

## **The complaint**

Mr and Mrs M held an interest only mortgage on their home with Skipton Building Society. They complain that when the mortgage ended, Skipton harassed them and took legal action, although they were doing their best to sell a different property so they could repay Skipton.

## **What happened**

Whilst this complaint is brought by both Mr and Mrs M, as the mortgage is in both their names, our dealings have been with Mr M. So I'll mainly refer to him in this decision.

Mr M said Skipton showed no empathy or understanding when his interest only mortgage ended. He said he was threatened with repossession, although he could prove he had the required funds.

Mr M had an interest only mortgage with Skipton on his home, and he told us he'd always planned to pay that off with the sale of another property. The other property was rented out. Mr M owned that other property outright, it was worth rather more than the outstanding mortgage on his home, and he'd always been clear with his lender that this was how he would cover the mortgage at the end of term.

Mr M said he then issued his tenants with notice to leave, but due to coronavirus rules in place at the time, he had to give his tenants some months of additional notice. He said his tenants then used every trick in the book to stall their departure. Mr M said he'd been cooperative, and had kept Skipton fully informed of what was happening, and he'd kept up his monthly payments.

Mr M said he took court action to get his tenants evicted in September but that was delayed due to a backlog in the courts. Mr M said he contacted Skipton and told it all about this, but it told him to speak to a financial advisor. Mr M said his account was moved to the credit control department, and he then started to receive solicitors' letters threatening him with repossession. Mr M said he got a court date of 10 January 2023, when Skipton planned to seek possession of his property.

Mr M said he finally managed to speak to someone in Skipton who acknowledged how unfairly he was being treated, and the court repossession was put on hold after Mr M got an eviction date for his tenants. But he said he still had to pay £679 for the halted court proceedings.

Mr M said he did then get his tenants evicted, and repairs done. He put the property on the market, and it sold in August 2023. The mortgage on his home was redeemed immediately after this.

Mr M wanted Skipton to pay back the court fees, plus substantial compensation for the impact to his physical and mental health as a consequence of Skipton's actions.

Skipton said that it was sorry if the process had upset Mr M, but it didn't think it had done anything wrong. It had understood that Mr M wanted to sell a different property to repay the mortgage on his home, when that mortgage ended in April 2022. But it had wanted to keep in close touch with Mr M, to see how things were progressing with that. Skipton set out the attempts it had made to discuss the issues with Mr M during this time. And it said it hadn't been able to keep in regular contact with Mr M, as it wanted to.

Skipton said Mr M initially hoped the property would be on the market in March 2022. It had allowed short extensions of the mortgage, although it was already over term, for the tenants to vacate the property and for work to be completed, but unfortunately that didn't happen as the tenants didn't leave.

Skipton then tried again repeatedly to contact Mr M. Once it did manage to speak to him, it said that in August, it agreed to hold legal proceedings until October. But in October, it started to take steps to repossess the property. Those steps unfortunately did come with costs. This action was put on hold once Mr M had secured an eviction date for his tenants.

Our investigator didn't think this complaint should be upheld. She said Skipton had told our service about several unsuccessful attempts to contact Mr and Mrs M, and when Skipton was brought up to speed on what was happening, it did allow time for their tenants to leave the property, and then put a hold on legal proceedings for the same reason. But it wasn't able to keep in regular contact with Mr and Mrs M, and time appeared to be passing without any resolution. So Skipton did then move to start legal proceedings.

Our investigator understood this would be upsetting, but she said Mr and Mrs M's mortgage was then several months over its term, and there was no clear date for a resolution. Skipton did agree to suspend this action when it received evidence of an eviction date.

Our investigator said she understood Mr M felt strongly that Skipton had taken action it shouldn't have, but there were periods when contact was difficult and Skipton didn't have an up to date picture of what was happening. And, unfortunately, the dates for the property sale kept changing. Our investigator thought Skipton had worked with Mr and Mrs M where it could and allowed extensions where possible. Ultimately, it did allow Mr and Mrs M sufficient time to sell the property. Our investigator said she couldn't fairly say that Skipton needed to do anything differently.

Mr M contacted our service to object. He said it had always been the declared intention to sell this rented property to clear the mortgage. And Mr M said Skipton's suggestion that he hadn't spoken to it was making him very angry. Mr M said Skipton had been constantly pestering him, week after week, with the same questions. Mr M felt this repeated contact was very intrusive. And he kept telling it there was no change, and he would be in touch once there was. Mr M felt Skipton should have accepted what he said, that he would contact Skipton when he had something to tell it.

Mr M said that this sale was derailed by coronavirus, and that just wasn't foreseeable. He felt he'd kept Skipton well informed.

Mr M said the rented property was worth much more than the mortgage he needed to redeem, so there was no risk to Skipton's security. And he said what really annoyed him was that after he got a court date for the eviction of the tenants, Skipton still started eviction action for Mr and Mrs M. And then Skipton secured a court date which was before the date Mr M had for his tenants. Mr M said he managed to get the court to bring his date forward, and his tenants were due to leave in early January. Again, they didn't go, and Mr M then had bailiffs evict them.

Mr M said that if the court action had been the right step for Skipton to take, then it wouldn't have immediately suspended it. Mr M wanted this complaint to be considered by an ombudsman, so it was passed to me 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.

I've reached the same overall conclusion on this complaint as our investigator. I'm sorry to have to tell Mr and Mrs M that I don't think this complaint should be upheld.

Mr M clearly feels strongly about this complaint. He says he had always said he would be selling the rented property to clear this mortgage, and he was doing everything he could to repossess and sell that property. It's clear that he feels that Skipton's repeated efforts to discuss this with him were both intrusive and unnecessary. He said he told Skipton he would contact it, if he had any update.

It does seem likely, from what both Mr M and Skipton have said, that a number of Skipton's attempts to discuss the situation with Mr M weren't successful.

I know that Mr M has told us he had a series of problems with repossessing this property. And I appreciate that there were delays here that he wasn't in control of. But our service has to look at this issue from both sides. And, whilst Mr M has told us he was taking all the steps he could to get his rented property back so he could sell it, he doesn't appear to have been happy to have regular conversations with Skipton to keep it up to date with any progress (or even with any lack of progress).

I understand Mr M said he would contact Skipton if things changed, but when a mortgage is over its intended term, and the borrower doesn't yet have the funds to pay the debt back, I do think it's in everyone's interest if the borrower and lender stay in close touch about the plans for repayment. Skipton wasn't in control of the sale of Mr M's rented property. The only thing it could do, if it couldn't see that Mr M was making progress towards selling that property, was to take action over Mr M's home. And I think that Skipton decided to take the first steps to legal action in October, after quite some time had passed, and it was clear Mr M wasn't comfortable engaging with Skipton to the extent that Skipton wanted.

I can see that once Skipton began legal proceedings, Mr M was then in very regular touch with Skipton. It doesn't look as if Skipton did suspend these proceedings immediately, but I'm glad to see that Skipton did then suspend legal action in December 2023, once Mr M had a set date for eviction. Skipton then allowed a further eight months for eviction, repairs, marketing and a sale, and I understand Mr M did then redeem his mortgage.

I appreciate that Mr M in particular found this a very frustrating and upsetting process. But, like our investigator, I don't think that Skipton was wrong to try to keep closely in touch with Mr M once his mortgage was over term, and I don't think it was wrong to take further steps, when its attempts to keep in contact with Mr M weren't as successful as it wanted. I know that Mr M will be disappointed, but I don't think this complaint should be upheld.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M and Mr M to

accept or reject my decision before 8 June 2024.

Esther Absalom-Gough  
**Ombudsman**