

## **The complaint**

Mrs L and Mr L complain that National Westminster Bank Plc has destroyed, apparently without reference to them, both the original deeds to their property, and some associated documents held with them, which Mrs L in particular had wished to retain.

## **What happened**

Whilst this complaint is brought by both Mrs L and Mr L, as the mortgage is in both their names, our dealings have been with Mrs L. So I'll mainly refer to her in this decision.

Mrs L said that NatWest was given her title deeds when she purchased her home. Then when she asked for them back on redemption of the mortgage, it said they had been destroyed. Mrs L said she'd complained, but NatWest rejected the complaint because it said there was nothing in the pack which wasn't available at HM Land Registry. But Mrs L said that wasn't true, she'd seen the deeds, and with them were some original historic documents dating back to the time when the property was built, including plans of the land before this time and the prior history of the ownership and use of the land.

Mrs L said NatWest had sent her copies of the information held at the Land Registry, but that clearly didn't replace what had been lost. Mrs L said that whilst there was no direct financial impact from the loss, she had spent time and phone calls trying to resolve this, and she was desperately upset at the blatant disregard for her property as well as by the apparent disbelief that she should know what was in the deeds pack.

Mrs L said she would like "significant" compensation (emphasis taken from the original) and an admission that her property had been destroyed without her authority.

When NatWest replied to Mrs L's complaint, it said that it could see notes from the Deeds Team who had confirmed that her deeds had been destroyed, due to this information being held digitally at the Land Registry. NatWest said this team had confirmed that no key documents were identified, so it said the deeds were securely destroyed.

NatWest said that Mrs L and Mr L's property had been correctly registered at the Land Registry, and it had asked the Deeds Team to compile a pack of the information held at the Land Registry, which it appears Mrs L and Mr L have since received.

NatWest said it wouldn't uphold Mrs L's complaint, it didn't think compensation was appropriate, because it didn't think it had made a mistake. It said it appreciated Mrs L's frustration at not being able to have the original documents, but the information was retained electronically at the Land Registry and she could seek copies there if they were ever required. NatWest said it would consider covering the costs of getting copies in future, as a gesture of goodwill.

When this case came to our service, NatWest said something a little different. It said that Mrs L and Mr L didn't take out their mortgage until 2013. And that meant that it was very unlikely NatWest had ever held paper deeds for them.

Our investigator didn't think this complaint had been upheld, but he reached this conclusion on the understanding that this mortgage wasn't taken out until 2013, by which time it had become usual for the Land Registry to record title electronically. He noted that as part of this, if the Land Registry received a paper document, it would be destroyed after the electronic record was created.

Mrs L didn't agree. She said this mortgage had been taken out in 1999, not in 2013. So she still thought that NatWest held paperwork for her, which it had destroyed without asking her. Our investigator didn't change his mind. This case was passed to me for a final decision, and I then reached my provisional decision on this case.

### **My provisional decision**

I issued a provisional decision on this complaint and explained why I did propose to uphold it. This is what I said then:

When this case came to me, I could see that NatWest had told our service it thought Mrs L's mortgage was only taken out in 2013. And NatWest said that meant it was very unlikely that NatWest would ever have held deed documents for Mrs L. But Mrs L was clear that wasn't the case, the house was purchased considerably before this. The date she gave was at a time when it was likely that paper deeds were involved in any property transaction.

NatWest replied to confirm that Mrs L was right, she and Mr L had accepted a mortgage offer from NatWest in late 1998, and I understand the house was purchased and the mortgage drawn down in early 1999. NatWest didn't comment further on whether it had ever held deeds for Mrs L. Its complaint response letter had earlier said NatWest's Deeds Team had confirmed it had destroyed documents belonging to Mrs L.

For the avoidance of doubt, I should say that given the date of this purchase, as well as what NatWest initially said in response to Mrs L's complaint, it seems to me most likely that NatWest did have Mrs L's old paper deeds, and also some associated documents.

NatWest has told us it has destroyed those documents, and it hasn't suggested it made any attempt to contact Mrs L or Mr L before it did so. NatWest says that no key documents were identified when it did this, so it doesn't think Mrs L is any worse off.

Mrs L, however, has said that with the deeds there were associated documents about the ownership and usage of the land before her property was built. She said those records were of great interest to her, as the current owner of the property, and she told us she had been looking forward to receiving these when her mortgage was finally paid off.

Unfortunately, it seems likely that these documents, which are not directly relevant to Mrs L's current home ownership, would have been categorised by NatWest as not "key documents" and therefore destroyed. Given the nature of these documents, I do not think it's likely that these can be replicated or replaced now.

The argument that Mrs L makes, at its simplest, is that the documents NatWest held were her property, and ought not to have been destroyed without reference to her.

I think there are two background points which are relevant here. Firstly, it's not clear to me that the historical documents associated with Mrs L's deeds, would ever have formed part of the security for this mortgage. So, whilst it may have been convenient to keep these together with the deeds, if Mrs L wanted to see and keep these then it's not

clear that these ought to have been lodged with NatWest. And secondly, I think it's also relevant to note that the legislation which changed the system of land registration to an electronic one, also allowed for unilateral destruction of deeds by the Land Registry. So it's not unusual now to find that old property documents have been destroyed, without the agreement of their owner. However, NatWest hasn't suggested that's what happened here.

I understand that NatWest doesn't think it has done anything wrong here, because it hasn't destroyed anything Mrs L needed to keep. But it does appear to have destroyed something she wanted to keep. It hasn't shown our service that it asked her before this was done, or that it otherwise had any authority to destroy these documents. So, on the evidence I've seen to date, and in the circumstances of this particular case, I do think Mrs L's complaint should be upheld.

Although I think this complaint should be upheld, it's unfortunately still possible that Mrs L may be disappointed by my decision. That's because she said she wanted two things here.

One was an admission that her property had been destroyed without her authority. I do think, on what I've seen so far, that's right, and it looks like NatWest's complaint response letter does, in effect, accept this.

But the other thing Mrs L wanted was for NatWest to pay "significant" compensation in this case. And I don't think that it would be in keeping with the role of our service in this case, for me to make such an award.

Our service doesn't make awards to punish businesses, nor do we calculate these awards at an amount intended to deter future wrongdoing. I am limited to assessing the impact of the loss on the complainants in this particular case. And whilst I understand that Mrs L remains very disappointed that she no longer has the original deeds for her property, or some associated documents which provided interesting information on the history of her home, there doesn't seem to me to be any question of this having caused a direct financial loss.

So, whilst I do still appreciate that Mrs L has been both upset and disappointed by the loss of these papers, I don't think I can fairly and reasonably ask NatWest to pay an amount of compensation in this case, of the scale which Mrs L may have had in mind. I do think NatWest should pay some compensation in this case, and I will ask NatWest to make a payment of £250, to reflect the impact of this loss upon Mrs L.

Although I understand that Mrs L may be disappointed by this, I do think that would provide a fair and reasonable outcome to this complaint.

I invited the parties to make any final points, if they wanted, before issuing my final decision. Both sides replied.

### **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.

NatWest said it had nothing to add, other than the transfer of title deeds to electronic format in and around 2002 was a standard process industry wide. I explained in my provisional decision why I don't think that justifies, in this case, the destruction of associated documents which didn't form part of Mrs L's deeds, but which it seems most likely were held with those

deeds.

Mrs L said she was pleased I had upheld her complaint, and she thanked me for that. But she was disappointed with the amount of recommended compensation. Mrs L said she feels that historic documentation is priceless, and she said £250 wouldn't seem to her to represent anywhere near the amount she would have thought appropriate for destruction of such documents. She also wanted us to bear in mind that her original complaint and then further discussion with NatWest were both rejected.

Mrs L also mentioned concerns with the previous handling of her complaint by our service. I do not think it's appropriate to comment on those points here, in a decision which is solely about her complaint against NatWest, other than to say that I do not think it would be fair and reasonable to use those points to increase the compensation amount which NatWest is asked to pay, in this case.

Mrs L said this had all caused her much distress and taken precious time to deal with. She said she would always be upset that her property has been destroyed and she cannot add this information to her extensive family history records.

Mrs L said she thought I should award £250 for each of the points she'd made, including those which are concerns about the conduct of our service, not about NatWest. Mrs L said £1,000 should therefore be the starting point, at the very least, but because the documentation was priceless, she thought a higher figure than £1,000 would be more in line with the compensation due.

I've explained above that I cannot fairly ask NatWest to pay compensation for what Mrs L considers to be issues with our service. I should also say that I did take into account, when I drafted my provisional decision, that Mrs L had taken the loss of these documents very much to heart. I understand the reasons for that, and I reached my provisional decision with that in mind. However, I also had to bear in mind that, whilst the documents clearly were highly valued by Mrs L, they have no direct financial value, and their loss creates no direct financial loss for Mr and Mrs L. It was with all those points in mind, that I said I thought £250 would provide a fair and reasonable outcome in this case.

I have considered Mrs L's further comments, but I haven't changed my mind. I'll now make the decision I originally proposed.

**My final decision**

My final decision is that National Westminster Bank Plc must pay Mrs L and Mr L £250 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L and Mr L to accept or reject my decision before 5 April 2024.

Esther Absalom-Gough  
**Ombudsman**