

## **The complaint**

Mr A complains that Mars Capital Finance Limited didn't agree to his request for a term extension on his mortgage.

## **What happened**

Mr A has a buy-to-let (BTL) mortgage which Mars owns and operates. The mortgage was originally taken out in 2008 with a different lender. The original mortgage amount was around £1,675,000, taken on interest only terms, over 25 years.

Mr A has raised a number of complaints over time with Mars about its handling of his account. When Mr A complained in February 2023 that Mars wouldn't extend the mortgage term, it told him that it wouldn't deal with the matter as a complaint, because it had already explained that it didn't offer new products or services.

Mr A contacted the Financial Ombudsman Service to complain. We notified Mars and in response it said that Mr A's complaint wasn't one we could look into, because it had been brought too late. This was on the basis that Mr A's complaint had been covered in the final response letter it issued in June 2022. And because more than six months had passed, it said Mr A had referred his complaint to the Financial Ombudsman Service too late.

An investigator here said they thought the complaint was one we could look into, because the specific complaint being raised hadn't been dealt with previously. An Ombudsman issued a decision on the same basis and Mars was required to submit its file in relation to the merits of the complaint.

The investigator then issued their opinion on the merits of the complaint. In summary, they said they thought Mars had acted fairly when declining the request for a term extension.

Mr A remained unhappy and so the case was passed to me to make a final decision.

## **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.

Having done so, I do not uphold this complaint. I appreciate this will likely be disappointing for Mr A, but I hope my explanation helps him to understand how I've come to this conclusion

Mr A says that Mars' decision to decline a term extension is unfair. Mars says that it is not a lender, rather it manages loans it purchases across the remaining mortgage term until the loan is repaid. It says it is unable to facilitate Mr A's request because it is not a facility that it offers.

I find that Mars' position that it doesn't offer term extensions in the same way that an active lender might, is reasonable. In denying the request, Mars is treating Mr A in the same way it would any other borrower in the same or similar circumstances. Mr A is also free to look to

re-mortgage elsewhere - although I appreciate that his being behind on the mortgage may make this more difficult in practice.

This is a BTL mortgage – so fundamentally a commercial arrangement. This has an impact on the sort of forbearance that is likely to be appropriate where a borrower falls behind with payments or is otherwise experiencing financial difficulties. That said, there *could* be a set of circumstances in which a term extension might be considered appropriate forbearance on an account like Mr A's. For example, if the mortgage was very close to the end of the term and the borrower needs a short amount of additional time to realise an asset to be able to repay the loan.

Here, Mr A's mortgage is on interest only terms. I cannot see how extending the term would be of particular benefit, since it wouldn't result in the monthly payments being reduced. There is also around ten years remaining on the mortgage.

Taking everything into account, I do not uphold this complaint.

### **My final decision**

My final decision is that I do not uphold Mr A's complaint about Mars Capital Finance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 5 March 2024.

Ben Brewer  
**Ombudsman**