

**THE MOST SERIOUS FINANCIAL SCANDAL OF MODERN TIMES****16. LLOYDS' LAND REGISTRY FRAUD**

HM Land Registry safeguards the ownership of land and property in England and Wales and therefore performs a critical role in the fabric of our society.

That Lloyds Bank found ways to abuse the system is therefore all the more shocking. The majority of Land Registry staff will have been unaware that the system was being abused. However, we have recently learned that staff at the agency have been instructed not to supply all of the information requested from them.

Lloyds' actions represent yet another aspect of their Asset Theft Frauds. All this should have been stopped years ago.

**The role of the Land Registry**

HM Land Registry is a non-ministerial department of the Government, which was created in 1862 to correctly register the ownership of property in England and Wales. It records the ownership rights of freehold properties, and leasehold properties, where the lease has been granted for a term exceeding seven years. It guarantees title to registered estates and interests in land. It reports, somewhat strangely, to the Department for Business, Energy & Industrial Strategy.

**Lloyds' abuse of Land Registry**

Banks typically do not lend. They assign true sale debt to a Special Purpose Vehicle (SPV) and then act much as a letting agent, collecting payments but not actually owning the property. The funds come from the SPV.

**1. Failure to update the originator's charge**

Banks pretend to have loan ownership by not updating the originators' charge at the Land Registry. However, under Section 71 of the Land Registry Act 2002, the interests of unregistered parties must be declared.<sup>1</sup>

The SPV then places a lien over and above the bank originator's interest. The lien does not show up in the Land Registry's records but it should do.

---

<sup>1</sup> <https://www.legislation.gov.uk/ukpga/2002/9/section/71>

When banks' lawyers go to court, they can deceive even senior judges because the Land Registry's records have not been updated and therefore an authority granted in order to gain possession is a false instrument, since its face value at the Land Registry has not been updated. To suggest in court that such records are valid amounts to fraudulent misrepresentation.

## **2. Property transfer irregularities**

Land Registry documentation involving Lloyds Bank has sometimes shown that the sale transfer for a property has been signed by a single manager of Lloyds Bank and witnessed by an assistant. This is not sufficient under the Companies Act 2006 and the failure may have been deliberate.

DS1 (discharge of charge document)<sup>2</sup>: When a bank is repaid, a DS1 form should be completed to show that the original charge on the property has been removed. Lloyds Bank has, on occasions, circumvented this by transferring all or part of the property on a TR / TP (transfer all / transfer part) document.

## **3. Sales not at arms' length**

The new purchaser of a property sold by a receiver requires a DS1 form to demonstrate to their bank that the original charge, relating to the property's previous owners, has been lifted. In some instances, Lloyds Bank has funded the purchase of the property / properties being sold and the new purchaser's solicitors have not requested a DS1 form. This violates the requirement that the sale of properties in receivership should be conducted at arms' length.

### **Why has Lloyds Bank done this - Securitisation**

We believe that the reason Lloyds Bank has abused the system is that it had to. On the occasions where it has failed to update the originator's charge at the Land Registry, the bank did so because it no longer owned the property or properties in question. It had sold it / them to the Special Purpose Vehicle (SPV) and therefore could not validly register its own interest.

Why ? The loan had been securitised.

---

<sup>2</sup> <https://www.gov.uk/government/publications/mortgage-cancellation-of-entries-for-lenders-ds1>