

## **The complaint**

Ms F is unhappy that Rooftop Mortgages Limited didn't respond to a shortfall mortgage settlement offer she proposed to them in a timely manner.

## **What happened**

Ms F had an interest only mortgage with Rooftop and obtained an equity release agreement with another provider which didn't cover the full mortgage amount that she owed to Rooftop. Ms F contacted Rooftop and asked them to accept the shortfall – which would be roughly £14,000 – and offered to repay the shortfall amount at £500 per month. Ms F also explained that she needed a response from Rooftop by 12 May 2023, which was when the equity release offer from the third party was due to expire.

Rooftop responded to Ms F on 12 May 2023 and confirmed that they would accept the offer. But this was too late for Ms F to be able to confirm the equity release offer with the third party, and this meant that Ms F had to seek a new equity release offer.

Ms F was able to obtain a new equity release offer. But the new offer was £10,000 less than the previous offer, meaning that Ms F would have a larger shortfall to repay at £500 per month. Ms F wasn't happy about this and felt that Rooftop had acted unfairly by responding to the initial offer as late as they had, which had caused her to incur the additional £10,000 cost. So, she raised a complaint.

Rooftop responded to Ms F but didn't feel they'd done anything wrong in how they'd handled the situation. Ms F wasn't satisfied with Rooftop's response, so she referred her complaint to this service.

One of our investigators looked at this complaint. But they didn't feel Rooftop had acted unfairly or unreasonably as Ms F suggested and so didn't uphold the complaint. Ms F remained dissatisfied, so the matter was escalated to an ombudsman for 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.

When Ms F first put the mortgage shortfall offer to Rooftop in February 2023, she didn't include a confirmed means of how the £14,000 shortfall she was asking Rooftop to accept would be repaid by her. And it was only on 7 April 2023 that Ms F emailed Rooftop and explained that she'd been unable to obtain a loan to cover the £14,000 shortfall and so proposed to repay that amount to Rooftop in monthly instalments of £500.

Rooftop queried Ms F's offer with her, as the last income and expenditure assessment they'd undertaken with Ms F, in October 2022, suggested that she might not be able to afford to repay that amount.

Rooftop had asked Ms F to update their understanding of her financial position when she

first put the shortfall proposal to them in February 2023. And on 20 April 2023, Rooftop spoke with Ms F and conducted a new income and expenditure assessment with her, which did suggest that Ms F would likely be able to afford the payments she was offering.

As such, it was only on 20 April 2024 that Rooftop had enough information to give Ms F's proposal proper consideration. And Rooftop sent the finalised proposal for assessment and consideration by their relevant department that same day.

It should be noted that a lender such as Rooftop isn't obliged to accept a shortfall such as Ms F was requesting here. Indeed, the agreement that Ms F had entered into with Rooftop included that Ms F must repay the full mortgage balance at the end of the mortgage term.

Additionally, because Ms F was obtaining an equity release agreement with another provider, not only was she asking Rooftop to accept £14,000 less than what she was contractually obliged to repay, but she was also asking Rooftop to allow her to repay that £14,000 on an unsecured basis – given that the property that provided the security to Rooftop on the lending would be signed over to the third-party provider.

Accordingly, it doesn't seem unfair or unreasonable to me that Rooftop took until 12 May 2023 to arrive at a decision on the shortfall proposal that Ms F finalised on 20 April 2023. And I feel that Ms F could have acted to provide the final proposal to Rooftop sooner than she did here, for instance by seeking a loan for the £14,000 shortfall or completing an updated income and expenditure assessment earlier than she did, so that Rooftop had more time to assess the risk that Ms F was asking them to accept.

It's also important to note that Rooftop did agree to Ms F's proposal by 12 May 2023 as Ms F had asked them to. Rooftop have explained that they called Ms F on the morning of 12 May and left a message on her answerphone, which Ms F received and called Rooftop back later that day, when Rooftop's acceptance of her proposal was confirmed to her. And Rooftop also sent an email to Ms F, when their initial phone call to her went unanswered, which again confirmed their acceptance of the shortfall proposal.

Ms F has said that she didn't receive a call from Rooftop on 12 May 2023 as Rooftop suggest. But I find Rooftop's call notes to be persuasive here. And Ms F has confirmed that she received the email from Rooftop on 12 May 2023, which was sent by Rooftop at 11:12 am. As such, I feel that Rooftop did respond to Ms F within the timeframe asked of them by Ms F and at a time when the equity release offer from the other provider was still open. And it isn't Rooftop's fault if Ms F wasn't then able to confirm her acceptance of that offer with the other provider during the remainder of that day.

All of which means that I don't feel that Rooftop have acted unfairly or unreasonably here. To confirm, this is because Rooftop were given a shortfall proposal from Ms F which involved them taking on significant risk, which they were under no obligation to accept, and which I'm satisfied it was fair and reasonable for them to consider carefully. And because they ultimately did respond to that proposal within the timeframe asked of them by Ms F.

Also, as explained, I feel that Ms F could and reasonably should have mitigated against what happened here herself by putting forward a finalised proposal and by updating Rooftop's understanding of her financial position sooner than she did.

I realise this won't be the outcome Ms F was wanting, but it follows from all the above that I won't be upholding this complaint or instructing Rooftop to take any further or alternative action here. I hope that Ms F will understand, given what I've explained, why I've made the final decision that I have.

**My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms F to accept or reject my decision before 10 May 2024.

Paul Cooper  
**Ombudsman**