Land Registry

Landnet February 2015

In this issue

Land Registry's customer magazine



Welcome to Landnet 46.

The Infrastructure Bill has completed its passage through Parliament, opening the way for Land Registry to widen our powers and take on Local Land Charges. In this issue we talk to one of our local authority advocates about why he believes his counterparts across England and Wales should take an active role in shaping a digital Local Land Charges register and service.

We also take another look at the change in practice on creating leasehold plans that we introduced in October. We've been talking to customers about the change and have taken the opportunity to provide further information and clarification.

Which other practice areas would you like us to focus on? Please let me know.

Gavin Curry, Editor 0300 006 7299 gavin.curry@landregistry.gsi.gov.uk

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Looking back at 2014

The last year was a very busy one for Land Registry.

Our intakes in 2014 were the highest they have been for over seven years. We processed more than 32 million applications which underpinned property sales worth hundreds of billions of pounds in a buoyant property market.

During this busy time we have worked hard to ensure the quality of our work has not suffered, and we are continuing to meet our accuracy target of 98 per cent.

However we do recognise that this has meant that some applications are taking several days longer to process than our customers are used to although, on average, we are still completing 80 per cent of registration applications within 12 working days.

Remember, under normal circumstances our processing of your application will not delay the overall process of moving house. This is because an application to change the register is protected by priority when lodged with us, and is therefore guaranteed to be processed unless there is a problem with the application.

We continue to engage with conveyancers and lenders to ensure

they are aware of the current situation and to understand what impact this is having on their work. We are in touch with individual lenders and with the Council of Mortgage Lenders to explain our position regarding our processing of work so they take this into account in relation to their lender panels.

At the same time we are doing all we can to speed up our processing times for our customers.

We constantly monitor and rebalance our work across our offices and we are coordinating efforts to address older work. More than 400 of our staff are working increased hours to deal with higher intakes, giving us the equivalent of 85 additional full-time staff. Our recruitment of new staff last year with 100 more to come this year will also help.

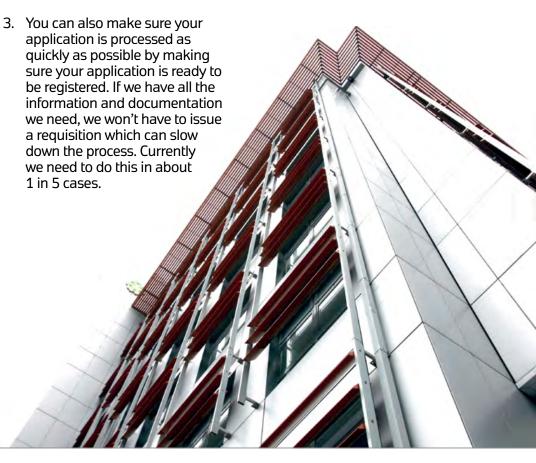
In the long term we are moving forward with the development of our digital services to make it easier and quicker for you to deal with us in the future.

There are a number of ways you can help to make things move along more quickly.

 You can submit your applications using our electronic Document Registration Service (e-DRS). This provides downloadable proof of lodgement and priority.

- 2. You can collect information about a property using our free MapSearch service to:
 - establish whether the land or property is registered
 - view the location of registered land or property
 - obtain title numbers, details of freehold or leasehold tenure and other registered interests
 - view the location of pending applications.
- 4. However if an application does become urgent or is holding up a following transaction, you can contact us and we will see whether there is anything we can do to expedite it.

We will continue to work hard to speed up our processing times, and look forward to another good year for the property market in 2015.



New addresses for customers

We have introduced new Royal Mail and DX addresses for postal applications and correspondence to ensure they reach us as quickly as possible.

Using the new addresses will mean your mail is delivered directly to our scanning centre rather than being redirected from our offices.

Scanning applications when we receive them allows us to handle applications more efficiently and increase our flexibility.



Business customers

Royal Mail

Land Registry, (insert your customer team's office name, eg Telford Office. If you don't have a customer team, insert the name of your closest office)
PO Box 6344
Coventry
CV3 9LL

DX

Land Registry, (insert your customer team's office name, eg Telford Office. If you don't have a customer team, insert the name of your closest office) DX 740900 Coventry 24

Exceptions

Land Charges applications

Land Charges Department PO Box 292 Plymouth PL5 9BY

Land Charges Department DX8249 Plymouth 3

Bankruptcy applications

Land Registry Bankruptcy Unit (LRBU) PO Box 292 Plymouth PL5 9BY Land Registry Bankruptcy Unit (LRBU) DX8249 Plymouth 3

Insolvency applications

Land Registry Insolvency Unit PO Box 292 Plymouth PL5 9BY

Land Registry Insolvency Unit DX8249 Plymouth 3

Agricultural Credits applications

Agricultural Credits Department PO Box 292 Plymouth PL5 9BY

Agricultural Credits Department DX8249 Plymouth 3

Business e-services applications

Service Access Team PO Box 650 Southfield House Southfield Way Durham DH1 9LR

Service Access Team DX313201 Durham 24

Members of the public

Citizen Centre PO Box 6350 Coventry CV3 9LP

The quickest way for business customers to lodge applications with us is electronically through our Business e-services. We offer electronic alternatives to nearly everything our business customers do with us by post. They can:

- ensure their application arrives with us instantly by lodging it through the electronic Document Registration Service (e-DRS)
- make nearly all Information
 Services applications through the portal or Business Gateway
- find certain property details with MapSearch
- lodge letters and correspondence with us through email.

We offer a 50 per cent fee reduction for certain applications and information requests that are lodged electronically. See our registration services fee guide for details.

Land Registry to take on Local Land Charges

The legislation enabling Land Registry to provide its proposed digital Local Land Charges service was given Royal Assent earlier this month.

The Infrastructure Act will:

- allow Land Registry to create a digitised Local Land Charges register that will improve access to data, standardise fees and improve turnaround times for property professionals and citizens
- enable Land Registry to undertake new services that would further improve the conveyancing process or benefit the wider property sector.

Chief Land Registrar and Chief Executive Ed Lester said: "Land Registry is extremely well placed to be able to deliver the necessary changes to the existing Local Land Charges service.

"We currently play a central role in the conveyancing process and handle large volumes of applications and searches on a daily basis.

Land Registry



Local Land Charges

"Whilst our primary function will remain land registration, Wider Powers provides us with an opportunity to build on the existing service that we already provide."

The mechanics of how the system will operate will be covered by rules contained in secondary legislation.

Local authorities urged to get involved

One of Land Registry's local authority advocates for a digital Local Land Charges service has urged his counterparts to play an active part in its creation.

"Land Registry is keen to talk to every local authority," said Pete Flynn, Technical Support Manager at Liverpool City Council and one of the first council officers to be consulted on the proposals. "The knowledge we can provide will shape how the project develops.

"You don't have to wholeheartedly agree with something to be involved in it. The best way forward is for



Pete Flynn, Technical Support Manager at Liverpool City Council

local authorities to talk to Land Registry."

Pete was first contacted by Land Registry in 2012 as the proposals were taking shape. He was conveniently based across the Mersey from our Birkenhead Office – but was also at the forefront of local authority digitisation of Local Land Charges records.

Liverpool had funded its own transformation to a digital system in 2004. More than 150,000 paper records were converted by a mixture of council staff and outside agencies.

"It took a long time and we had to be really dedicated," Pete recalled. "There was some pain involved but it was quite enjoyable as well. Once you have done all the hard work you can then put your trust in the data."

Having seen the benefits a digital system had brought to the council and its customers, Pete was very willing to give a hearing to Land Registry's proposals.

"They wanted to see how local authorities dealt with Local Land Charges so I showed them our system," said Pete. "A few weeks later they came back to talk through their proposals and asked whether I would like to be involved with the prototype.

"I said yes straight away. I've never been resistant to change – if I think something is going to happen I'd rather be involved early on and have some influence on how things are shaped."

Liverpool was one of seven authorities which took part in the prototype from May to

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November 2013, along with Sefton, Denbighshire, Newark and Sherwood, Swindon, Havant and Watford.

"We carried on processing our searches as normal while Land Registry did its parallel processing," said Pete. "At no time did it affect our business or our customers."

Following the successful conclusion of the prototype Land Registry launched its public consultation. Pete was asked to continue his involvement as a source of local authority knowledge and expertise.

"I was keen to stay involved in the project because I knew it was most likely to move forward," he said. "I wanted to stay involved and keep in touch with it because I could then help shape the way it developed."

For Pete it's been a two-way process as he's also learned about how Land Registry has created its digital services and how they have been received.

"It's interesting to see how Land Registry has done it," he said. "It has proved some of the concepts and as Land Registry has a very high customer satisfaction rate it doesn't want to see that fall." Pete says he feels that the local authority advocates are genuinely listened to and appreciated.

"I would like to think that the relationship is of value both to Land Registry and the advocates," he said. "It helps to break down the barriers between them and us. This is a good example of government departments working collaboratively.

"Personally it's very rewarding. You are helping to shape the future of something."

llcproject@landregistry.gsi.gov.uk

Land Registry



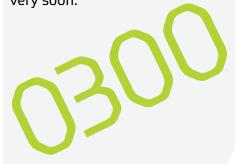
Local Land Charges

Our '0300' phone numbers

A reminder of our new '0300' numbers for Customer Support and other services.

- Customer Support: 0300 006 0411
- Customer Support for Welsh speakers:0300 006 0422
- Bankruptcy enquiries: 0300 006 6107
- Commercial Services team: 0300 006 0478

Our former '08' numbers for these services will be withdrawn very soon.



Counter-fraud restriction for companies: form RQ(Co)

A counter-fraud security measure has recently been introduced by Land Registry for companies who own registered property and are concerned it might be subject to a fraudulent sale or mortgage. Tenanted, unoccupied or mortgage-free properties are known to be particularly vulnerable.

Property fraud can happen in many ways. Fraudsters may attempt to acquire ownership of a property either by using a forged document to transfer it into their own name, or by impersonating the registered owner. Once they have raised money by mortgaging the property without the owner's knowledge, they disappear without making repayments leaving the owner to deal with the consequences.

To help to prevent and reduce the risk of identity and property fraud, Land Registry launched form RQ(Co) – a counter-fraud initiative specifically for companies. Companies wanting counter-fraud protection can make a request to enter a restriction on up to three of their titles, free of charge. The request must be made by using the new form RQ(Co) which has been specifically developed for this purpose.

The restriction is designed to help safeguard against forgery by requiring conveyancers, for example a solicitor, to certify that they are satisfied the company transferring, leasing or mortgaging the property is the same company as the owner before any new sale, lease or mortgage is registered. They must also certify that they have taken reasonable steps to establish that anyone who executed the deed on behalf of the company held the stated office at the time of execution.

To request the counter-fraud restriction simply complete form RQ(Co) and send it to us by either:

Email

rq-request@ landregistry.gsi.gov.uk

Royal Mail

Citizen Centre PO Box 6350 Coventry CV3 9LP

DX

Land Registry, Citizen Centre DX 740900 Coventry 24

Land Registry

Request for a restriction by a company

RQ(Co)

Please send the completed form by post to:

Citizen Centre – RQ(Co) Land Registry Wales Office Tŷ Cwm Tawe Phoenix Way Llansamlet Swansea SAT 9FQ

DX No: 82800 Swansea (2)

1 of 2

You can also send this form by email to re-request@landregistrv.gsi.gov.uk. If you choose to send this by email please be aware that the information we receive from you over the internet is not encrypted and may not be completely secure.

The restriction set out in section 4 is designed to help prevent forgery. It does so by requiring that a conveyancer certify they are satisfied that the company transferring or mortgaging the property is the same as the owning company and that anyone signing as an officer of the company held that office at the time.

rrovide the company requesting the entry of the restriction. Where a conveyancer lodges this form, these details must be those of the company, not those of the conveyancer.	1	The company making	the request:				
		Name of company:					
		Company Registration Number	er:				
		Property number/name:					
		Street name:					
		Town:					
		County:	Postcode:				
		Phone no:					
		Email address:					
You can make this	2	Droporty addross(sa)	comprised in the	ragistared title:			
request in respect of up	_	,,					
to three registered titles.	а	Property number/name:					
If you want this restriction to be entered		Street name:					
restriction to be entered for any additional titles.		Town:					
you need to make an		County:	Postcode:				
application in respect of							
those titles in form RX1	b	Property number/name:					
accompanied by the		Street name:					
appropriate fee. If there are several properties included in a single title you only need to show one of these.		Town:					
		County:	Postcode:				
	С	Property number/name:					
		Street name:					
		Town:					
		County:	Postcode:				
If you know the title numbers of the properties, enter them here. If you don't know any, or only some of the title numbers, leave the ones you don't	3	Title number:		For official use only			
		a:		Land Registry TIS			
				code RXC			
		b:		code 1000			
		C.					

Form RQ(Co) (Introduced 5/14)

Transaction Data

Our Transaction Data is a monthly guide to the applications we complete.

The latest set shows we completed 1,319,664 applications in January, including 1,278,536 by account customers.

Of the latter 335,489 were applications in respect of registered land (dealings), 595,723 were applications to obtain an official copy of a register or title plan, 162,298 were searches and 93,018 were transactions for value.

Applications
301,308
260,109
145,210
125,434
112,111
106,174
93,265
61,535
61,151
53,227
86
54
1,319,664

Top three local authorities	Applications
Birmingham	20,981
City of Westminster	20,001
Leeds	15,451

Top three customers	Transactions for value
Stevensons	3,568
My Home Move Limited	1,525
Countrywide Property Lawyers	906

Top three customers	Searches
Enact	7,034
Optima Legal Services	5,612
O'Neill Patient	4,416

For the full January figures see our website.

The February figures will be published on Friday 20 March.

Adverse possession and the criminal law

Judgment Approved by the court for handing down.

Double-click to enter the short title



Neutral Citation Number: [2015] EWCA Civ 17

Case No: C1/2014/1652

IN THE COURT OF APPEAL (CIVIL DIVISION)
ON APPEAL FROM THE QUEENS BENCH DIVISION
(ADMINISTRATIVE COURT)
THE HONOURABLE MR JUSTICE OUSELEY
[2014] EWHC 1370 (Admin)

Royal Courts of Justice Strand, London, WC2A 2LL

Date: 21/01/2015

Before:

LADY JUSTICE ARDEN LORD JUSTICE McCOMBE

and

LORD JUSTICE SALES

Between:

The Queen on the application of Best - and -The Chief Land Registrar

-and-

The Secretary of State for Justice

Interested Party

Respondent

Appellant

explores the implications of the Court of Appeal judgment in the Best adverse possession case

A Land Registry lawyer

Should a person acting apparently in breach of the criminal law be able to rely on those acts when applying to register title on the basis of adverse possession?

By enacting s.144 of the Legal Aid, Sentencing and Punishment of Offenders Act 2012 (LASPOA 2012), which outlawed being in a residential building as a squatter while living or intending to live there, having entered as a trespasser, did Parliament intend to restrict the circumstances in which adverse possession could be acquired?

How should Land Registry deal with applications for registration of title acquired by adverse possession where s.144 LASPOA 2012 appeared to affect the period of adverse possession being relied upon by the applicant to establish a claim? Can a person commit a

criminal act and still acquire rights and an asset under the law relating to adverse possession?

These were the issues tackled by the High Court and then the Court of Appeal in *R (Best) v The Chief Land Registrar [2015] EWCA Civ 17.*

The judgment of the Court of Appeal has provided clarity in the matter. The judgment may prove to be of increasing significance in future, given the possibility that the Government, in its published response to the consultation relating to s.144 LASPOA 2012, indicated that it would keep the law under review, and that extension of the provision to cover commercial premises may be considered.

The facts

Mr Keith Best spotted an empty property in Ilford, Essex, in the late 1990s. In his evidence he said he had entered the property to repair and improve it so that by 2001 he had secured the property and was treating it as his own.

cont'd

In January 2012 he moved in and started to live in it. On 1 September 2012 s.144 LASPOA 2012 came into force, and on 27 November 2012 Mr Best submitted his application to Land Registry under Land Registration Act 2002 Schedule 6 paragraph 1 (the property being a registered title) for registration of title acquired by adverse possession.

Such applications require an applicant to have been in adverse possession for a 10-year period ending on the date of the application. For the period between September and November 2012, which Mr Best was relying on to establish his claim, he appeared also to be committing an offence under s.144 LASPOA 2012.

Following an exchange of correspondence with Land Registry, the application was ultimately cancelled. We relied on a High Court decision, *R* (*Smith*) *v* Land Registry [2009] EWHC 328 (Admin), which held that adverse possession of a highway could not be acquired where criminal obstruction was taking place contrary to the Highways Act 1980.

Naturally we were mindful of the consequences of allowing an application to proceed in such circumstances. Applications for

adverse possession of abandoned properties often produce no response to the statutory notices served.

Completion of such an application, if the *Smith* case applied to s.144 LASPOA 2012, could have created a mistake in the register which could be the subject of an application for alteration and indemnity perhaps years later, for instance by the estate of a deceased registered proprietor.

The decision by the Court of Appeal

The Court of Appeal looked at the matter from a number of different angles. It found that Parliament, when enacting s.144 LASPOA 2012, could not have intended it to affect the law relating to adverse possession.

S.144 had been introduced to deal with the problem of short-term squatters and the difficulties home owners have in terms of securing an eviction when their home has been taken away from them. Adverse possession was not the "mischief" s.144 had been created to address therefore. Had Parliament intended to interfere with the law of adverse possession, express mention would have been made in the Act.

If s.144 did prevent adverse possession from arising, there

would have been some undesirable consequences, for instance adverse possession could no longer be relied on to show title in cases where deeds had been lost in unregistered land cases.

The court also considered that it could not be right if s.144 had this effect where the squatter was living in the building, even though a squatter could acquire title to the house anyway by squatting in it in a way which specifically avoided a breach of s.144.

The court was heavily influenced by the strong public policy reasons for the existence of an adverse possession regime, in particular the certainty it provides and the fact that it prevents land from becoming sterile and unusable where no owner can be found.

These were strong public policy reasons in favour of adverse possession applying, which outweighed the public policy considerations which may otherwise dictate that a claimant should not be able to rely on criminal acts when seeking to recover an asset or establish a claim.

The court was however careful to point out that this was not an absolute rule. There could be cases in which illegal behaviour by the squatter would bar any subsequent claim in adverse possession, giving the rather extreme example of a squatter who murders the true owner to prevent recovery of possession, or if a squatter was to bribe a police officer not to take enforcement action in order to acquire adverse possession.

For cases in which s.144 LASPOA 2012 appears to apply, however, it is now clear that the law relating to adverse possession is unaffected.

Understanding leasehold title plans

In October we changed the way we create title plans for many leasehold registrations that involve a floor level, such as a flat. The policy change has now been in place for more than three months and it is a timely opportunity to provide further information and clarification.

As with all leasehold titles, the register and title plan must be read in conjunction with the lease to understand the agreement made between the original parties. Most lease plans today are digitally produced, clearly showing the precise layout of property extent at a large scale.

Before 20 October our title plans often tried to replicate the intricate details from these large scale lease plans, which was potentially misleading when considering the smaller scale Ordnance Survey maps that we use.

A recent review of the creation of leasehold floor level title plans under our former practice revealed variance in approach, necessitating a process change to ensure we create a consistent product for this type of registration. The purpose of the policy change is to bring more consistency to the mapping of leasehold floor level registrations and to draw greater attention to the lease plan to determine the land comprised in the lease.

The new policy still requires us to record the extent of the land in a lease. However, on larger developments this is more likely to be recorded on the landlord's title plan, with the tenant's title plan showing only the outline of the building as published on the large scale Ordnance Survey map.

By adopting this approach it will be easier to understand the position of all the leases out of a registered title in relation to each other on one title plan. Where we are unable to record the extent on the landlord's title plan we will record the extent on the tenant's title plan.

It is important to recognise that the change in policy does not alter our requirement to inspect the lease and plan(s) to determine:

- the extent of the land to be demised
- the extent of any easements or other interests, and
- whether the landlord(s) has the power to grant the demise and interests contained therein.

Completion of a leasehold floor level registration, without any written notification of any limitation in the extent or other rights/ interests demised, guarantees the title granted to the tenant notwithstanding how the red edging on the title plan is drawn. Additionally, due to our long established internal processes, the change in our mapping policy for leasehold floor level registrations will not impact the results issued

- searches of the index map
- OS2 applications
- MapSearch.

The reference in section 60 of the Land Registration Act 2002 to the register showing the general boundary of a registered estate has to be read as a reference to the totality of the register – that is, the

description in the property register, the title plan and the note to the title plan which states: "The land in this title lies within the area edged red hereon and is more particularly described in the lease or leases referred to in the property register". Understood in this way, the general boundary of the flat is shown.



