right

I acknowledge the delay by Barclays in removing the charge caused Mr B some distress and inconvenience for a number of weeks. I've noted Mr B's claim that £2,500 is the appropriate amount, but the compensation we award is not intended to be punitive, and we don't award damages in the way a court would. In all the circumstances, I'm satisfied the bank's offer of £250 is fair, reasonable and proportionate to the delay by the bank and the consequent inconvenience caused to Mr B.

My final decision

My final decision is that Barclays Bank UK PLC must pay Mr B £250 compensation. I make no other order or award.

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 discussion about it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 4 June 2024.

Jan O'Leary
Ombudsman