

## **complaint**

Mr and Mrs M complain that Lloyds Bank PLC acted unfairly and unreasonably by losing the land certificate for their property and how it's dealt with them. They want the land certificate found and compensation.

## **background**

Mr and Mrs M borrowed money from Lloyds to buy their property in 1987, and had to deposit property documents with it. The situation was more complex than the usual position as Mr M said that there wasn't a legal mortgage in place, but there was an equitable charge in Lloyds' favour and no registration securing Lloyds' position at the Land Registry. The loan was paid over time (around 1991) and Mr M said that the documents remained with Lloyds.

But in 2018, Mr M wanted to borrow more money from Lloyds via a bridging loan. He was unhappy that the branch he wrote to didn't respond positively, and that it said such loans were no longer offered following changes in the mortgage market; he felt disregarded. Mr M was also told that Lloyds didn't have the documents for the property.

Mr M complained to Lloyds. It said that what Mr M wanted was the land certificate, which was a document only valid at the time it was issued and for a short period afterwards – its role was to provide evidence of the land and to whom it belonged. Lloyds said that the certificate had expired, and was of no use to Mr and Mrs M now; this meant that they didn't suffer any disadvantage by Lloyds no longer having the document in its possession. It also said that Mr and Mrs M could get one from the Land Registry as the property was registered. Lloyds apologised for any confusion caused by misunderstanding what Mr and Mrs M were looking for (it originally thought they wanted the deeds) and poor service and paid £100 compensation. It confirmed that it didn't offer bridging finance or bespoke products for members of the public.

Mr M complained to us, though he accepted that a lender could decide to stop offering a particular product; he felt though that Lloyds was trying to pretend that the law prevented it continuing to offer the product, rather than admitting that it didn't want to carry on. Mr M also felt that he should've been helped in some way to get the finance he wanted and Lloyds had no right to lose or destroy his property (the land certificate). Lloyds said that there was no evidence it ever held the land certificate and if it was so important to Mr and Mrs M, it would've expected them to ask for it much earlier than nearly 30 years after the loan had been repaid.

The adjudicator's view was that the complaint shouldn't be upheld. He said that it wasn't unreasonable that 28 years after the loan was repaid Lloyds didn't hold any information about the land certificate, and that the certificate wasn't of any legal significance. The adjudicator also said that there was no evidence Lloyds had said it was illegal to offer bridging finance, but it had chosen to stop doing so due to changes in regulation; this was acceptable. He thought the £100 compensation paid for poor service was fair and reasonable.

Mr and Mrs M disagreed. Mr M suggested that this service was somehow bribed by lenders and wasn't impartial, and Lloyds should still have records in its possession, despite the passage of time. Mr M also felt that the adjudicator and Lloyds didn't appreciate the nuances of his situation and more should've been done to help when he wanted to borrow money.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

If I deal with the issue of the land certificate first, it's correct that this document was one that set out the ownership and interests in a piece of land at that time – it wasn't a deed of a property. It's also correct that the land certificate was time limited and it's not difficult to get the same information from the Land Registry as the property is registered. The land certificate from 1987 would not be of any assistance in selling the property in 2020 as the property is registered and any buyer would want to see the current information. I can't find that Mr and Mrs M have suffered financially if Lloyds has lost the land certificate. And I note Mr and Mrs M have now moved home, which supports my view that the 1987 land certificate was not required.

But did Lloyds lose the land certificate? The loan was repaid in about 1991 according to Mr M, and it started in about 1987. Due to the passage of time, there's no objective evidence available showing that Lloyds ever had the document. Mr M has given an account which says that it did, but there are no written records from the time showing Lloyds had the land certificate. And lenders only have to hold records for a period of time, after which they are required to destroy data; this is one reason why this service has time limits to bring a complaint.

Lloyds has said if a charge was to be removed from the Land Registry, the deeds would be handed to a solicitor to deal. But as Mr M points out, this was never the situation for his property. The property was registered, but the loan was not. The land certificate wasn't a deed so legally wouldn't be of any use to a lender wanting to enforce an equitable loan. As Mr M points out, other documents existed to protect Lloyds' interest.

There's no obvious reason why the land certificate would need to be retained by Lloyds, and is generally held by the solicitor dealing with the purchase of the property. I appreciate that Mr M may argue that I am applying recent legal practice to historic events, but given the land certificate never had any real value to a lender wishing to enforce its security, I'm not persuaded that it's more likely than not Lloyds had the land certificate (as opposed to the other documents it did need to protect its position). I note that Mr M says more money was borrowed later from Lloyds using the land certificate as security, but his description of the loan sounds more like an unsecured personal loan, the land certificate isn't in itself good security, and no evidence of this loan has been provided. I don't think this is enough for me to find the land certificate was held at the time by Lloyds.

And in any event, as the loan was repaid in 1991, and the land certificate had no value, I don't think it's unreasonable for Lloyds to be unable to confirm whether it ever had the certificate or destroyed it as the adjudicator says.

Mr and Mrs M are unhappy about Lloyds' refusal to offer bridging finance. But lenders are entitled to stop offering products and make commercial decisions, as Mr M himself accepts. This isn't something with which this service would interfere. And while Mr M would like Lloyds to act differently, lenders aren't generally required to create bespoke solutions for consumers – they offer a package of possible products, and subject to the lending policies, they are either available or not when an application is made.

Lloyds felt that it could've offered Mr and Mrs M better customer service in relation to the issues dealt with under this complaint. Taking all the circumstances into account, I think £100 compensation is fair and reasonable, particularly as I haven't found Lloyds to be at fault.

**my final decision**

My final decision is that I don't uphold the complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs M to accept or reject my decision before 24 February 2020.

Claire Sharp  
**ombudsman**