
Final Decision

24 September 2025

Mr [REDACTED] instructed Allchurch Property Lawyers (“the firm”) in March 2019 to assist with the purchase of an off-plan flat. Prior to instructing the firm, Mr [REDACTED] had already paid a £5,000 reservation fee to the developer. Once the firm was instructed, they were provided with a Power of Attorney to make decisions on his behalf during the transaction.

The value of the property was £84,950, and by 28 August 2019, Mr [REDACTED] had paid a total of £41,722.50 towards the purchase. He had also paid the firm £690 in legal fees.

By June 2020, the developer had refinanced the development, with the long-stop date and completion extended to 2021. At that time, Mr [REDACTED] agreed to the extension by signing a deed of variation.

The firm wrote to Mr [REDACTED] on 1 July 2020 to confirm that they would be ceasing to trade by 30 July 2020, and offered to transfer his file to another firm of solicitors. Mr [REDACTED] provided his authority on 3 July 2020.

On 11 November 2021, the sales agent wrote to investors to inform them that the developers had been placed into administration. The administrators were [REDACTED]

The firm closed on 31 July 2020. Correspondence inviting its senior partner to engage with our organisation regarding this complaint resulted in their decision not to participate in our process.

Our office accepted the following issues of complaint for investigation:

- 1. Failed to lodge Mr [REDACTED] UN1 title with Land Registry, causing him financial loss.**

My colleague, [REDACTED], found the firm's service was unreasonable for complaint and recommended the firm pay Mr [REDACTED] £6,098.90 to remedy the impact of their unreasonable service in his Case Decision of 12 September 2025.

Mr [REDACTED] accepted the Case Decision on 12 September 2025 but as the firm are closed, they have been unable to accept the Case Decision, and the matter has been passed to me to make a Final Decision.

I have considered whether Scheme Rule 5.19 (c) is applicable. This rule allows the file to be resolved based on the Case Decision (without a final decision being made), if certain criteria has been fulfilled. However, as the firm are closed, I am satisfied that it is reasonable for me to proceed with this Final Decision.

Before I set out my decision on this complaint, I would like to explain my role. As an ombudsman, I will determine a complaint by reference to what is, in my opinion, fair and reasonable in all the circumstances of the case.

When determining what is 'fair and reasonable', I am expected to take into account (but I am not bound by) what decision a court might make, relevant regulatory rules and what I consider to be good practice.

Conclusion

I have reviewed the evidence sent in during my colleague's investigation. Having done so, I am satisfied that my colleague's conclusions are reasonable. I have explained why with reference to the complaint raised. For avoidance of doubt, the fact that a particular comment during the investigation or piece of evidence has not been referred to does not mean it has not been considered.

1. Failed to lodge Mr [REDACTED] UN1 title with Land Registry, causing him financial loss.

- 1.1. The Case Decision found that the firm's service was unreasonable. My colleague concluded that, at the point the firm exchanged contracts on Mr [REDACTED] flat on [REDACTED] April 2019, they should have issued a UN1 notice to protect his interest in the event of the development or developer failing. Although a completed but unsigned UN1 was on file, it was never actioned by the firm.
- 1.2. Neither party has provided any specific comments in response to the findings.

- 1.3. It is important to understand what a UN1 is. This is the official form used to apply for a unilateral notice on a property title. It protects an interest in a property. For Mr [REDACTED] whose transaction involved the purchase of an off plan flat, this protection was paramount. It would have safeguarded his position and prevented later claims from taking priority.
- 1.4. In transactions such as Mr [REDACTED] a deposit is typically paid long before completion. It is standard practice for a UN1 to be registered shortly after exchange of contracts in such circumstances.
- 1.5. With off-plan transactions, there is always a risk that the developer may go into administration before completion, resulting in the loss of the deposit. This is an inherent risk in such transactions, which the firm explained to Mr [REDACTED] on 13 February 2019.
- 1.6. However, there is no evidence that the firm provided Mr [REDACTED] with any advice regarding the option of registering a unilateral notice. It was the firm's responsibility, given their expertise, to advise on the necessary steps to protect his interest. This advice should have been provided on or after [REDACTED] April 2019, when contracts were exchanged.
- 1.7. Had the firm discussed the benefits of registering a unilateral notice with Mr [REDACTED] at the time of exchange, I am satisfied that he would have taken up that option. This is because it would have offered greater protection for his interest and was neither a difficult nor expensive step.
- 1.8. An observation made by my colleague is that the firm's file shows a unilateral notice was prepared in respect of part of the registered estate. Although I have not seen the attached plan, as it was in Mr [REDACTED] file, it is more likely than not that it was prepared on his behalf to protect his interest in the parcel he was purchasing. This aligns with the firm's email dated 24 June 2025, in which they informed Mr [REDACTED] that a new lender would be financing the development and that the long-stop date would be extended to 31 March 2021. Importantly, the firm made the following comments:

"The lender is not asking for the unilateral notices (that are lodged against the seller's freehold title to offer your agreement some protection) to be removed to give their loan priority."
- 1.9. However, the firm explained that if the developer became insolvent, the lender would still be first in line to be repaid.

- 1.10. Despite this, the unilateral notice was incomplete and was never submitted to HM Land Registry on Mr [REDACTED] behalf. Therefore, the firm failed to advise Mr [REDACTED] about the UN1, despite being aware of its importance and even preparing one on his behalf. Their service was unreasonable.
- 1.11. As neither Mr [REDACTED] nor the firm (now closed) have raised any comments or concerns with my colleague's view, and having reviewed the evidence, I share my colleague's assessment. I therefore endorse their view regarding the firm's service.
- 1.12. I have outlined above my views on the level of service provided to Mr [REDACTED]. In the Case Decision, my colleague concluded that a remedy was warranted and proposed an appropriate remedy of £6,098.90.
- 1.13. As no further comments have been received in response to the Case Decision, I find my colleague's proposed remedy to be reasonable. I therefore endorse their conclusions (attached) as my Final Decision dated 24 September 2025.
- 1.14. However, I would like to make some closing comments regarding the remedy. Following the developers' insolvency in November 2021, the administrators clearly explained on 13 May 2022 to Mr [REDACTED] that there was a secured creditor ranking. Investors who did not have a UN1 registered at HM Land Registry would not receive any return on their investment from the eventual sale of the property.
- 1.15. A letter was sent to Mr [REDACTED] on 31 August 2022 from the administrators confirming their earlier correspondence. Mr [REDACTED] was confirmed to be in category 5 of the secured creditor ranking.
- 1.16. As established above, the firm failed to register Mr [REDACTED] interest, thereby failing to protect him in the situation that arose. The administrators confirmed to my colleague on 8 September 2025 that, based on the conditions of the sale and the methodology used to allocate returns to investors with valid UN1 registrations,
- 1.17. Mr [REDACTED] would have received £5,348.90 from the sale process. I therefore agree with my colleague that this loss stems from the firm's unreasonable service. Had the UN1 been registered, Mr [REDACTED] would have been a creditor who benefited from the sale.

- 1.18. My colleague also recommended a compensation payment of £750. This is towards the top end of the “significant” category and at the start of the “serious” category. Mr [REDACTED] paid a total of £46,722.50 in reservation fees and deposit payments. He would have experienced immense stress knowing the extent of his financial outlay and the lack of protection provided by the firm. This worry and stress would have persisted from the moment he learned from the administrators that he would not be receiving any return from the eventual sale of the property. This was an avoidable and prolonged stressful situation.
- 1.19. A higher compensation remedy is not warranted, as purchasing a property of this nature inherently carries risks. This was explained to Mr [REDACTED] when the firm sent their report on title. The obvious risk, which materialised in this case, was the developer going into insolvency.
- 1.20. This ultimately meant that Mr [REDACTED] was never going to recover the full amount he invested. The administrators confirmed that the return provided to investors was not based on the amount owed but rather calculated using the initial market/sale value of each unit. This created a percentage allocation for each unit, which determined the distribution of sale proceeds.

Therefore, my final decision is that there has been unreasonable service that requires a remedy and direct that the firm to pay Mr [REDACTED] the following:

- **£5,348.90 for the financial loss of not getting the return on the investment; and**
- **£750 compensation.**

This is a total payment of £6,098.90.

If you decide to accept my decision, it will be binding on Allchurch Property Lawyers Limited and will be in full and final settlement of your complaint. This also means that you will not be able to take any further legal action on the same facts.

If you accept the decision, we will require Allchurch Property Lawyers Limited to take the actions I have directed within 10 working days of us informing them of your acceptance.

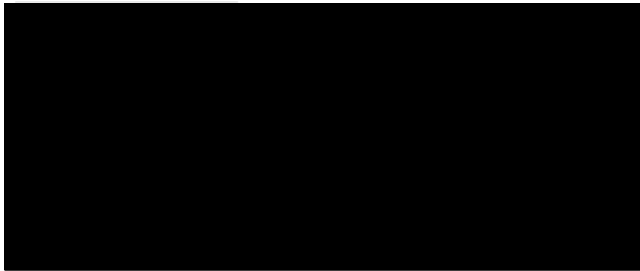
If the remedy includes a financial payment, Allchurch Property Lawyers Limited will either need to make this within 10 working days if they are able, or if they need any information from you in order to make the payment e.g., identification, bank details,

to have requested this within 10 working days, and then make the payment within 10 working days of the information being received.

If you choose to reject this Final Decision, it is not binding in any way and you would be free to pursue the matter in any way you may choose.

Therefore, please reply in writing by 8 October 2025 to let us know what you have decided.

If we do not hear from you by this date we will presume you reject this decision and the file will be closed without any further action.





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The Legal Ombudsman is administered by the Office for Legal Complaints under the Legal Services Act 2007.

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Case Decision

Supporting Evidence

Case Decision [REDACTED]

Mr [REDACTED]

Date 12 September
2025

Introduction

Mr [REDACTED] purchased an off plan flat [REDACTED] in 2019 for £84,950 and was referred by the developer to use Allchurch Property Lawyers (hereafter referred to as the firm) to act in the conveyancing. [REDACTED]

The firm were instructed on 6 March 2019, after Mr [REDACTED] had already paid a £5,000 reservation fee to the developer. Mr [REDACTED] agreed for the case holder to have Power of Attorney (POA) for him in the matter and transactions.

Mr [REDACTED] paid the first deposit to the firm of £21,275 on 28 March and then the second deposit of £21,237.50 on 22 August. These were forwarded to the seller firm on 1 April of £20,485 and 28 August £21,237.50 by the firm under the terms of the sale agreement. The firm took their fees of £690 on 11 April 2019 and held £100 towards any further disbursements.

In the midst of the process on 24 June 2020, the firm sent Mr [REDACTED] a letter explaining that the developer had resorted to refinancing the development, which would result in changes to the long stop date and completion to extend to 2021. They explained that the developer had been seriously affected by Covid and any buyer wishing to terminate the contract and return of deposit would not be to be accommodated at present, due to the financial nature of the business.

Mr [REDACTED] agreed to sign the variation and deed.

On 1 July 2020 the firm told Mr [REDACTED] that they were going to close at the end of that month and would try and find an alternative solicitor firm to act for him. Mr [REDACTED] gave the firm permission to exchange on the supplemental agreement.

On 11 November [REDACTED] fell into administration, which was handled by [REDACTED]. [REDACTED] told Mr [REDACTED] that only buyers who were protected by a UN1 notice were likely to receive any return. The firm had not entered such UN1 for Mr [REDACTED] and he was not part of the eventual payments to investors process in 2025 after the development was sold.

Mr [REDACTED] complains that the firm:

Failed to lodge Mr [REDACTED] UN1 title with Land Registry, causing him financial loss.

To settle the matter, Mr [REDACTED] wants a return of all his deposit monies, totalling £46,722.50, including the reservation fee.

After reviewing the evidence and comments sent to me by both Mr [REDACTED] and [REDACTED], it is my Case Decision that the firm offered unreasonable service by not lodging a valid UN1 and that they should pay Mr [REDACTED] a total of £6,098.90 in compensation.

Conclusion

I have reviewed all of the evidence and comments received when investigating this case. For the purpose of this document, I will refer to some of this evidence and explain the conclusions I have reached.

Failed to lodge Mr [REDACTED] UN1 title with Land Registry, causing him financial loss.

I can see that Mr [REDACTED] purchased the off plan flat [REDACTED] and was referred to the firm as the developer's preferred conveyancer.

A report on purchase letter was produced on 13 February 2019 by the firm in general terms and appears to have been given to all buyers by the developer. It explained the risks of buying off plan and that the firm could not offer any advice on the nature of the investment itself.

They explained that as in any investment there were risks and that the anticipated completion was 1 January 2020.

Mr [REDACTED] had paid a £5,000 reservation fee prior to instructing the firm and then gave the firm POA to sign and carry out the conveyancing actions on his behalf. The firm took the relevant stage payments from Mr [REDACTED] totalling £46,722.50 as detailed in the introduction above.

At the point that the firm had exchanged on Mr [REDACTED] flat on [REDACTED] April 2019, they should have issued a UN1 Notice, protecting his interest should the development or the developer fail. There is a completed but unsigned UN1 on file, but it was never actioned by the firm.

This was poor service, because it left Mr [REDACTED] totally unprotected should the developer fail. There is no evidence of the firm discussing the options available to Mr [REDACTED] at the time and again, this should have and could have been carried out. The firm were well versed in purchases of this nature and would have known the options to protect Mr [REDACTED] investment only too well.

The title number typed was [REDACTED] and had been crossed through and then handwritten next to it was the title number [REDACTED]. There is no evidence to decide which is the correct title number.

Clearly the development did not finish on the anticipated date and the firm sent a letter to Mr [REDACTED] on 24 June 2020, six months after that completion date. The letter explained the problems the developer was having financially, that they had refinanced and issued a Deed of Variation to the sale agreement which extended the Long Stop date and Target Date for completion to 2021.

Mr [REDACTED] signed the revised agreement that day.

The firm closed down on 31 July 2020 and the developer went into administration on 2 November 2021.

The administrator, [REDACTED], wrote to Mr [REDACTED] on a number of occasions, but specifically on 13 May 2022 they explained that only 35 investors had valid UN1's registered against the freehold title by their solicitors at the time they exchanged.

They further explained that any investors without a UN1 would not receive any return on their investment from any future sale of the development.

On 31 August [REDACTED] told Mr [REDACTED] that only Category 1 investors with a UN1 registered prior to the refinancing deal on 9 September 2020 would get anything back.

Clearly, Mr [REDACTED] would have been duly stressed and highly frustrated that the firm had not registered his UN1 when they could have and should have.

To clarify the amounts in question here are as follows:

£5,000 reservation fee
£20,485 for the initial deposit
£21,237.50 for the second stage payment
£46,722.50 total paid by Mr [REDACTED]

£84,950 Full purchase price
£38,227.50 required upon completion – which did not take place

[REDACTED] subsequently applied to the court to have the development sold and an order to do so was issued on [REDACTED] 2024. Following the sale, an order was made to determine the application of the proceeds of sale and specifically to any investors who had a valid UN1.

The court issued a Reservation of Rights listing for the investors who were protected. That list shows a variety of purchase prices for those investors and the court ordered amounts they would be entitled to from the proceeds of sale.

[REDACTED] have confirmed that for Mr [REDACTED] unit, the gross apportionment would have been £11,735.11 and net distribution of **£5,348.90**.

In my opinion, the firm should recompense Mr [REDACTED] to the tune of what he would have been entitled to if they had registered his UN1, therefore the figure as above.

I am unable to make an award covering all of Mr [REDACTED] losses because the firm could not have anticipated that the developer would fail and that was the risk inherently linked to purchases of this nature.

Given that Mr [REDACTED] had paid out a substantial sum of money and then found himself totally unprotected when the developer failed, he would have suffered substantial stress and upset since the failure of the development for some five years.

This is certainly warranting an award of compensation in the high end of our general guidelines.

On that basis and the longevity of the stress and inconvenience, I say that the firm should pay Mr [REDACTED] an additional **£750** compensation. I have taken into account the annoyance, upset and distress this failing caused Mr [REDACTED] over a sustained period of time of nearly four years.

This level of compensation is in our exceptional award category and is near the top of that bracket, due to the long-term impact and the avoidable exposure to financial impact and liabilities.

I have not awarded the top end of that bracket as Mr [REDACTED] was already a multi property owner and would have been less affected than someone who was merely buying their first property to live in.

To clarify, the firm should pay Mr [REDACTED] the total sum of **£6,098.90**.

Case Decision

After reviewing the evidence and comments sent to me by both Mr [REDACTED] and [REDACTED] it is my Case Decision that the firm offered unreasonable service by not lodging a valid UN1 and that they should pay Mr [REDACTED] a total of £6,098.90 in compensation.

Both parties are asked to respond to my case decision by **25 September 2025** indicating whether they are willing to accept my proposed agreed outcome. If both parties accept the case decision, then the complaint will have been concluded on that basis and the case will be closed. Similarly, if by the above date I have either not received a response, or there has been no disagreement with the proposals in my case decision, the case will be treated as concluded, the case will be closed and no further action will be taken by the Legal Ombudsman.