

complaint

Mr J complains that Nationwide Building Society lost the pre-registration deeds of his house.

background

When Mr J paid off his Nationwide mortgage he didn't get the title deeds which preceded registration of the title at the Land Registry. When he complained to Nationwide it said it had sent the deeds some years ago to one of its panel solicitors who had requested them. As the title and the mortgage were registered at the Land Registry, Nationwide didn't need the pre-registration deeds and its panel solicitors were under instructions to return them to customers not Nationwide. Following Mr J's complaint Nationwide had tried to contact the solicitors but they'd been taken over by another law firm.

Mr J wasn't happy and complained to this service. He said the solicitors were unknown to him and Nationwide hadn't told him why his deeds had been sent there. It hadn't contacted the successor firm, hadn't apologised and hadn't offered any compensation. The deeds were historical documents of significant value, and contained information of great importance not held on the Land Registry's title register. To resolve his complaint he wants Nationwide to investigate properly and fully to trace the deeds, apologise, and offer compensation for its mismanagement and failure to return the deeds.

Our adjudicator said that following our involvement Nationwide had agreed to offer Mr J £350 compensation to apologise for not being able to explain why the deeds had been sent to the solicitors, and for the fact they went missing. He'd also asked Nationwide to make enquiries of the successor law firm. He said the deeds were probably lost but they had no legal worth and little or no financial worth. Mr J's ability to sell his house in the future wouldn't be affected, because the Land Registry now deals with everything electronically.

Mr J said the historical value of the deeds was more than £350. And there was evidence to suggest the deeds included several covenants which weren't recorded on the electronic register at the Land Registry, the value of which could run to tens of thousands of pounds.

The adjudicator replied that there was no evidence to show that Mr J had lost out financially. Mr J said the deeds had significant historical value worth considerably more than Nationwide's offer. There were private issues concerning the property boundary and access rights for which the original deeds were required. Their absence made the matter more difficult. He'd accept compensation of £500 if Nationwide would arrange or pay for a paper copy of the deeds. Failing this he would like the complaint to be reviewed by an ombudsman.

The adjudicator asked Mr J for details of the private issues around the property boundary and access rights. How would a paper copy differ from the electronic copy held by the Land Registry? What other information would it contain?

Mr J replied that the issue concerning his boundary was a private matter but it was clear from the deeds of other properties in the locality and from property/boundary characteristics that it was likely full details for his property weren't transposed to the Register. Electronic systems weren't risk free and therefore a replacement 'wet' signed deed would satisfy his needs in conjunction with the compensation indicated.

Nationwide said it would be happy to send Mr J a copy of the Land Registry title but couldn't provide something it didn't have in terms of a "wet signed deed". It considered the compensation offered was fair and reasonable. It had also pursued enquiries at the successor law firm and had spoken to a solicitor who had worked at the firm which it took over. He was 99% sure the successor firm didn't have the deeds. He added that Mr J's solicitors had in fact been part of the firm to which Nationwide sent the deeds.

my findings

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

It's true that the pre-registration deeds have no practical purpose. If they contain covenants which may still be significant then the Land Registry copies these into the electronic title as it did in this case. It's extremely unlikely that the pre-registration deeds would contain any additional significant evidence about the boundaries, nor any historical value, and Mr J hasn't said anything to persuade me otherwise.

I'm afraid I don't know what Mr J means by a "replacement wet signed deed". Nationwide has offered to send him a paper copy of the title but it's already done that in its response of 15 September 2015 to his complaint. He could just as easily run off a print of the electronic copy. The Land Registry doesn't provide anything superior and there's nothing more I can usefully order Nationwide to do either in this respect or by way of further enquiries.

In that response Nationwide could have been more helpful than it was, for example by making enquiries of the successor law firm as it eventually did. And an apology would have been appropriate. Be that as it may, I'm satisfied that Nationwide has now done all that can be expected, and that £350 is fair and reasonable compensation for what's occurred.

my final decision

My decision is that I uphold this complaint and order Nationwide Building Society to pay Mr J £350 compensation for his trouble and upset.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 18 May 2016

Edward Callaghan
ombudsman