

## **The complaint**

Mrs F complains about the cost involved in releasing the charge held by Bank of Scotland plc trading as Halifax on her property, for a mortgage that has since been redeemed.

## **What happened**

Mrs F took a mortgage with Halifax in 1999 for a property in Northern Ireland. At that time Halifax recorded its legal interest in the property through a charge registered with the Land Registry Northern Ireland.

Mrs F redeemed the mortgage in May 2024. Upon redemption Halifax returned the title deeds to Mrs F, but it explained that she would need to arrange to remove Halifax's legal charge and that she would incur a cost for this.

Mrs F complained to Halifax about this. She said that she shouldn't be expected to incur the cost of removing the charge that Halifax chose to register against her property and she feels she's being treated differently to homeowners in England or Wales. Mrs F says that there's nothing in Halifax's terms and conditions that explains she'd incur such costs.

Halifax didn't uphold the complaint. It explained that the legal discharge process is different in Northern Ireland to that in England or Wales. The legal charge removal process in Northern Ireland requires solicitor involvement but this is due to the relevant legal framework and registration systems as opposed to Halifax's process.

Mrs F remained unhappy, so she brought her complaint to the Financial Ombudsman Service. An investigator at our service looked into the complaint and didn't recommend that it be upheld. He reiterated the relevant legal requirements in Northern Ireland (and how they differ from those in England and Wales). And he explained why he couldn't reasonably hold Halifax responsible for any costs Mrs F will incur when removing the legal charge held against her property.

Mrs F gave several reasons why she disagreed with the outcome our investigator reached. The investigator considered Mrs F's comments but explained why his opinion remained unchanged. Because an agreement hasn't been reached, the case has been passed to me to decide.

## **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've given careful consideration to all the submissions made by both parties, but I won't address each and every point that has been raised. I'll focus on the matters that I consider most relevant to how I've reached a fair outcome – in keeping with the informal nature of our service. Having done all that, I don't think this complaint should be upheld. I'll explain why.

A registered charge is a legal interest or right registered against a property that serves as security for a debt or loan. This ensures the lender's interest is protected until the loan is fully repaid. All mortgage providers giving a first charge mortgage of this nature will register a legal charge on the property as a condition of the loan – which is what has happened here in this case. So, I don't think Halifax acted unfairly or unreasonably when it registered its legal charge against Mrs F's property when it agreed to the mortgage in 1999.

In Northern Ireland, the registration of property is governed by the Land Registration Act (Northern Ireland) 1970, and properties are registered with the Land Registry Northern Ireland. So, in this case, when Halifax registered its charge against Mrs F's property, it did so with the Land Registry Northern Ireland.

In Northern Ireland, when a mortgage is paid off, a formal discharge process is required to update the registry, and this incurs a fee. It is common for the mortgage holder (the property owner) to bear the responsibility for ensuring the charge is removed, including paying any associated fees. Lenders do not handle the process of removing the legal charge directly with the Land Registry. So, I don't think Halifax acted unfairly when it informed Mrs F of her responsibility to remove the registered charge.

Northern Ireland's Government website<sup>1</sup> sets out the process for personal application to the land registers and this suggests that solicitor involvement of some sort is required during the process.

Ultimately, any questions of what the law of Northern Ireland requires are a matter for the courts. And similarly, any complaint about the amount Mrs F is being charged by a legal professional to carry out this process, is something that needs to be directed to the legal firm. Halifax has no control over either of these issues.

Mrs F says that the process for removing the charge and any associated costs was not made clear to her when she took out the mortgage. Due to the time that's passed since the mortgage was taken out around 25 years ago, it's not unreasonable that Halifax hasn't been able to provide copies of the original mortgage agreement and any supplementary terms and conditions. So, I can't say for certain what information was provided to Mrs F at the mortgage inception date.

In any event, because this is a legal matter, it's not something that I'd expect Halifax to advise on, it would be up to Mrs F's solicitor to explain the law in Northern Ireland relating to property and mortgage transactions before she agreed to the mortgage.

That said, I can see the details of Halifax's tariff of mortgage charges on its website<sup>2</sup>. Under the section 'ending your mortgage term' it does make its customers aware that:

*"You may be charged a separate fee by your solicitor or licensed or qualified conveyancer for their work relating to redemption of the mortgage and discharge of the security."*

So, I'm satisfied that Halifax does currently make this information widely known on its website. And as I've explained, any further information about the specific legal requirements and costs involved would be up to the appointed solicitor to explain.

---

<sup>1</sup> <https://www.nidirect.gov.uk/articles/personal-applications-land-registers>

<sup>2</sup> <https://www.halifax.co.uk/mortgages/charges.html>

Whilst I appreciate that Mrs F feels she's been treated differently to customers in England or Wales, all discharges are completed by Land Registry's directly and it is the rules governing the relevant law in Northern Ireland that dictates this process, not Halifax.

I note that Mrs F says that as a resolution to her complaint, she wants Halifax to cover the cost of removing the Legal charge on property in Northern Ireland for all customers. In addition, she thinks Halifax should make it clear to customers that a legal charge is placed on property purchased with a Halifax mortgage and that the expense involved in removing it lies with the borrower.

As our investigator has explained, it isn't the role of the Financial Ombudsman Service, nor is it within our power to recommend or force a business to change its process. That is the role of the regulator – the Financial Conduct Authority. Our role is to consider the individual complaint brought to our service and reach a finding on whether the respondent business has acted fairly.

To conclude, I don't find that Halifax acted unfairly when it registered its legal charge against Mrs F's mortgaged property. I've explained why I'm unable to comment on the legal process in Northern Ireland or the costs Mrs F has been quoted by her solicitor for ensuring the charge is removed. And lastly, although I know it will come as a disappointment to Mrs F, I'm satisfied that Halifax is under no obligation to cover the costs she may incur.

### **My final decision**

My final decision is that I don't uphold Mrs F's complaint against Bank of Scotland plc trading as Halifax.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 24 February 2024.

Arazu Eid  
**Ombudsman**