

## LAND GRAB

### General Information

#### Background

Lawrence Jones owned a house and adjoining plot in a small Welsh village. The plot was an old quarry face with about ten metres depth at high level and fifteen at low level. It had long been used as a car park and lovers' secluded venue - not that Lawrence used it for either.

Lawrence also ran a taxi business as his main source of income and decided to take a bank loan to replace and increase the number of cars in his fleet. He put the house and plot up as security but the Bank considered the plot to be worthless and took the house alone as security.

Unfortunately the taxi business folded within two years and the Bank eventually put the security into auction. It was sold to David and Gwen Dewer who rented the house out to tenants. All was quiet for two years and then Lawrence sought and obtained planning permission for a house on the plot, with the intention of building a home for himself (his wife had left him the year before, having lost the pleasure of living in a caravan in a local farmer's field).

It became apparent that the plot was registered in the name of Mr & Mrs Dewer and that it had been transferred to them with the house at the time of the auction. Lawrence was outraged because the Bank had specifically excluded the land from the security charge. Lawrence had obviously forgotten to ask for the deeds back and the Bank had passed them on to their solicitors by mistake.

Lawrence sued:

- the Dewers for the return of his land and
  - the Bank for damages for selling land that did not belong to them; and
- his solicitors for negligence in relation to their acting for him when the security was given to the Bank.

#### Dispute

Lawrence obtained a valuation of the land with planning approval of £120,000. He also had a budget prepared by his brother-in-law (who is a 'developer') demonstrating that if he were to build the house and sell it, the potential profit would be £250,000. The amount of Lawrence's damages claim against the Bank and his solicitors was therefore

for the lost profit of £250,000, plus costs. The case has been stayed for a month to enable mediation to take place.

Lawrence, to the other parties' disbelief, has successfully applied for Legal Services Commission funding. This means that he will only have to pay back the legal costs if he receives any money from the dispute, [or accept a charge on the land] if he succeeds in his claim against the Dewers.

Costs to date:

Lawrence - £70,000

Dewers - £25,000

Bank - £40,000

Lawrence's former solicitors - undisclosed

### **Attending the mediation**

Lawrence Jones (unless illness prevents it)  
Lawrence's current solicitor

David OR Gwen Dewer  
Dewers' solicitor

Bank recoveries manager

Solicitors' P I Insurer

Mediator