HMRC - VATSC94400 - Practitioners: Law Of Property Act Receiver

A Law of Property Act (LPA) receiver is appointed under s101(iii) of the Law and Property Act 1925. They are appointed by mortgage lenders in the event of a borrower defaulting. S109 of the Act deems the LPA receiver to be the agent of the defaulting borrower so the supply is made to them, even though the receiver will have been appointed by the lender.

Special rules have been agreed with mortgage lenders in connection with such costs incurred when repossessing a property. The wording of the agreement is reproduced in VATSC95400.

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