
Final Decision

20 February 2025

Introduction

Miss A instructed KMC Legal, trading name of F W Meggitt & Co Ltd (“the firm”) in XXXX 2023 to assist her with the purchase of a property. I understand the firm were acting for both the purchase and sale of this property and had different teams working for the buyer (Miss A) and the seller.

The purchase completed on XX January 2024, and I am aware, shortly after this, it became clear that there was an existing mortgage held against Miss A’s new property that was not in her name. I understand this is still the case at the time of writing this decision.

Miss A made a complaint to the firm in the April and the firm did not respond to this. She then brought her complaint to this office,

The following complaints have been accepted for investigation by this office:

- 1. The firm failed to provide Miss A with a correct completion statement.**
- 2. The firm provided Miss A with an incorrect final statement which failed to show a deduction of the initial 10% deposit paid.**
- 3. The firm failed to remove the seller’s mortgage charge of £26,000 from the property and returned the money to the seller.**
- 4. The firm failed to inform Miss A that the mortgage charge was still attached to the property.**
- 5. The firm failed to correctly advise Miss A of the implication of the firm failing to remove the charge.**
- 6. The firm failed to explain the issue relating to the extra land that was attached to the property and the implication of this.**

7. The firm failed to register the purchase of the property with HM Land Registry in a timely manner.

8. The firm failed to adequately respond to Miss A's complaint.

My Provisional Decision dated 5 February 2025, a further copy of which is attached, found that the firm provided an unreasonable service and upheld all of Miss A's complaints. As such, I found it appropriate to go on to recommend the firm take some action to resolve the impact their unreasonable service caused to Miss A in addition to paying her compensation. This was set out at the end of my Provisional Decision under the section "summary and remedy".

I chose to make a Provisional Decision in the first instance as although I agreed with my colleague's view on the firm's service, I came to a different conclusion on the appropriate remedy. And so, as I reached a different view, for the reasons set out within the Provisional Decision, it was important a further opportunity to provide comments was given to the firm and Miss A before the decision became final.

Miss A has since responded and confirmed she has accepted my Provisional Decision. The firm have not responded. I note, neither party have provided any comments for me to consider.

I have reviewed the Provisional Decision, and the evidence previously received again and, in the absence of any comments/ further evidence that may prompt me to sway from this decision, I am satisfied that the conclusion I reached, is fair and reasonable in the circumstances of this case. Therefore, I intend to adopt the Provisional Decision as my Final Decision. The Provisional Decision and this letter will now stand as the Final Decision.

Conclusion

1. The firm failed to provide Miss A with a correct completion statement.

1.1. In the Provisional Decision, I explained why I had found that the firm's service was reasonable. This was because the evidence showed that the firm did fail to provide Miss A with a correct completion statement, and it was only when she queried it that this was corrected.

1.2. Neither party have provided any comments or further evidence that disputes my conclusion, and I have not seen anything that would prompt me to sway from this decision. As such, I remain of the same view that the firm's service was unreasonable here.

2. The firm provided Miss A with an incorrect final statement which failed to show a deduction of the initial 10% deposit paid.

- 2.1. With this complaint, the Provisional Decision set out that there was evidence to support that the firm did fail to provide Miss A with a correct final statement figure that accounted for the 10% deposit she had paid.
- 2.2. It was then clear that when questioned on this, the firm remained of the view that they were correct until Miss A persisted that she had paid a 10% deposit already. It was only then that the firm changed their view on the correct outstanding figure.
- 2.3. As explained within the Provisional Decision, there is an expectation that, as the professionals in this area, the firm should ensure their figures and calculations are correct before submitting them to a client.
- 2.4. I am satisfied that there is enough evidence to show that the firm did not do this and essentially, they ended up providing Miss A with an incorrect final statement that failed to account for her initial 10% deposit. This means that my view is the same as that set out within my Provisional Decision; I find their service was unreasonable on this occasion.

3. The firm failed to remove the seller's mortgage charge of £26,000 from the property and returned the money to the seller.

4. The firm failed to inform Miss A that the mortgage charge was still attached to the property.

- 4.1. The Provisional Decision dealt with these two issues together as the evidence relied upon was the same. For complaint three, it was undisputed by all parties that the firm failed to remove the mortgage charge but, further to this, there was evidence to support that this was something that should have been done.
- 4.2. This finding then led into complaint four. It was evident that Miss A found out about the mortgage issue from the previous owner (the seller). Yet, by this point, the firm had known about the issue that directly impacted Miss A for around two months.
- 4.3. There was no evidence to suggest the firm had a justifiable reason that prevented them from telling Miss A about the mortgage charge and I note the firm have not raised any comments on this at any stage in our investigation or in response to my Provisional Decision.

4.4. Since issuing my Provisional Decision, I have not seen (or been provided with) any further evidence to support that there were fair reasons that not only prevented the firm from removing the charge in the first place but from later informing Miss A of the issue when they came to know about it. In the absence of any evidence to argue the contrary, my view remains the same, the firm's service was unreasonable for complaint three and four.

5. The firm failed to correctly advise Miss A of the implication of the firm failing to remove the charge.

5.1. As set out in My Provisional Decision, I concluded unreasonable service for this complaint because despite the firm assuring Miss A that they would register the property once the mortgage issue was resolved, there was no information provided to her about the implications of the mortgage charge being on her property and the firm not being able to remove it.

5.2. I do accept that there was a possibility that Miss A did not need this advice as the matter could have been resolved very quickly. And so, in some circumstances, one could argue the firm were not unreasonable to not offer this advice.

5.3. Unfortunately, this was not one of those circumstances as it's clear the position has still not changed, and the mortgage charge is still existing on Miss A's property. And so, I am satisfied that it was always a possibility that the charge might not be easily removed, that has since become a reality, and therefore I am of the view the firm should have advised Miss A on how this will impact her.

5.4. Neither party have provided any comments or further evidence that disputes my conclusion, and I have not seen anything that would prompt me to sway from this decision. As such, I remain of the same view that the firm's service was unreasonable here.

6. The firm failed to explain the issue relating to the extra land that was attached to the property and the implication of this.

6.1. I concluded the firm's service was unreasonable for this complaint as there were clear indicators that showed the firm were aware there was an area of land that was not going to be owned by Miss A that she would incur a maintenance charge for. Yet, despite knowing this, the firm failed to tell her about the maintenance charge, and it was the seller who told Miss A.

6.2. I explained within my Provisional Decision that I consider this to be something the firm should have advised Miss A on as part of their retainer.

6.3. I am still of this view and, as neither party has provided anything that challenges that view or supports there was a reasonable reason preventing the firm from being able to offer this advice, I still find the firm's service was unreasonable here.

7. The firm failed to register the purchase of the property with HM Land Registry in a timely manner.

7.1. At the time of writing the Provisional Decision, it was clear that Miss A's property had still not been registered. And, although I accepted that it was not as simple as just registering the property given the complexities with the mortgage charge. The complexities that complicate this matter were, in my view, as a direct result of the firm's actions in relation to complaint three. I therefore found the firm's service was unreasonable.

7.2. I understand this position has not changed, and, as such nor has my view on the firm's service. Equally, even in the event that the property had in fact now been registered, I am satisfied that the delay Miss A has faced was avoidable and so I would always conclude that the firm failed to register the property in a timely manner.

8. The firm failed to adequately respond to Miss A's complaint.

8.1. The Provisional Decision concluded the firm did fail to adequately respond to Miss A's complaint and as such I found their service was unreasonable.

8.2. Neither party have provided any comments or further evidence that disputes my conclusion, and I have not seen anything that would prompt me to sway from this decision. As such, I remain of the same view that the firm's service was unreasonable here.

Summary and Remedy

As my views have not changed here and I still find the firm's service to be unreasonable for all of Miss A's complaints, I must go on to consider the detriment of that unreasonable service and, where appropriate, seek to remedy that detriment.

Within my Provisional Decision I explained that I intended to direct that the firm redeem the outstanding mortgage (held against Miss A's property but not in her name) with the lender within 14 days and apply to Land Registry to have the charge removed from Miss A's property within 28 days. I also intended to direct that the firm take all reasonable steps to ensure they progress that application after making it and

that they notify Miss A once the charge has been removed by Land Registry. In terms of compensation, I intended to direct that the firm pay Miss A £2,000.

As my views have not changed nor have I received any comments or further evidence that I consider has swayed my decision as to an appropriate remedy, I am content that the remedy proposed within the Provisional Decision is a fair one.

I therefore adopt the remedy set out in my Provisional Decision as the remedy I am directing for this Final decision. I have attached my explanations (taken from my Provisional Decision) for this remedy below.

When the Legal Ombudsman investigates complaints and finds a firm has provided unreasonable service, we direct a remedy to put the person into the position they would have been in had it not been for the unreasonable service.

We can direct remedies for financial loss suffered or ask the lawyer to complete further work to put things right. We can also direct an impact payment to reflect the fact that service failures can cause stress, upset, and inconvenience. We can also direct bill reductions where the service is so poor that the work itself has been devalued.

I understand the majority of detriment caused to Miss A comes from complaints three, four, five and six; specifically, in relation to the mortgage charge on Miss A's property.

It is clear that, as a result of the firm's failings, Miss A's property has an outstanding mortgage charge held against it that is not in her name but the previous owner's, the seller. And, as a result of this, she is unable to have the property she has already paid for, registered in her name. This is then preventing her from being able to do anything with that property such as sell it, release equity etc.

I also understand this impact has been compounded by the emotional toll this has taken on Miss A since completion in XXXX 2024. I am mindful of the worry she has likely felt as she is completely at the mercy of the previous owner's actions. If they do not pay their mortgage, it is Miss A's property and her that will likely bear the consequence.

I note this has not happened, but I am sensitive to how stressful and worrying this all must be for Miss A. Which, I note was further exacerbated by the firm's failure to notify Miss A of the issue in the first place.

To put Miss A back in the position she should be in, she should be the registered owner of her property and there should be no outstanding mortgage on that property in the previous owner's name. And so, this is what I am directing takes place here.

The firm should redeem the outstanding mortgage (held against Miss A's property but not in her name) with the lender within 14 days and apply to Land Registry to have the charge removed from Miss A's property within 28 days. I am also of the view that the firm should take all reasonable steps to ensure they progress that application after making it and that they notify Miss A once the charge has been removed by Land Registry.

I do understand the firm do not agree that they should redeem the mortgage charge as they dispute that the previous owner should be liable for their mortgage as they have had the funds for that mortgage. While I understand the firm's view here, had it not been for the firm's unreasonable service Miss A would not be in the position she is in now. I do accept that the actions of the seller may have also impacted Miss A, but I am of the view that those actions would not have been a possibility had the firm removed the seller's mortgage charge from the property in the first place.

Now turning to the appropriate level of compensation. As explained above, the emotional toll this all must have taken on Miss A is not lost on me not to mention the level of inconvenience this will have placed on Miss A. This has all spanned over a year long.

It's also important to recognise the remaining complaints and what impact this has caused. The remaining complaints all relate to the firm's failure to provide Miss A with correct information and respond to her complaint. Although I accept these occurrences will have been frustrating, I do note that they were corrected each time and Miss A was informed of the correct information before completing her purchase. I therefore do not consider these service failings to have caused any detriment to her purchase or to have devalued the fees she paid for that service.

Equally, although I acknowledge the firm did not fully fulfil the retainer as they did not register the property. It is clear the reasons for this are captured under complaint three and I have considered this within my intended remedy above. As such I am not directing a fee refund.

Although I am not directing a fee refund, I am of the view that the distress and inconvenience all these failings in addition to the mortgage issue have caused should be recognised. It is for these reasons I am directing a serious compensation award of £2,000 to be paid to Miss A. While I recognise our typical serious level awards do not exceed £1,000, I do not consider these impacts to be of a typical nature and I accept they are yet to be resolved.

Nonetheless, the action I am directing to take place should seek to rectify any outstanding impacts to Miss A which is why I am not directing any higher award

here. She should then be back in the position she should have been in had these service failings not occurred.

Therefore, my final decision is that there has been poor service. And, to remedy that poor service, I am directing that the firm redeem the outstanding mortgage (held against Miss A's property but not in her name) with the lender within 14 days and apply to Land Registry to have the charge removed from Miss A's property within 28 days.

I also am directing that the firm take all reasonable steps to ensure they progress that application after making it and that they notify Miss A once the charge has been removed by Land Registry. In terms of compensation, I am directing that the firm pay Miss A £2,000.

Provisional Decision

5 February 2025

Introduction

A instructed KMC Legal, trading name of F W Meggitt & Co Ltd (“the firm”) in September 2023 to assist her with the purchase of a property. I understand the firm were acting for both the purchase and sale of this property and had different teams working for the buyer (A) and the seller.

The purchase completed on 17 January 2024, and I am aware, shortly after this, it became clear that there was an existing mortgage held against A’s new property that was not in her name. I understand this is still the case at the time of writing this decision.

A made a complaint to the firm in the April and the firm did not respond to this. She then brought her complaint to this office,

The following complaints have been accepted for investigation by this office:

- 1. The firm failed to provide A with a correct completion statement.**
- 2. The firm provided A with an incorrect final statement which failed to show a deduction of the initial 10% deposit paid.**
- 3. The firm failed to remove the seller’s mortgage charge of £26,000 from the property and returned the money to the seller.**
- 4. The firm failed to inform A that the mortgage charge was still attached to the property.**
- 5. The firm failed to correctly advise A of the implication of the firm failing to remove the charge.**
- 6. The firm failed to explain the issue relating to the extra land that was attached to the property and the implication of this.**

7. The firm failed to register the purchase of the property with HM Land Registry in a timely manner.

8. The firm failed to adequately respond to A's complaint.

My colleague, in her Case Decision dated 15 January 2025 found the firm's service was unreasonable for all complaints. Kusum recommended the firm should take some action to rectify the impact caused by their poor service in addition to paying A £1,000 compensation and refunding 25% of their fees already paid. The action Kusum recommended was for the firm to remove the mortgage charge held on A's property and register the title with HM Land Registry (LR) within a reasonable timescale.

A accepted my colleague's Case Decision on 15 January 2025, but I note she had some concerns around what is concerned a reasonable timescale. I will address this comment later within this decision. The firm have not responded to the Case Decision and as such, the case has come to me to make a Final Decision.

A accepted my colleague's Case Decision on 15 January 2025, but I note she had some concerns around what is concerned a reasonable timescale. I will address this comment later within this decision. The firm responded on 4 February and whilst they accepted mistakes had been made, did not agree with my colleague's proposed remedy. I understand my colleague considered this and as it did not change her view, the case has come to me to make a Final Decision. Please note, I will address the comments relating to the remedy later within this decision.

My role as an ombudsman is to 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.

I confirm that I have taken such factors into account, and the decision that I set out below, is what, in my opinion, I consider to be fair and reasonable in all the circumstances of this case.

Having considered everything, I have come to a different decision to my colleague. I endorse my colleague's view on the firm's service and have upheld all complaints, however I am directing a different remedy. I intend to direct that the firm take some action to resolve the impact their unreasonable service caused to A in addition to paying her compensation.

Firstly, I intend to direct that the firm redeem the outstanding mortgage (held against A's property but not in her name) with the lender within 14 days and apply to Land

Registry to have the charge removed from A's property within 28 days. I also intend to direct that the firm take all reasonable steps to ensure they progress that application after making it and that they notify A once the charge has been removed by Land Registry. In terms of compensation, I intend to direct that the firm pay A £2,000. I have explained my reasoning for my proposed remedy later within this decision.

As I have a different view to my colleague on the appropriate remedy, I have made a Provisional Decision which allows both parties the opportunity to comment. If A were to accept this Provisional Decision (and if the firm also did) then their complaint would be resolved on this basis, and they could not return to our office in future to seek any additional remedy or raise the same complaints again.

Its important to note that in the event the complaint was resolved on this basis, if the firm did not carry out the agreed remedy, the case will be reopened, and it is likely there would then be a further remedy for the impact of the firm not complying with the agreed outcome.

If either A or the firm reject this Provisional Decision, the matter will be referred back to me for a Final Decision to be made. Once the Final Decision has been made, that would be the end of our office's process for this complaint, whether or not it was accepted by A.

Both parties will have 14 days to provide their comments on this Provisional Decision, and then this case will be referred back to me to make a Final Decision, when I will carefully consider their comments.

Before discussing my decision in detail, I wanted to explain that I endorse my colleague's case decision and conclusions for all of A's complaints and my view only differs from theirs on the appropriate remedy. I have attached a copy of the case decision below for reference.

Now turning to A's complaints.

1. The firm failed to provide A with a correct completion statement.

- 1.1. My colleague's Case Decision found the firm's service was unreasonable for this complaint. The Case Decision set out that the initial completion statement provided by the firm did contain incorrect figures and was only corrected when A raised this.
- 1.2. Neither party have provided any comments in response.

- 1.3. When considering this complaint, I note the heading, in the literal sense suggests that the firm failed to ever provide a correct completion statement. However, from reading the correspondence to this office, I understand this issue of the completion statement lies with the firm's failure to provide a correct one until prompted by A. Therefore, that is what I will consider to be the complaint here.
- 1.4. I have seen that initially the sale was due to complete around December 2023 but did not do so until January 2024. On 18 December the firm issued a completion statement to A to show how much funds would be due for the purchase. As my colleague detailed within their Case Decision, the property purchase was £265,000, the legal fees and disbursements amounted to £2,620 inclusive of VAT. However, the subtotal on the statement was £532,620.
- 1.5. A later queried the total on 15 January 2024 and although I have not seen the amended completion statement, both parties have not disputed this was produced.
- 1.6. As I have seen that the firm did fail to provide A with a correct completion statement, and it was only when she queried it that this was corrected. I share the same view as my colleague here and find the firm's service was unreasonable.

2. The firm provided A with an incorrect final statement which failed to show a deduction of the initial 10% deposit paid.

- 2.1. The Case Decision set out that the firm did fail to account for A's 10% deposit already paid when producing the final statement. And, that it was only when she queried it with the firm that they amended their statement.
- 2.2. Neither party have provided any comments in response.
- 2.3. Having considered the evidence myself, it is clear that the firm's completion statement of 18 December detailed the total due from A as £264,810 (this was after it also stated £532,620). This figure was formed after taking consideration of the £2,500 A had already paid. However, I am aware A had previously paid a 10% deposit in addition to the £2,500 that had not been accounted for.
- 2.4. A later queried to the firm on what her total left to pay was and the firm directed her to the completion statement. This shows me the firm believed the figure of £264,810 was correct. Yet, it is clear this was not the case as the total figure due was confirmed by the firm to be £238,310 on 15 January.

2.5. The evidence shows the firm did fail to provide A with a correct final statement figure that had accounted for the 10% deposit she had paid. And, that when questioned on this, the firm remained of the view that they were correct until A persisted that she had paid a 10% deposit already. It was only then that the firm changed their view on the correct outstanding figure.

2.6. There is an expectation that, as the professionals in this area, the firm should ensure their figures and calculations are correct before submitting them to a client. While yes, we would always expect A to have checked the figures too, this should not be rectifying any mistakes made by the firm but to satisfy herself she is happy with the firm's understanding. The greater expectation lies with the firm carrying out the correct due diligence to ensure their figures are accurate. As the firm did not do this and as such provided A with the incorrect final statement, I share and endorse my colleague's view that the firm's service here was unreasonable.

3. The firm failed to remove the seller's mortgage charge of £26,000 from the property and returned the money to the seller.

4. The firm also failed to inform A that the mortgage charge was still attached to the property.

4.1. My colleague's Case Decision dealt with issues three and four together as the evidence relied upon was the same. For completeness, I will do the same.

4.2. I understand the Case Decision found the firm's service unreasonable for these complaints as the firm had accepted that they failed to pay off the seller's mortgage with the funds from their sale and in doing so, the mortgage charge was still existing on As property. There was also no evidence to support that the firm informed A of the issue but that she came to find out about it through external third parties.

4.3. I am aware complaint three is the main crux of A's dissatisfaction as she has explained to this office, she is unable to register her property and as such, is not the legal owner of it despite having paid for the property. I will therefore deal with this complaint first.

4.4. I have considered the firm's email dated 4 April 2024, which was to the seller of the property A purchased. Within that email the firm accepted that they had failed to pay the outstanding mortgage charge off the property upon completion and they acknowledge that instead, the funds that should have been used for the mortgage charge were sent to the seller.

- 4.5. There is no dispute between any party that the firm failed to do this. And, while I note this is not part of the work that the firm were supposed to do for A but the seller. It does form part of A's retainer as the firm were supposed to register her title and have not been able to do so as a result of them failing to do a fundamental part of the sale process. As such I do consider this service is something they should have done for A as part of the process of registering her title.
- 4.6. As the firm failed to do this, I too find their service was unreasonable for complaint three. I do appreciate human error can occur and am mindful that the firm say this is what has happened here. Although I accept human error occurs, this is not justification enough to render the firm's service reasonable here as ultimately this is something the firm should have carried out the correct due diligence on to avoid human error on something so consequential.
- 4.7. Now turning to complaint four. Having considered A's email to the firm dated 4 April, it is very clear that the seller advised A that the mortgage charge was still attached to the property. The firm responded and explained they were aware of the matter and were dealing with it.
- 4.8. The firm's email confirms to me that the firm already knew about the mortgage charge issue and had not brought it to A's attention. Although it is not lost on me that this might have been not to worry A. At the end of the day, this was an issue that directly affected her property and so I am of the view that this should have been communicated to her at the earliest opportunity.
- 4.9. I understand the firm found out about the mortgage issue in February 2024 and so this was a period of two months the firm could have informed A but did not. I have seen no justifiable reason that prevented the firm from telling A about the mortgage charge and the firm have not raised any comments on this. As such, I find their service was unreasonable for complaint four.
- 4.10. Bringing these two issues together, I am of the same view as my colleague and find the firm's service was unreasonable for both complaints three and four.

5. The firm failed to correctly advise A of the implication of the firm failing to remove the charge.

- 5.1. This complaint follows from the ones above and I understand is a complaint about what happened after A found out about the mortgage charge on her property.

- 5.2. The Case Decision concluded that despite the firm assuring A that they would register the property once the mortgage issue was resolved, there was no information provided to her about the implications of the mortgage charge being on her property and the firm not being able to remove it. She found this to be unreasonable as the reassurance the firm provided gave no indication on consequences to A.
- 5.3. I have to agree with my colleague here. The information provided by the firm was very limited at that time, and while I can see they did reassure A on 21 May that they were in contact with the seller and were getting close to finding a solution. It is clear that they did not then explain the implications of not finding a solution.
- 5.4. I understand the charge is still existing on A's property and we are over a year passed the date of completion. This indicates to me that it was important that the firm advise A on the implications of the firm not being able to remove the charge as it was evidently a possibility that has since become a reality.
- 5.5. As there is no evidence that the firm did do this nor have the firm provided any comments or evidence that would argue the contrary to my assertion, I share and endorse my colleague's view, and I find the firm's was unreasonable for this complaint.

6. The firm failed to explain the issue relating to the extra land that was attached to the property and the implication of this.

- 6.1. For the sake of clarity, I feel it's important to first clarify what the issue with the extra land was in relation to this complaint. After reviewing the correspondence on file and the Case Decision, I understand this complaint relates to the firm's failure to explain to A that a communal grassed area owned by a managing company was subject to maintenance charges that she would have to pay. Therefore, this is what I will consider to be the issue that was not explained.
- 6.2. It has not been disputed by either party that A is liable for maintenance charges and I note this was confirmed by the seller on 20 November 2023.
- 6.3. My colleague's Case Decision found that the title plan clearly outlined the communal grassed area as not part of A's property and that the seller was the one who picked up on the maintenance charge misinformation in the management pack. Yet, the firm did not provide any advice to A about the maintenance charge for the communal area.

6.4. I consider both of the two things above to be clear indicators to the firm that there was an area of land that was not going to be owned by A that she would incur a maintenance charge for. Still, despite having this information, the firm failed to tell her about it and it was the seller who informed A. This is something I would expect the firm to advise A on and their failure to do so shows me that their service was unreasonable here.

7. The firm failed to register the purchase of the property with HM Land Registry in a timely manner.

7.1. The Case Decision found the firm's service to be unreasonable here. This was because at the time of writing the Case Decision dated 15 January 2025, despite completing her purchase two days shy of a year earlier, the firm still had not registered the property.

7.2. I understand this position has not changed and, whilst I am mindful that it is not as simple as just registering the property now given the complexities with the mortgage charge, the firm did fail to register the property. The fact of the matter is this work was not carried out in a timely manner and the complexities that now complicate this matter are as a direct result of the firm's actions in relation to complaint three. I therefore share my colleague's view that the firm's service is unreasonable for this complaint.

8. The firm failed to adequately respond to A's complaint.

8.1. The Case Decision found that the evidence showed the firm did fail to adequately respond to A's complaint and that there was no reasonable reason preventing them from doing so.

8.2. My colleague, within her Case Decision, set out a clear chronology of events in relation to the firm's complaint handling. Having considered the chronology and the evidence, I am satisfied it is a fair demonstration of what happened. I therefore do not intend to repeat it.

8.3. It is clear from the chronology that the firm, despite their reasoning did not follow their complaints procedure and A had to chase on several occasion to obtain a formal response from the firm. I understand to this date, A has not received a response from the firm. And, though I am mindful this is because the firm feel they are trying to resolve the issues detailed with her complaint, this does not negate their responsibility to provide good complaints handling.

8.4. It is for these reasons I find the firm's service was unreasonable here.

Summary and Remedy

- R.1 As I have found the firm's service to be unreasonable for all the complaints raised, I must go on to consider the detriment of that unreasonable service and, where appropriate, seek to remedy that detriment.
- R.2 In her Case Decision, my colleague recommended the firm should take some action to rectify the impact caused by their poor service in addition to paying A £1,000 compensation and refunding 25% of their fees already paid. The action Kusum recommended was for the firm to remove the mortgage charge held on A's property and register the title with HM Land Registry (LR) within a reasonable timescale.
- R.3 When the Legal Ombudsman investigates complaints and finds a firm has provided unreasonable service, we direct a remedy to put the person into the position they would have been in had it not been for the unreasonable service.
- R.4 We can direct remedies for financial loss suffered or ask the lawyer to complete further work to put things right. We can also direct an impact payment to reflect the fact that service failures can cause stress, upset, and inconvenience. We can also direct bill reductions where the service is so poor that the work itself has been devalued.
- R.5 I understand the majority of detriment caused to A comes from complaints three, four, five and six; specifically, in relation to the mortgage charge on A's property.
- R.6 It is clear that, as a result of the firm's failings, A's property has an outstanding mortgage charge held against it that is not in her name but the previous owner's, the seller. And, as a result of this, she is unable to have the property she has already paid for, registered in her name. This is then preventing her from being able to do anything with that property such as sell it, release equity etc.
- R.7 I also understand this impact has been compounded by the emotional toll this has taken on A since completion in January 2024. I am mindful of the worry she has likely felt as she is completely at the mercy of the previous owner's actions. If they do not pay their mortgage, it is A's property and her that will likely bear the consequence.
- R.8 I note this has not happened, but I am sensitive to how stressful and worrying this all must be for A. Which, I note was further exacerbated by the firm's failure to notify A of the issue in the first place.

- R.9 To put A back in the position she should be in, she should be the registered owner of her property and there should be no outstanding mortgage on that property in the previous owner's name. And so, this is what I intend to direct takes place here.
- R.10 The firm should redeem the outstanding mortgage (held against A's property but not in her name) with the lender within 14 days and apply to Land Registry to have the charge removed from A's property within 28 days. I am also of the view that the firm should take all reasonable steps to ensure they progress that application after making it and that they notify A once the charge has been removed by Land Registry.
- R.11 I do understand the firm do not agree that they should redeem the mortgage charge as they dispute that the previous owner should be liable for their mortgage as they have had the funds for that mortgage. While I understand the firm's view here, had it not been for the firm's unreasonable service A would not be in the position she is in now. I do accept that the actions of the seller may have also impacted A, but I am of the view that those actions would not have been a possibility had the firm removed the seller's mortgage charge from the property in the first place.
- R.12 Now turning to the appropriate level of compensation. As explained above, the emotional toll this all must have taken on A is not lost on me not to mention the level of inconvenience this will have placed on A. This has all spanned over a year long.
- R.13 Its also important to recognise the remaining complaints and what impact this has caused. The remaining complaints all relate to the firm's failure to provide A with correct information and respond to her complaint. Although I accept these occurrences will have been frustrating, I do note that they were corrected each time and A was informed of the correct information before completing her purchase. I therefore do not consider these service failings to have caused any detriment to her purchase or to have devalued the fees she paid for that service.
- R.14 Equally, although I acknowledge the firm did not fully fulfil the retainer as they did not register the property. It is clear the reasons for this are captured under complaint three and I have considered this within my intended remedy above. As such I am not directing a fee refund.
- R.15 Although I am not directing a fee refund, I am of the view that the distress and inconvenience all these failings in addition to the mortgage issue have caused should be recognised. It is for these reasons I am directing a serious compensation award of £2,000 to be paid to A. While I recognise our typical

serious level awards do not exceed £1,000, I do not consider these impacts to be of a typical nature and I accept they are yet to be resolved.

R.16 Nonetheless, the action I am directing to take place should seek to rectify any outstanding impacts to A which is why I am not directing any higher award here. She should then be back in the position she should have been in had these service failings not occurred.

Therefore, my Provisional Decision is that I find there has been poor service. And to remedy that poor service, I intend to direct that the firm redeem the outstanding mortgage (held against A's property but not in her name) with the lender within 14 days and apply to Land Registry to have the charge removed from A's property within 28 days. I also intend to direct that the firm take all reasonable steps to ensure they progress that application after making it and that they notify A once the charge has been removed by Land Registry. In terms of compensation, I intend to direct that the firm pay A £2,000.