

## **The complaint**

Mr and Mrs G complain that Mortgage Agency Services Number Five Limited (MAS) hasn't offered help while they experienced financial difficulties with their mortgage.

They have recently been given a coronavirus payment deferral (payment holiday) on their mortgage and have asked why this help was not offered to them previously.

Mr G has led the complaint throughout.

## **What happened**

In 2006, Mr and Mrs G took out a mortgage with MAS following advice from a broker.

Since then, some payments have been missed and the account has fallen into arrears.

Unfortunately, in August 2017, Mr G had a road traffic accident and as a result, was off work for some time. At this point the mortgage was in arrears, and these increased as he found himself unable to work. Mrs G suffers ill health and is unable to work. Mr G spoke to MAS around this time and explained their circumstances and MAS asked him to provide information to assess what support could be offered.

In April 2020, Mr and Mrs G took a payment deferral on their mortgage following guidance issued by the Financial Conduct Authority (FCA) in the wake of the coronavirus pandemic. They questioned why this support was not offered with their mortgage in 2017 following Mr G's road traffic accident and raised a complaint with MAS.

MAS replied to say that it didn't receive the information it asked for to assess Mr and Mrs G's circumstances and so it was limited in what help it could offer. It said that the recent payment deferrals have been provided due to the coronavirus outbreak and are not linked to Mr and Mrs G's financial position or account history.

Our investigator considered the complaint but didn't think it should be upheld. Mr and Mrs G disagreed and asked for an ombudsman to review the matter.

## **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I'm sorry to hear of the difficulties that Mr and Mrs G have had over the years, I'm sure this has been a worrying time for them.

I can understand - in light of the support offered in the wake of the coronavirus pandemic – that Mr and Mrs G are questioning why there were not offered similar support by MAS when they previously experienced difficulties paying their mortgage due to their circumstances. They feel let down that this wasn't offered when they needed it most following Mr G's road traffic accident in 2017.

When the UK entered a nationwide lockdown, the FCA issued guidance to lenders which allowed for a three-month payment deferral (later extended to six-months) to support borrowers affected financially. The guidance meant that no adverse recording on a customer's credit file would be made during the time they were in a payment deferral. This was exceptional guidance, issued in light of the unprecedented circumstances to support borrowers for a limited six-month timeframe and so it would not have been available in the same way around the time that Mr G suffered his accident in 2017.

But, more generally, there are obligations on lenders to treat borrowers fairly when they are facing financial difficulties and they have a duty to help get the mortgage back on track.

Concessions may be offered by lenders depending on a borrower's circumstances – for example in the form of a payment deferral or a payment arrangement. But a borrower would need to provide a lender with information as to how any reduced payments could be made up before the end of the term. And so, it's common for lenders to ask information – such as a borrower's income and expenditure – before agreeing to such concessions.

I've reviewed the contact between MAS and Mr and Mrs G in 2017. Mr G told MAS about his road traffic accident and that he was unable to work as a result. He was hoping to receive compensation from a dispute around the accident, but this was uncertain.

I can see that on several occasions, MAS asked Mr and Mrs G to provide details of their income and expenditure to see what it could do to help. This is something I'd expect it to do before agreeing to a concession to ensure that it's affordable overall. Often, Mr G said he'd call MAS back to provide this information. But when this information wasn't provided, MAS couldn't reasonably consider what options would be available to Mr and Mrs G in their individual circumstances.

With this in mind, I don't consider it unreasonable that MAS didn't offer a concession such as a payment arrangement or payment deferral as it was unable to establish how this could affect Mr and Mrs G without the information it requested. Ultimately, a payment arrangement or deferral would still need to be made up. So whilst such concessions provide breathing space in the short term, they are not a long-term solution as the missed payments' are added to the balance owed, with associated interest, and so monthly payments increase once the mortgage is re-calculated following the deferral period.

And as I've explained, any payment deferral or arrangement would not have applied in the same way as the coronavirus payment deferrals. These were introduced due to exceptional nature of the circumstances and effect on earnings due to the lockdown, which is why the guidance stated that there should be no adverse recording to a credit file when the mortgage is on a coronavirus payment deferral.

Mr and Mrs G have also raised concerns generally about how MAS has treated them since they took the mortgage out. In summary, they say it has been dishonest, sent several letters and demands for payment and not offered any help.

I can see numerous conversations have happened over the years, along with written correspondence. I've not seen any evidence that MAS was being deliberately unhelpful or dishonest but I can see that at times the calls were not convenient for Mr G so he ended them as a result. Whilst I accept that letters can be distressing and can see that Mr and Mrs G have received several over the years, I don't consider it unreasonable for MAS to have sent these reminding them that the account was in arrears and asking for them to get in touch.

I can see that when Mr and Mrs G did provide details of their income and expenditure to MAS, it worked with them to try to help. I've noted MAS send a field agent in 2019 and that Mr and Mrs G provided details around their income and expenditure then. Following this, Mr G made a proposal to pay around £9 to the arrears each month, but this wasn't accepted by MAS as it would not repay the arrears by the end of the mortgage term and the details gathered by the field agent suggested they could pay more.

I don't consider that unreasonable. I say this as it's not clear that Mr and Mrs G would have been able to pay off the arrears and considering further missed payments, I can't see how this would have been in Mr and Mrs G's best interests. Having reviewed the information provided, I'm unable to say that MAS failed to offer help when they struggled to maintain their payments.

Mr and Mrs G also raise concerns about how MAS operates as a company in general and has asked our investigator to look into other complaints about it. Our role as a service is to look into individual complaints and reach fair outcomes. Mr and Mrs G can direct their concerns about how MAS operates more generally to the regulator – the FCA – if they so wish.

I also understand that Mr G has been in touch with our investigator with some further complaint points – including the interest rate charged and that he feels he is a 'mortgage prisoner'. As our investigator has explained, we can only deal with the complaint that's been brought to us so we can't consider those issues here as part of this complaint. But they can raise these concerns directly with MAS. They can then refer those matters to us as new complaints if they are unhappy with the response from MAS (subject, of course, to our usual rules).

I see why Mr and Mrs G are frustrated and looked to MAS to do more. But having reviewed all the information, I'm satisfied that MAS took reasonable steps to help them in their financial difficulty. I understand that this will be disappointing for Mr and Mrs G but for the reasons I've given, I don't uphold this complaint.

I'd remind MAS that it should continue to treat Mr and Mrs G fairly and in line with the guidance issued by the FCA about the Covid-19 pandemic as it evolves, offering tailored support if the holiday deferral period has been exhausted.

### **My final decision**

For the reasons I've given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs G to accept or reject my decision before 26 August 2021.

Camilla Finnigan  
**Ombudsman**