

The complaint

Mrs E and Mr E complain that Lloyds Bank PLC didn't return their property title deeds when business borrowing was repaid.

What happened

Mrs E and Mr E explain that in 2016 they provided the title deeds as security for borrowing to their relationship manager. And that these have sentimental value as they record the property being in the ownership of many previous generations. They say that Lloyds has given them different explanations and has been negligent and not done enough to locate the deeds.

Lloyds said that it had no record of taking the deeds and that it only held its bank charge documentation. And it said that as the property was registered land then it wouldn't have needed the deeds. It confirmed that it had searched all the places where these could have been held. Lloyds accepted it had provided poor service and not kept Mrs E and Mr E updated after they had raised this in February 2024. And in an updated final response letter in September 2024 a member of staff said to them *'I agree we've made an error in misplacing the deeds.'* It paid £75 for the poor service and £300 for the upset caused.

Our investigator didn't recommend that Lloyds do anything further. She said that she wasn't persuaded that Lloyds had the deeds. She said this was because she didn't think that Lloyds would have needed the deeds as the property was registered. But she noted the misinformation given to Mrs E and Mr E and the poor service and said this was already reflected in the compensation paid.

Mrs E and Mr E didn't agree and wanted the complaint to be reviewed by an ombudsman. They emphasised how upsetting and stressful this had been and the time they'd spent. And that they'd written to Lloyds' Head Office again and not had a response. They want their property deeds back and these were entrusted with Lloyds as security for the loan. And they want to continue to push for an answer about where the deeds are. They had provided an email from their past bank relationship manager which explained supports their case. And believed that Lloyds has to keep a record when documentation is stored or disposed of.

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 take into account that Lloyds has accepted what Mrs E and Mr E say about it misplacing the deeds. I don't intend to go behind that in my findings. And I note the email they provide from their former bank relationship manager which supports this. I note that this individual has written from a work email headed with her current position at another financial business and I've no reason not to accept it. This states:

'I can confirm that you provided me with the original deeds to [property name] when taking out borrowing with Lloyds Bank in 2016.

These deeds should have been copied and returned to you. If they have not been held by the Bank's solicitor, securities department or returned to yourselves, the only other place they may have been held is in your customer file which was in the [name of branch] branch.

Unfortunately, as I left Lloyds in 2019, I do not know what happened to the files when the branch closed in March 2024.'

I note from a business loan document provided by Lloyds dated 12 May 2016 that this refers to an existing first legal charge over the property taken on 2 February 2016. And that's consistent with Lloyds' record of earlier secured overdraft borrowing and with the charge noted as later being 'perfected' on 30 September 2016. I also note from the property register of the title dated 8 July 2024 that this charge as expected no longer shows. And also, from that register that on 6 June 2016 some land was removed and transferred to a different title number in the names of other parties. I don't know if the deeds were required for that.

The previous manager stated in the email that the deeds ought to have been copied and returned. I have no information about what happened to them after that manager took them. But Lloyds has confirmed that these weren't held with the security documents and that it has searched all areas including those referred to in the email. And any documents in the branch when it closed were passed to archive and this had already been checked.

Putting these factors together the most likely explanation is that the documents have been lost or possibly destroyed by Lloyds. I've no reasonable basis to think that these can now be found or that any direction I might make to find them would be effective. Or that in light of the searches made any further record might now be obtained about what happened to them. So, I must in light of this move on to consider the issue of compensation for the loss.

There's no suggestion that the absence of these documents has any financial consequence now in terms of the property ownership and title. The impact of these not being returned is distress and upset and the loss of family history. It was also several months before Lloyds accepted Mrs E and Mr E's account that the documents were lost. And it hadn't kept them updated about what was happening with any investigation.

This service doesn't make punitive awards and we publish guidance about compensation. I've taken that into account here. This is a large single mistake which can't now be rectified by the return of the lost deeds. It's caused distress and the inconvenience of following this up with Lloyds. And Mrs E and Mr E are clearly very upset and don't think that money can compensate them. I'm afraid as I've explained that is the only practical route here. And that I think the amount Lloyds has already paid is fair reasonable and covers all aspects of what happened. If they don't accept my assessment, they remain free to pursue this matter in court and subject to any relevant timescales.

My final decision

My decision is that I do not uphold this complaint in the sense that Lloyds Bank PLC need take no further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E and Mr E to accept or reject my decision before 29 October 2025.

Michael Crewe
Ombudsman