

## **The complaint**

This complaint's about Mr P's mortgage with Castle Trust Capital PLC trading as Castle Trust Bank (CTB). Mr P is unhappy with the fees charged by Law of Property Act Receivers, and debited to his mortgage account by CTB.

## **What happened**

The terms of the mortgage agreement between CTB and Mr P give CTB the power to appoint Receivers to manage the mortgaged property, and to debit the mortgage account with the charges the Receivers incurred for doing so. CTB appointed Receivers to manage the mortgaged property in March 2021. Mr P asked how much this was likely to cost him, and on 3 March 2021, CTB emailed Mr P with an illustration of the potential charges, adding that these could vary.

Mr P complained in October 2022, after the Receivership had ended, that the fees debited to his mortgage account weren't in accordance with what he'd been expecting. CTB rejected the complaint and Mr P referred it to us in May 2023.

Our investigator didn't think we could consider the fairness or otherwise of the fees the Receivers had charged. In a view dated 27 July 2023, she explained that the Receivers weren't covered by our scheme. As they acted as Mr P's rather than CTB's agent, and once appointed, that meant we had no power to look into what the Receivers did or how much they charged for doing it.

Separately however, the investigator issued a further view dated 7 August 2023, expressing her opinion on the merits of CTB's communication with Mr P at the time of appointing the Receivers. She thought the information CTB had provided about how much the Receivers might charge was reasonable at the time.

Mr P doesn't agree with either element of the investigator's opinion, so the complaint has been referred to me to review. By way of a jurisdiction decision dated 29 January 2024, I confirmed that my power to consider this complaint is confined to considering whether and to what extent CTB answered Mr P's query about the likely cost of the Receivers at the time of appointing them to manage his mortgage account.

## **What I've decided – and why**

I'll start with some general observations. We're not the regulator of financial businesses, and we don't "police" their internal processes or how they operate generally. That's the job of the Financial Conduct Authority (FCA). We deal with individual disputes between businesses and their customers. In doing that, we don't replicate the work of the courts.

We're impartial, and we don't take either side's instructions on how we investigate a complaint. We conduct our investigations and reach our conclusions without interference from anyone else. But in doing so, we have to work within the rules of the ombudsman service, and the remit those rules give us.

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

Having done so, these are my conclusions, and the reasons for them.

Even though CTB made the appointment, the Receivers weren't acting for CTB. They were acting for Mr P, and the costs they incurred were for activities carried out whilst managing the property on his behalf. CTB was not in a position to know for certain how much work the Receivers might do during the Receivership, or how much they might charge for doing it.

The most that could reasonably be expected from CTB, when responding to Mr P's enquiry, was to reply in good faith with as much detail as it could, and to make clear that the information it was providing was an estimate and could vary. Having carefully considered the email of 3 March 2021, I'm satisfied that is what CTB did.

I appreciate Mr P is unhappy with what the Receiver ultimately charged, and how they assessed the charges for the work they did. But that will have to be a matter for Mr P to take up with the Receivers if he so chooses. Insofar as the eventual fees charged by the Receivers and debited to Mr P's mortgage account ended up being different from the estimate CTB provided, I can't fairly conclude this was down to unfair treatment or a lack of good faith on CTB's part when it replied to his question at the outset.

### **My final decision**

I don't uphold this complaint. My final decision concludes this service's consideration of this complaint, which means I'll not be engaging in any further discussion of the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 4 March 2024.

Jeff Parrington

**Ombudsman**