

complaint

Mr and Mrs G have complained that Lloyds Bank PLC failed to return their title deeds after they redeemed their mortgage.

background

The mortgage was repaid on 11 December 2007. Mr and Mrs G say they requested their title deeds over the years but never received them. They say this prevented them selling their house, and has recently caused a problem as they had a boundary/land dispute with their neighbours.

Lloyds paid £2,000 compensation to Mr and Mrs G for the delay in telling them it didn't have their deeds, and said the deeds been dematerialised in 2006. An adjudicator looked at the complaint. He didn't think Lloyds had done anything wrong. Mr and Mrs G didn't agree and so it's been passed to me to decide.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Where the evidence is incomplete, inconclusive or contradictory, I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

I trust Mr and Mrs G won't take it as a discourtesy that I've condensed their complaint in the way that I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint. Although I've read and considered the whole file I'll keep my comments to what I think is relevant. If I don't comment on any specific point it's not because I've not considered it but because I don't think I need to comment on it in order to reach the right outcome. This service is impartial between, and independent from, consumers and businesses. What this means is that we don't represent either party, and I don't act under either's instructions or take directions on how a complaint will be looked at.

For almost 80 years after the passing into law of the Law of Property Act 1925 and the Land Registration Act 1925, conveyancing was done 'on paper' with processes and practices that were the same for decades. Property titles were registered in documents which were held by the owners or mortgagees. But since 2003 scanning and subsequent destruction (known as 'dematerialisation') of documents became the required practice, as a result of the Land Registration Act 2002, which came into force on 13 October 2003.

Rule 203(6), Land Registration Rules 2003, makes provision for the destruction of original documents; an electronic image is deemed a sufficient copy and is used to produce official copies. This means that paper documents are obsolete and are no longer evidence of title.

Given the passage of time, it's not possible to say with certainty what happened to the paper documents Lloyds held. But what I can see is that they weren't destroyed, as Mr and Mrs G believe, instead they were sent out by post on 15 February 2006 either to Mr and Mrs G directly or to a solicitor. Unfortunately as it happened so long ago we can't tell which party they were sent to, or the details of the solicitor (if it was indeed a solicitor they were sent to). There was no requirement at that time for the deeds to be sent by any form of registered

post, so I can't hold Lloyds liable for not holding more information about the posting of the deeds now over a decade later.

It's clear from Mr and Mrs G's submissions that they can't remember what happened in 2006/07, which is entirely understandable considering how long ago it was. But it also means I can't uphold this complaint based on their testimony alone, as that has changed during the course of the complaint. In their original complaint to us Mr and Mrs G said "*Mortgage paid up in full – 2006 – on that date we (my husband & I) where [sic] told that our deeds would be released, via post to us*". But in response to our adjudicator's assessment their recollections changed to "*On paying the mortgage off we where [sic] told that the deeds could either be kept at the bank or sent to branch locally for collection. We agreed for them to be kept by the bank in a safe place [...] We signed for Lloyds to keep them safe 11-12-2007.*"

Whilst Mr and Mrs G say they don't remember receiving a letter in February 2006 about their deeds, I must keep in mind they've given us two directly opposing testimonies about what they were told would happen to their deeds in 2006/07. When considering any complaint like this, as Mr and Mrs G are the ones bringing the complaint against Lloyds, to uphold the complaint Mr and Mrs G's version needs to be *more likely* than Lloyds' version; not *just as likely*. Having considered everything I can't say Mr and Mrs G's version is anything more than *just as likely*, which isn't enough for me to uphold their complaint.

It's clear from the records that in February 2006 Lloyds sent the deeds out either to Mr and Mrs G or to a solicitor, so it doesn't have the paper deeds and other documents Mr and Mrs G asked for. I can't reasonably require Lloyds to provide documents that it doesn't have, nor can I award compensation to Mr and Mrs G for it not having those documents.

Lloyds accepts that it should have told Mr and Mrs G the true position sooner and it paid £2,000 compensation for that. I think, in the circumstances, that compensation paid by Lloyds is more than fair.

my final decision

I don't uphold this complaint as I find the compensation paid by Lloyds Bank PLC is fair and reasonable in the circumstances. I make no other order or award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs G to accept or reject my decision before 20 January 2020.

Julia Meadows
ombudsman