



# Local Land Charges Act 1975

## 1975 CHAPTER 76

### *Compensation for non-registration or defective official search certificate*

#### **10 Compensation for non-registration or defective official search certificate.**

(1) Failure to register a local land charge in the <sup>F1</sup>... local land charges register shall not affect the enforceability of the charge but where a person has purchased any land affected by a local land charge, then—

(a) in a case where a material personal search of the <sup>F1</sup>... local land charges register was made in respect of the land in question before the relevant time, if at the time of the search the charge was in existence but not registered in that register; or

[<sup>F2</sup>(aa) [<sup>F3</sup> if ] the <sup>F1</sup> ... local land charges register is kept [<sup>F4</sup> in electronic ] form and a material personal search of that register was made in respect of the land in question before the relevant time, if the entitlement to search in that register conferred by section 8 above was not satisfied as mentioned in subsection (1A) of that section; or ]

(b) in a case where a material official search of the <sup>F1</sup>... local land charges register was made in respect of the land in question before the relevant time, if the charge was in existence at the time of the search but (whether registered or not) was not shown by the official search certificate as registered in that register,

the purchaser shall (subject to section 11(1) below) be entitled to compensation for any loss suffered by him [<sup>F5</sup>in consequence.]

<sup>F6</sup>(2) .....

(3) For the purposes of this section—

(a) a person purchases land where, for valuable consideration, he acquires any interest in land or the proceeds of sale of land, and this includes cases where he acquires as lessee or mortgagee and shall be treated as including cases where an interest is conveyed or assigned at his direction to another person;

(b) the relevant time—

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- (i) where the acquisition of the interest in question was preceded by a contract for its acquisition, other than a qualified liability contract, is the time when that contract was made;
  - (ii) in any other case, is the time when the purchaser acquired the interest in question or, if he acquired it under a disposition which took effect only when registered [<sup>F7</sup> in the register of title kept under the Land Registration Act 2002 ], the time when that disposition was made;
- and for the purposes of sub-paragraph (i) above, a qualified liability contract is a contract containing a term the effect of which is to make the liability of the purchaser dependent upon, or avoidable by reference to, the outcome of a search for local land charges affecting the land to be purchased.
- (c) a personal search is material if, but only if—
    - (i) it is made after the commencement of this Act, and
    - (ii) it is made by or on behalf of the purchaser or, before the relevant time, the purchaser or his agent has knowledge of the result of it;
  - (d) an official search is material if, but only if—
    - (i) it is made after the commencement of this Act, and
    - (ii) it is requisitioned by or on behalf of the purchaser or, before the relevant time, the purchaser or his agent has knowledge of the contents of the official search certificate.
- (4) Any compensation for loss under this section shall be paid by the [<sup>F8</sup> Chief Land Registrar ]; and where the purchaser has incurred expenditure for the purpose of obtaining compensation under this section, the amount of the compensation shall include the amount of the expenditure reasonably incurred by him for that purpose (so far as that expenditure would not otherwise fall to be treated as loss for which he is entitled to compensation under this section).
- (5) Where any compensation for loss under this section is paid by [<sup>F9</sup> the Chief Land Registrar ], then, unless an application for registration of the charge was made to [<sup>F10</sup> the Chief Land Registrar ] by the originating authority in time for it to be practicable for [<sup>F10</sup> the Chief Land Registrar ] to avoid incurring liability to pay that compensation, an amount equal thereto shall be recoverable from the originating authority by [<sup>F10</sup> the Chief Land Registrar ].
- [<sup>F11</sup>(5A) An amount equal to any compensation paid under this section by the Chief Land Registrar in respect of a local land charge is also recoverable from the originating authority in a case where the matter within subsection (1) giving rise to the Chief Land Registrar's liability is a consequence of—
- (a) an error made by the originating authority in applying to register the local land charge, or
  - (b) an error made by the originating authority in applying for the registration of the local land charge to be varied or cancelled.]
- (6) Where any compensation for loss under this section is paid by [<sup>F12</sup> the Chief Land Registrar ], no part of the amount paid, or of any corresponding amount paid to [<sup>F13</sup> the Chief Land Registrar ] by the originating authority under subsection (5)[<sup>F14</sup> or (5A)] above, shall be recoverable by [<sup>F15</sup> the Chief Land Registrar ] or the originating authority from any other person except as provided by subsection (5)[<sup>F14</sup> or (5A)] above or under a policy of insurance or on grounds of fraud.
- [<sup>F16</sup>(6A) The Chief Land Registrar may insure against the risk of liability to pay compensation under this section.]

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- (7) In the case of an action to recover compensation under this section the cause of action shall be deemed for the purposes of the <sup>F17</sup>Limitation Act 1980 ] to accrue at the time when the local land charge comes to the notice of the purchaser; and for the purposes of this subsection the question when the charge came to his notice shall be determined without regard to the provisions of section 198 of the <sup>M1</sup>Law of Property Act 1925 (under which registration under certain enactments is deemed to constitute actual notice).
- <sup>F18</sup>(8) Where the amount claimed by way of compensation under this section does not exceed £5,000, proceedings for the recovery of such compensation may be begun in <sup>F19</sup>the county court ].]
- (9) If in any proceedings for the recovery of compensation under this section the court dismisses a claim to compensation, it shall not order the purchaser to pay the <sup>F20</sup>Chief Land Registrar's] costs unless it considers that it was unreasonable for the purchaser to commence the proceedings.

#### Textual Amendments

- F1** Word in s. 10(1) omitted (12.4.2015) by virtue of [Infrastructure Act 2015 \(c. 7\)](#), s. 57(5)(e), [Sch. 5 para. 9\(2\)\(a\)](#) (with [Sch. 5 Pt. 4](#))
- F2** S. 10(1)(aa) inserted by [Local Government \(Miscellaneous Provisions\) Act 1982 \(c. 30, SIF 81:1\)](#), s. 34(d)(i)
- F3** Word in s. 10(1)(aa) substituted (12.4.2015) by [Infrastructure Act 2015 \(c. 7\)](#), s. 57(5)(e), [Sch. 5 para. 9\(2\)\(b\)](#) (with [Sch. 5 Pt. 4](#))
- F4** Words in s. 10(1)(aa) substituted (12.4.2015) by [Infrastructure Act 2015 \(c. 7\)](#), s. 57(5)(e), [Sch. 5 para. 9\(2\)\(c\)](#) (with [Sch. 5 Pt. 4](#))
- F5** Words substituted by [Local Government \(Miscellaneous Provisions\) Act 1982 \(c. 30, SIF 81:1\)](#), s. 34(d)(ii)
- F6** S. 10(2) omitted (12.4.2015) by virtue of [Infrastructure Act 2015 \(c. 7\)](#), s. 57(5)(e), [Sch. 5 para. 9\(3\)](#) (with [Sch. 5 Pt. 4](#))
- F7** Words in s. 10(3)(b)(ii) substituted (13.10.2003) by [Land Registration Act 2002 \(c. 9\)](#), s. 136(2), [Sch. 11 para. 13](#) (with s. 129); S.I. 2003/1725, art. 2(1)
- F8** Words in s. 10(4) substituted (12.4.2015) by [Infrastructure Act 2015 \(c. 7\)](#), s. 57(5)(e), [Sch. 5 para. 9\(4\)](#) (with [Sch. 5 Pt. 4](#))
- F9** Words in s. 10(5) substituted (12.4.2015) by [Infrastructure Act 2015 \(c. 7\)](#), s. 57(5)(e), [Sch. 5 para. 9\(5\)\(a\)](#) (with [Sch. 5 Pt. 4](#))
- F10** Words in s. 10(5) substituted (12.4.2015) by [Infrastructure Act 2015 \(c. 7\)](#), s. 57(5)(e), [Sch. 5 para. 9\(5\)\(b\)](#) (with [Sch. 5 Pt. 4](#))
- F11** S. 10(5A) inserted (12.4.2015) by [Infrastructure Act 2015 \(c. 7\)](#), s. 57(5)(e), [Sch. 5 para. 9\(6\)](#) (with [Sch. 5 Pt. 4](#))
- F12** Words in s. 10(6) substituted (12.4.2015) by [Infrastructure Act 2015 \(c. 7\)](#), s. 57(5)(e), [Sch. 5 para. 9\(7\)\(a\)](#) (with [Sch. 5 Pt. 4](#))
- F13** Words in s. 10(6) substituted (12.4.2015) by [Infrastructure Act 2015 \(c. 7\)](#), s. 57(5)(e), [Sch. 5 para. 9\(7\)\(b\)](#) (with [Sch. 5 Pt. 4](#))
- F14** Words in s. 10(6) inserted (12.4.2015) by [Infrastructure Act 2015 \(c. 7\)](#), s. 57(5)(e), [Sch. 5 para. 9\(7\)\(c\)](#) (with [Sch. 5 Pt. 4](#))
- F15** Words in s. 10(6) substituted (12.4.2015) by [Infrastructure Act 2015 \(c. 7\)](#), s. 57(5)(e), [Sch. 5 para. 9\(7\)\(d\)](#) (with [Sch. 5 Pt. 4](#))
- F16** S. 10(6A) inserted (12.4.2015) by [Infrastructure Act 2015 \(c. 7\)](#), s. 57(5)(e), [Sch. 5 para. 9\(8\)](#) (with [Sch. 5 Pt. 4](#))
- F17** Words in s. 10(7) substituted (12.4.2015) by [Infrastructure Act 2015 \(c. 7\)](#), s. 57(5)(e), [Sch. 5 para. 9\(9\)](#) (with [Sch. 5 Pt. 4](#))

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- F18** S. 10(8) substituted (01. 07. 1991) for s. 10(8)(8A) by S.I. 1991/724, art. 2(8), **Sch. Pt. I** (with art. 12).  
**F19** Words in s. 10(8) substituted (22.4.2014) by Crime and Courts Act 2013 (c. 22), s. 61(3), **Sch. 9 para. 52**; S.I. 2014/954, art. 2(c) (with art. 3) (with transitional provisions and savings in S.I. 2014/956, arts. 3-11)  
**F20** Words in s. 10(9) substituted (12.4.2015) by Infrastructure Act 2015 (c. 7), s. 57(5)(e), **Sch. 5 para. 9(10)** (with Sch. 5 Pt. 4)

#### Modifications etc. (not altering text)

- C1** S. 10 extended (1.7.1991) by S.I. 1991/724, **art. 2(2)(a)** (with art. 12).  
**C2** S. 10 excluded (1.11.1993) by 1993 c. 28, s. 70(13); S.I. 1993/2134, **art.5**.  
**C3** S. 10(1) modified (30.9.2022) by Environment Act 2021 (c. 30), **ss. 120(4)**, 147(3) (with s. 144, Sch. 19); S.I. 2022/48, reg. 5(a)

#### Marginal Citations

- M1** 1925 c. 20.

## 11 Mortgages, trusts for sale and settled land.

- (1) Where there appear to be grounds for a claim under section 10 above in respect of an interest that is subject to a mortgage—
- (a) the claim may be made by any mortgagee of the interest as if he were the person entitled to that interest but without prejudice to the making of a claim by that person;
  - (b) no compensation shall be payable under that section in respect of the interest of the mortgagee (as distinct from the interest which is subject to the mortgage);
  - (c) any compensation payable under that section in respect of the interest that is subject to the mortgage shall be paid to the mortgagee or, if there is more than one mortgagee, to the first mortgagee and shall in either case be applied by him as if it were proceeds of sale.
- (2) Where an interest is [<sup>F21</sup>subject to a trust of land] any compensation payable in respect of it under section 10 above shall be dealt with as if it were proceeds of sale arising under the trust.
- (3) Where an interest is settled land for the purposes of the <sup>M2</sup>Settled Land Act 1925 any compensation payable in respect of it under section 10 above shall be treated as capital money arising under that Act.

#### Textual Amendments

- F21** Words in s. 11(2) substituted (1.1.1997) by 1996 c. 47, s. 25(1), **Sch. 3 para.14**; S.I. 1996/2974, **art.2**

#### Marginal Citations

- M2** 1925 c. 18.

**Changes to legislation:**

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

- Act modified by [2023 asc 3 s. 22\(6\)](#)
- Act modified by [2023 asc 3 s. 77\(3\)](#)