



# Law of Property Act 1969

## 1969 CHAPTER 59

### PART III

#### AMENDMENT OF LAW RELATING TO DISPOSITIONS OF ESTATES AND INTERESTS IN LAND AND TO LAND CHARGES

#### **23 Reduction of statutory period of title.**

Section 44(1) of the <sup>M1</sup>Law of Property Act 1925 (under which the period of commencement of title which may be required under a contract expressing no contrary intention is thirty years except in certain cases) shall have effect, in its application to contracts made after the commencement of this Act, as if it specified fifteen years instead of thirty years as the period of commencement of title which may be so required.

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#### **Marginal Citations**

**M1** 1925 c. 20.

#### **24 Contracts for purchase of land affected by land charge, etc.**

- (1) Where under a contract for the sale or other disposition of any estate or interest in land the title to which is not registered under the <sup>M2</sup>Land Registration Act 1925 or any enactment replaced by it any question arises whether the purchaser had knowledge, at the time of entering into the contract, of a registered land charge, that question shall be determined by reference to his actual knowledge and without regard to the provisions of section 198 of the <sup>M3</sup>Law of Property Act 1925 (under which registration under the <sup>M4</sup>Land Charges Act 1925 or any enactment replaced by it is deemed to constitute actual notice).
- (2) Where any estate or interest with which such a contract is concerned is affected by a registered land charge and the purchaser, at the time of entering into the contract, had not received notice and did not otherwise actually know that the estate or interest was

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affected by the charge, any provision of the contract shall be void so far as it purports to exclude the operation of subsection (1) above or to exclude or restrict any right or remedy that might otherwise be exercisable by the purchaser on the ground that the estate or interest is affected by the charge.

(3) In this section—

“purchaser” includes a lessee, mortgagee or other person acquiring or intending to acquire an estate or interest in land; and

“registered land charge” means any instrument or matter registered, otherwise than in a register of local land charges, under the Land Charges Act 1925 or any Act replaced by it.

(4) For the purposes of this section any knowledge acquired in the course of a transaction by a person who is acting therein as counsel, or as solicitor or other agent, for another shall be treated as the knowledge of that other.

(5) This section does not apply to contracts made before the commencement of this Act.

#### **Marginal Citations**

**M2** 1925 c. 21.

**M3** 1925 c. 20.

**M4** 1925 c. 22.

## **25 Compensation in certain cases for loss due to undisclosed land charges.**

(1) Where a purchaser of any estate or interest in land under a disposition to which this section applies has suffered loss by reason that the estate or interest is affected by a registered land charge, then if—

- (a) the date of completion was after the commencement of this Act; and
- (b) on that date the purchaser had no actual knowledge of the charge; and
- (c) the charge was registered against the name of an owner of an estate in the land who was not as owner of any such estate a party to any transaction, or concerned in any event, comprised in the relevant title;

the purchaser shall be entitled to compensation for the loss.

(2) For the purposes of subsection (1)(b) above, the question whether any person had actual knowledge of a charge shall be determined without regard to the provisions of section 198 of the <sup>M5</sup>Law of Property Act 1925 (under which registration under the <sup>M6</sup>Land Charges Act 1925 or any enactment replaced by it is deemed to constitute actual notice).

(3) Where a transaction comprised in the relevant title was effected or evidenced by a document which expressly provided that it should take effect subject to an interest or obligation capable of registration in any of the relevant registers, the transaction which created that interest or obligation shall be treated for the purposes of subsection (1)(c) above as comprised in the relevant title.

(4) Any compensation for loss under this section shall be paid by the Chief Land Registrar, and where the purchaser of the estate or interest in question has incurred expenditure for the purpose—

- (a) of securing that the estate or interest is no longer affected by the registered land charge or is so affected to a less extent; or

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(b) of obtaining compensation under this section;

the amount of the compensation shall include the amount of the expenditure (so far as it would not otherwise fall to be treated as compensation for loss) reasonably incurred by the purchaser for that purpose.

(5) In the case of an action to recover compensation under this section, the cause of action shall be deemed for the purposes of [F1the Limitation Act 1980] to accrue at the time when the registered land charge affecting the estate or interest in question comes to the notice of the purchaser.

(6) Any proceedings for the recovery of compensation under this section shall be commenced in the High Court; and if in such proceedings the High Court dismisses a claim to compensation it shall not order the purchaser to pay the Chief Land Registrar’s costs unless it considers that it was unreasonable for the purchaser to commence the proceedings.

(7) ..... F2

(8) Where compensation under this section has been paid in a case where the purchaser would have had knowledge of the registered land charge but for the fraud of any person, the Chief Land Registrar, on behalf of the Crown, may recover the amount paid from that person.

(9) This section applies to the following dispositions, that is to say—

- (a) any sale or exchange and, subject to the following provisions of this subsection, any mortgage of an estate or interest in land;
- (b) any grant of a lease for a term of years derived out of a leasehold interest;
- (c) any compulsory purchase, by whatever procedure, of land; and
- (d) any conveyance of a fee simple in land under Part I of the M7Leasehold Reform Act 1967;

but does not apply to the grant of a term of years derived out of the freehold or the mortgage of such a term by the lessee; and references in this section to a purchaser shall be construed accordingly.

(10) In this section—

“date of completion”, in relation to land which vests in the Land Commission or another acquiring authority by virtue of a general vesting declaration under the M8Land Commission Act 1967 or the M9Town and Country Planning Act 1968, means the date on which it so vests;

“mortgage” includes any charge;

“registered land charge” means any instrument or matter registered, otherwise than in a register of local land charges, under the M10Land Charges Act 1925 or any Act replaced by it, except that—

- (a) in relation to an assignment of a lease or underlease or a mortgage by an assignee under such an assignment, it does not include any instrument or matter affecting the title to the freehold or to any relevant leasehold reversion; and
- (b) in relation to the grant of an underlease or the mortgage by the underlessee of the term of years created by an underlease, it does not include any instrument or matter affecting the title to the freehold or to any leasehold reversion superior to the leasehold interest out of which the term of years is derived;

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“relevant registers” means the registers kept under section 1 of the Land Charges Act 1925;

“relevant title” means—

- (a) in relation to a disposition made under a contract, the title which the purchaser was, apart from any acceptance by him (by agreement or otherwise) of a shorter or an imperfect title, entitled to require; or
- (b) in relation to any other disposition, the title which he would have been entitled to require if the disposition had been made under a contract to which section 44(1) of the <sup>M11</sup>Law of Property Act 1925 applied and that contract had been made on the date of completion.

- (11) For the purposes of this section any knowledge acquired in the course of a transaction by a person who is acting therein as counsel, or as solicitor or other agent, for another shall be treated as the knowledge of that other.

**Textual Amendments**

- F1** Words substituted by [Limitation Act 1980 \(c. 58, SIF 79\), s. 40\(2\), Sch. 3 para. 9](#)
- F2** [S. 25\(7\)](#) repealed by [Land Charges Act 1972 \(c. 61\), Sch. 5](#)

**Marginal Citations**

- M5** 1925 c. 20.
- M6** 1925 c. 22.
- M7** 1967 c. 88.
- M8** 1967 c. 1.
- M9** 1968 c. 72.
- M10** 1925 c. 22.
- M11** 1925 c. 20.

26, 27. .... F3

**Textual Amendments**

- F3** [Ss. 26, 27](#) repealed by [Land Charges Act 1972 \(c. 61\), Sch. 5](#)

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