

The complaint

H, a partnership, complains that Lloyds Bank PLC lost the deeds to H's land.

H has been represented in this complaint by one of the partners, Miss O.

What happened

H had a business overdraft with Lloyds. It granted Lloyds a charge over some of its land as security for the overdraft. The land was unregistered, and H's solicitors registered the land and Lloyds' charge at the same time, shortly after the charge was granted in November 2010. H says Lloyds sent the deeds to H's solicitor so that the registration could go ahead.

H has provided a letter from its solicitor dated two days after the registration, confirming that the registration had been completed. It said it was enclosing a copy of the Title Information Document, and said that the *"original Title Insurance document and other Title Deeds and documents relating to the property are being forwarded to Lloyds TSB as requested by them"*.

H says it switched to a new bank ("N") in 2019 and asked Lloyds to send the deeds to N. But when it asked N for the deeds in 2023, N said it had never received them. H says that Lloyds originally claimed that N had refused to accept the deeds. But N said it had never been offered them.

H has also told us that during a phone call in 2023 Lloyds claimed that the deeds were sent in June 2019 to the home address of one of H's partners. H says that wasn't the address that it had registered with Lloyds, and that the partner in question didn't receive any deeds.

H says it needs to be able to prove ownership of its land, but can't do so without the deeds, as not all relevant information is held by the Land Registry. It suspects that Lloyds lost the deeds, and that's why it didn't send them to N. H wants Lloyds to carry out a thorough search for the deeds.

In its final response to H's complaint, Lloyds said it processed a documents request in July 2019, after its security over the land was discharged. It said it didn't dispute that H hadn't received the deeds, but said it had issued them.

However, Lloyds subsequently investigated further and told us that it actually had no record of ever having had the deeds. It's provided a copy of a note on its computer system from July 2019, after the security was discharged, stating that a request had been made for the security documents, as referred to in the final response. A further note a few days later says "No Deeds Held" and says that an electronic security discharge form had been submitted.

One of our investigators considered the complaint. In summary, she didn't think there was strong enough evidence to show that Lloyds had ever had the deeds. But she thought that Lloyds had caused confusion by first saying that it had sent the deeds to H, then saying it had never, in fact, had them. She recommended that Lloyds pay £100 to reflect this.

Lloyds accepted the investigator's view, but H disagreed, so the complaint's been passed to me.

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.

There's a conflict between what H and Lloyds say happened here. In situations like this, where the evidence is incomplete or contradictory, I have to decide what I think's most likely to have happened, based on the information I have.

The letter I've referred to from H's solicitor says that title deeds and documents were "*being forwarded*" (whether by the solicitor or directly by the Land Registry isn't clear) to Lloyds "*as requested by*" Lloyds. I can understand why H believes that this indicates that the original title deeds were sent to Lloyds. But I can't be sure exactly what Lloyds requested, or that the title deeds were, in fact, sent to, or received by, Lloyds. It has no record of having had the deeds. And once the land was registered, there would have been no obvious reason for Lloyds to want them. The fact that the charge was registered would have been proof enough of its security.

No deeds would have been required to discharge the security in 2019. Lloyds' computer notes show that when the security was discharged it made an internal request for the security "packet", which would have contained any documents it held relating to the land. The response, when it came back a few days later, was that no deeds were held.

H says it asked Lloyds to send the deeds to N in 2019. I can see that N registered a charge over the land in 2019 a few months after Lloyds' security was discharged. But at that point the land had been registered for around nine years, and charges had been registerable electronically since 2003. So I can't see any reason why N would have required the deeds.

I can understand H's frustration that it's not possible to be sure what's happened to the title deeds. But based on the available evidence, I can't fairly conclude that it's more likely than not that Lloyds has them, or that it lost them. I know that H would like Lloyds to carry out a thorough search for the deeds. But Lloyds' computer record shows the box and packet number for its security over H's land, and I think it's reasonable of Lloyds to consider that if it had held the deeds for H's land, that's where they would have been. I'm satisfied, on balance, that the box was checked and it didn't contain the deeds.

I accept that Lloyds caused H inconvenience and confused matters by referring to having sent out the deeds after the security was discharged. There's nothing in the evidence I've seen to support this or to show that Lloyds ever had the deeds. I can only speculate that Lloyds' assertions that they were sent out were based on assumptions, which is unfortunate if so. But I consider the £100 which the investigator suggested to be fair compensation to reflect the inconvenience to H.

My final decision

My decision is that I uphold this complaint. I require Lloyds Bank PLC to pay H £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask H to accept or reject my decision before 12 June 2024.

Juliet Collins

Ombudsman