

## **The complaint**

Mrs M complains that Target Servicing Limited failed to remove a charge from her property when it should have done and she's lost out as a result.

## **What happened**

Mrs M had a secured loan which was serviced by Target. This was redeemed in March 2022 and Mrs M expected the charge held against her property in relation to this to be removed soon after this.

In June 2022, Mrs M called Target to explain she had not received confirmation of the loan being repaid and she questioned whether she needed to take any action to ensure the charge was removed. It was explained notification would be sent when this was completed and she didn't need to take any further steps.

In May 2023, Mrs M discovered the charge for the secured loan was still on the property title and she complained to Target as it had failed to remove this sooner. She explained she was in the process of re-mortgaging her property to a new lender and she couldn't secure a new rate until it had been confirmed this charge had been removed. The charge was not removed from the property until 10 May 2023.

Target looked at the complaint and initially didn't think it had done anything wrong. It felt the request to have the charge removed had been sent by its solicitor when it should have been and it couldn't be held responsible for any issues or delays with the Land Registry. It later reviewed its position and said it felt there had been an error. Although the loan was redeemed at the end of March 2022, its solicitors hadn't requested for the charge to be removed until mid-June 2022. To apologies for this delay, it offered to make a payment of £100 to Mrs M.

Target didn't think it needed to go further than this because although a delay had been caused, it didn't think it could be attributed to causing the financial loss Mrs M said she incurred when her new mortgage application was delayed because of the charge still being in place.

Our investigator looked at this complaint and felt it was fair to say that Targets delay had a knock-on impact on the overall timeframe for the charge being removed. And but for its delay at the start, he felt it was likely the charge would have been removed when Mrs M came to re-mortgage her property, even if Land Registry was working through backlogs of its own at the time.

He recommended Target pay Mrs M the additional interest she'd paid on her mortgage for the period between when she had been offered her new mortgage, and when she was able to accept this. This was the difference of 8.70% and 4.19% for a period of 14 days on a balance of around £133,429.97. He also felt Target needed to increase its award for distress and inconvenience from £100 to £250 as he felt distress and inconvenience had been added when Target failed to correctly identify it had caused a delay before and this was avoidable distress that Mrs M shouldn't have experienced.

Target disagreed with the assessment. It didn't think it was fair to hold it responsible for the charge still being in place as although it had made a mistake, Land Registry had clearly had delays too. So to hold Target responsible for the delay with the new mortgage was unfair as it didn't think its delay could be said to have caused the issue and it asked that the complaint be referred for decision.

I issued a provisional decision on this complaint on 1 March 2024 setting out that I planned on reaching a different outcome to that of our investigator. I've copied what I said below:

***What I've provisionally 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'm not planning on upholding this complaint. I appreciate Mrs M will be disappointed by this, but I'll explain why I think it is fair that Target doesn't need to do anything else.*

*It isn't disputed that Targets solicitor failed to make an application for the charge on Mrs M's property to be released as quickly as it could have. In total it added over two months of avoidable delay when this application was not made on time, so what I have considered is, but for this error, would Mrs M have been able to do what she wanted, when she did or not.*

*Mrs M realised the charge was still in place on her property when she came to complete her new mortgage and she chased up both Target and the Land Registry. The application with Land Registry was expediated at this point and was removed within about 14 days.*

*Clearly there are delays at HM Land Registry too and this has meant, after receiving the application late, Mrs M's property had the extra charge in place for longer than it should have been. Target are not responsible for the delays of a third party and I can only consider whether its actions were likely to have resulted in the charge still being in place when it was.*

*Based on what I've seen, I am not satisfied that but for the actions of Target and its solicitor, Mrs M's application would have likely had the charge removed sooner.*

*This was only removed by Land Registry when Mrs M contacted it to find out what was going on and the application was expediated. This is something Land Registry does upon request where it is clear a delay in the process could be causing an issue or when its normal timeframes are causing one. In this case the delay was stopping Mrs M from completing her re-mortgage. It hasn't been confirmed that the timeframes Land Registry was working to with Mrs M's discharge request were not in excess of its normal timeframes. And importantly, it is not confirmed if but for the late referral, the charge would have been removed when Mrs M came to re-mortgage her property in May 2023.*

*The transaction was a relatively straightforward one and not something Land Registry advertises as generally taking as long as it did. Had it been completed within the normal timeframes, even with the delay added at the start by Target, I think it would have likely been completed before Mrs M came to re-mortgage. So I think it is more likely it is the delays of Land Registry which have caused the loss here over the delays Target made at the start.*

*So although there was a delay by Target in having the discharge request made, I don't think it is fair to say this is the cause of loss when Mrs M had issues with her later re-mortgage. It follows that I don't think it is fair to ask Target to compensate Mrs M for any financial loss she says she's incurred as a result of the delay in the charge being removed as I don't think Target is responsible for this.*

*Target recognised that it did fail to get everything sent to HM Land Registry when it should have and offered £100 for this failing. I think this is a fair offer and not something I am going to ask it to increase.*

*Our investigator felt the delay in Target recognising it had caused an issue added to the inconvenience and that the award should be increased as a result of this. While I agree it would have been helpful for Target to have realised it had caused a delay sooner, for the reasons I've explained above, I don't think this had a material impact on the timeframe for the charge being removed. As a result, I don't think it is fair to say the delay in its error being identified has added to the inconvenience Mrs M has experienced.*

*Due to HM Land Registry not having removed the charge sooner, she still needed to call it and ask for this to be expedited and this inconvenience would have been experienced regardless of Targets actions. So I am not recommending that this award be increased.*

Neither Mrs M or Target have responded to the provisional decision with any further comments.

### **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 neither Mrs M or Target have provided any additional comment to my provisional decision, I see no reason to depart from what I've set out above.

### **My final decision**

For the reasons I've set out in the provisional decision included above, I do not uphold Mrs M's complaint as I think its previous outcome is fair a reasonable.

Thomas Brissenden  
**Ombudsman**