

The complaint

The executors of Ms B's estate have complained about a mortgage that was owned by Intrum Mortgages UK Finance Limited from February 2023. This is because of problems that were experienced in obtaining information and documentation, and the resultant delays in the mortgaged property being sold.

What happened

In 1997 Ms B took advice from an independent mortgage broker and was recommended a mortgage with Kensington Mortgage Company ('K'). Ms B borrowed £30,000 over a term of 13 years on an interest-only basis. The application form said the money was being borrowed so Ms B could buy a holiday property.

Shortly after the mortgage was advanced, Ms B's plans changed and she repaid £20,000 of the capital. The remaining £10,000 was to be used for home improvements. In 2010 the mortgage term was extended by six years.

The mortgage term ended in 2016, but the capital owing was not repaid. Ms B died in 2020 with a mortgage balance still outstanding.

The mortgage was transferred to Intrum on 18 February 2023 and a few weeks later the executor of Ms B's estate wrote to Intrum to explain the situation with the property. Among other things, the executor explained that K had confirmed it had held the title deeds for the property. He asked Intrum to confirm it now had the deeds and asked how they could be located or requested. Intrum responded by asking the executor for permission to communicate by email. That permission was given, but Intrum didn't provide a response to the questions asked.

In addition, an offer to settle the mortgage at below the outstanding value was made by the executor on 18 March 2023. It was not until 5 May 2023 that Intrum rejected the offer. A subsequent offer of paying 30% of the mortgage balance was made on 24 May 2023. It doesn't appear the revised offer was responded to.

During March, April and May 2023 the executor and his representative chased Intrum for responses on numerous occasions. He also complained about the service being received on several occasions. Some responses were provided, but there were significant delays and the questions about the title deeds were not responded to at all. Intrum did, however, pass some of the complaint issues on to K, as they were about things that happened when the mortgage was still owned by it.

On 21 April 2023 the solicitors acting on behalf of the estate of Ms B in relation to the sale of the mortgaged property got in touch with Intrum. While the solicitors' letter was logged on Intrum's system, it doesn't appear Intrum dealt with it.

On 25 May 2023 the solicitors representing the estate of Ms B asked Intrum for a redemption statement assuming the mortgage would be repaid on 23 June 2023. It also chased

provision of the title deeds. While the redemption statement was provided the following day, the title deeds were not. It chased a further twice before it was sent anything by Intrum.

On 13 June 2023 Intrum sent the estate's solicitors the mortgage deed, rather than the title deeds that had been requested. The solicitors informed Intrum of this error two days later. At this point Intrum realised it didn't have the title deeds and contacted K.

Intrum received the title deeds from K on 10 July 2023. It copied the deeds for its records and then forwarded them to the estate's solicitors. It is not clear when the solicitors received the deeds as it chased again for their provision on 16 July 2023. That said, they clearly were received and the mortgage was repaid on 18 August 2023.

Intrum didn't issue a final response letter to the executor's complaint and he asked us to consider it. Following the complaint being referred to this Service, Intrum confirmed that there had been delays in responding to the executor. It, therefore, offered £150 compensation for any distress or inconvenience that was caused due to the delays.

One of our Investigators considered the complaint and recommended that it be upheld. He considered that there had been a delay in Intrum requesting the title deeds from the previous lender and that caused two months of delay in completion of the mortgage, during which the estate was charged interest. He was also satisfied that the delay in Intrum providing the title deeds caused additional work to be done by the solicitors and the cost of the additional work should be reimbursed too.

Intrum didn't accept the Investigator's conclusions. After the parties had been informed the complaint was being referred to an Ombudsman, Intrum contacted us to confirm that it accepted it had caused delays between 24 May 2023 and 3 July 2023, due to it having sent the wrong deeds to the estate's solicitors. This was the period between the redemption statement and deeds being requested and the correct deeds being requested again. Intrum said it would refund the interest charged during that period and the solicitors' costs (albeit not in relation to any actions to reconstruct the title deeds), plus interest.

I issued a provisional decision on 30 September 2024, in which I set out my conclusions about this case and reasons for reaching them. Below is an excerpt.

'The core of this complaint relates to provision of the property title deeds to the estate's solicitors.

On 8 March 2023 Intrum received a letter from the executor. It informed Intrum that the previous lender had confirmed it had held the title deeds, and the executor wanted to know if Intrum now had the deeds and if so, how they could be requested.

It doesn't appear that Intrum dealt with this enquiry. Had it done so, I am satisfied that it would have identified in March 2023 that it didn't have the title deeds and, reasonably, should have requested them from the previous lender. When the deeds were requested, it took around three weeks for them to be received. As such, reasonably, Intrum would have had the deeds in the early part of April at the latest.

The first mention of the estate's solicitors contacting Intrum was logged on its system on 21 April 2023. I note Intrum said in response to the Investigator's view that title deeds are not usually provided until after the mortgage has been redeemed. That may be the case for properties that have been registered with the Land Registry, but it would not be for those that have not been. In this case Ms B's property had not been registered and the estate's solicitors were aware of that fact. So in order to sell the property, the solicitors needed access to the title deeds.

I would also comment that where a property is registered with the Land Registry, lenders would not usually hold the title deeds. The executor informed Intrum in his letter received on 8 March 2023 that the previous lender had confirmed it had held the deeds. I think, reasonably, this should have alerted Intrum to the fact that the deeds were likely to be needed for the property to be sold.

It is normal industry practice for title deeds to be provided to conveyancing solicitors whenever requested, provided the solicitors agree to return the deeds if the sale doesn't complete. As I have said above, I consider that Intrum should have become aware that it didn't hold the deeds in early March and should, reasonably, have requested and received them from K before the solicitor first contacted it about them. As such, I am satisfied that the estate's solicitors should reasonably have had the deeds by the end of April 2023.

The initial redemption statement was requested for 23 June 2023 and I see no reason that the sale of the property could not have gone ahead, but for the delays in Intrum obtaining the title deeds from the previous lender and so causing a delay in the estate's solicitors receiving them. As such, I consider Intrum delayed the completion of the sale from 24 June 2023 to 18 August 2023 inclusive and should refund any interest or charges (other than those to do with redemption) it applied to the mortgage debt during that period. Interest should be added to any sums refunded from the date they were applied to the date of settlement.*

It is also clear that the estate's solicitors had to chase Intrum on several occasions for the title deeds. While some of those communications would have happened anyway, for example where the first redemption statement was requested, many would not have. If the estate was charged by the solicitors for additional work due solely to having to chase the title deeds after 21 April 2023, those costs should be reimbursed by Intrum. Interest should be added to that sum from the date of completion to the date of settlement.*

It appears that the estate's solicitors started to gather information toward the end of June 2023, following Intrum confirming that it didn't have the title deeds, in case it needed to reconstruct the deeds. While I can understand why it did so, I also have to bear in mind that the executors had been told by the previous lender that it had held the deeds. So reasonably, I think the estate's solicitors should have known that the reason intrum didn't have the deeds was likely because the previous lender hadn't transferred them. As such, I am not minded to require Intrum to reimburse the estate any costs that its solicitors charged for the gathering of this information.

Intrum offered the estate of Ms B £150 for the distress and inconvenience that it suffered due to it not responding to correspondence. As the estate of Ms B is not a person, it can't suffer distress, but it can suffer inconvenience. The executor has explained to us the impact the service and errors Intrum has had on him as an individual. However, he is not the complainant in this case, but rather the legal representative of it and as such, I can't award compensation to him or to the estate for any upset or distress he has suffered.

That said, it is clear that the estate was inconvenienced. Both the executor, his representative and the solicitors had to contact Intrum many more times than should have been needed. In light of this, I am satisfied that compensation is due to the estate. I am minded to award £250 given the number of times questions were not answered and information was not provided.'

Both parties acknowledged receiving the provisional decision. No further comment or information was received from either party.

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.

I have revisited my provisional decision and, in the absence of any further evidence from the parties, I see no reason to change my conclusions.

Putting things right

To settle this complaint Intrum Mortgages UK Finance Limited should:

- Refund the interest and charges (other than those relating to the redemption) applied to the mortgage for the period 24 June 2023 to 18 August 2023 inclusive, plus interest* from the dates the sums were charged to the date of settlement.
- Reimburse the cost of any additional work the solicitors charged the estate of Ms B due to having to chase the title deeds after 21 April 2023. Interest* should be added to that sum from the date of completion of the sale to the date of settlement. The executor will need to provide a breakdown of the costs charged by the solicitors to Intrum for this amount to be calculated.
- Pay the estate of Ms B £250 for the inconvenience it suffered due to the poor service it was provided with.

*Interest is at a rate of 8% simple per year and paid on the amount specified, from/to the dates stated.

My final decision

My final decision is that I uphold this complaint. In full and final settlement of the complaint I order Intrum Mortgages UK Finance Limited to pay the estate of Ms B the amounts detailed in 'putting things right' above.

Under the rules of the Financial Ombudsman Service, I am required to ask the estate of Ms B to accept or reject my decision before 14 November 2024.

Derry Baxter
Ombudsman