



How to deal with a restriction relating to a charging order

* This restriction can only be used where the charging order affects a share in the land, ie where there is a trust situation, eg joint proprietors

John and William Smith own a hardware store in Gloucester. One of their customers, Mr Brown, has failed to pay for goods supplied to him. To protect their interest, John and William have obtained a charging order against Mr Brown's beneficial interest in 55 High Street, Stroud which he owns jointly with his wife. They have applied on form RX1 for the following form K * restriction to be entered on Mr and Mrs Brown's register:

"RESTRICTION: No disposition of the registered estate other than a disposition by the proprietor of any registered charge registered before the entry of this restriction is to be registered without a certificate signed by the applicant for registration or his conveyancer that written notice of the disposition was given to John Smith and William Smith at Unit 24 London Road, Gloucester GL4 5VN, being the person with the benefit of an interim charging order on the beneficial interest of George Brown made by Gloucester County Court on 15 November 2004 (Court reference GL/346)."

This restriction means that no disposition of 55 High Street can be registered other than a disposition by the proprietor of any charge registered before the restriction, without notice first being served on John and William Smith which will give

them the opportunity to recover the debt owed by Mr Brown.

Once the debt has been paid Mr and Mrs Brown can apply in form RX3 for the restriction to be cancelled. Notice of the application will be sent by Land Registry to John and William Smith. Alternatively John and William Smith (as restrictioners) can apply on form RX4 to withdraw the restriction.

Practice Guide 19 – Notices, restrictions and the protection of third party interests in the register contains further information on charging orders.