

The complaint

Mr H complains that TSB Bank plc (trading as Whistletree) provided incorrect information about removing a charge on his property. Mr H is represented by a firm of solicitors, which I'll refer to as M.

What happened

Mr H had a mortgage with Whistletree. In early 2022 M asked Whistletree for a redemption statement. Whistletree sent the redemption statement with a cover letter saying it would remove the three charges on the property title on receipt of the redemption monies.

The sale of the property completed in May 2022. Whistletree removed two of the charges. It said it couldn't remove the third charge as it related to a debt with a third party. It accepts the letter it sent in February 2022 was incorrect.

M said Whistletree hasn't acknowledged the difficulties the incorrect information and failing to remove the third charge has caused for M, the property purchaser and the new mortgage lender.

Our investigator said the eligible complainant here is Mr H. He said Mr H hasn't suffered any financial loss due to Whistletree's error. Mr H asked for a final decision.

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.

Mr H had a mortgage with Whistletree. Mr H also had two loans secured on his property with equitable charges. The loans and charges were originally held by another lender. One of these loans was transferred to Whistletree and the other loan was transferred to a third party. The Land Registry's records weren't updated and the charges remained in the name of the original lender.

Whistletree made an error in the letter it sent in February 2022. It shouldn't have said it would remove the third charge because it's not entitled to do so. The charge relates to a debt owed to a third party, and it's for the third party to decide whether to remove it.

M says it relied on the information provided by Whistletree in relation to the sale of Mr H's property, and gave undertakings to the purchaser's solicitor that the charges would be removed. M says conveyancers are legally entitled to rely on information provided by lenders, and the third charge remaining on the property title created significant problems. M says Whistletree caused significant delays in removing the first two charges and explaining what happened with the third charge.

I appreciate the difficult position M is in. However, M wasn't Whistletree's customer in relation to the mortgage or loans. This means, under our rules, M isn't an eligible complainant. I can't consider the effect of Whistletree's error on M, or require it to pay

compensation to M or for M's losses, time or inconvenience. For the same reason, I can't look into the effect of the error on the property purchaser or the new mortgage lender.

What I can do is consider the effect of Whistletree's error on Mr H.

Mr H hasn't suffered any financial loss due to Whistletree's error. When his property was sold the money he owed to Whistletree was repaid and it removed the related charges. Mr H received the net proceeds from the sale of the property. The third charge wasn't removed from the property title because Mr H didn't repay the debt owed to the relevant lender.

Mr H says he's concerned there's a loan account in his name which he didn't know about. Whistletree gave Mr H details of the current owner of the debt and Mr H has been in contact. Mr H will need to discuss the debt and how it will be repaid with the current owner of the debt. I don't think it's fair and reasonable in the circumstances to require Whistletree to do more.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 19 October 2023.

Ruth Stevenson
Ombudsman