

The complaint

Ms D complains that Paratus AMC trading as Foundation Home Loans failed to support her when she fell into arrears on her mortgage.

What happened

Ms D said she had a mortgage with Paratus which was in arrears. It had recently started legal action over the debt. Ms D said she didn't feel she'd been treated fairly or listened to. Ms D said this had been going on for some time, but she was especially concerned that Paratus was just sending generic replies, rather than responding to her particular circumstances.

Ms D said she'd told Paratus some time ago that losing both her parents, within a short space of time, had impacted her mental health and wellbeing. She said she offered to send evidence of this from her GP in November 2023, but in December Paratus suggested she talk to her GP about how she was feeling. So she thought Paratus wasn't even reading her notes fully before responding to her.

In December 2023, Paratus wrote to Ms D about her complaint. It said that she'd complained about the following points -

- Not being listened to, despite keeping Paratus updated, and regularly being asked to resubmit information she'd already sent.
- Paratus was ignoring that her financial situation was temporary, as she would soon be receiving an inheritance. She thought Paratus should wait.
- Paratus had never responded to her request for a concession made in June 2023. She didn't feel Paratus had responded in a timely manner.

Paratus' letter said it was sorry about the loss of her parents, and it suggested sources of support, which did include Ms D's GP.

But Paratus didn't think it had failed to listen, or that it had treated Ms D unfairly. It said it had tried to help, but it hadn't been able to find a way for Ms D to keep up her monthly payments and clear the arrears on her mortgage. She was then just under eleven months in arrears.

Paratus said it would always ask for updated information as individual circumstances can change. So it would ask for new Income and Expenditure ("I&E") information before considering any payment proposal, or request for a concession, to make sure it's really affordable for its customers. It thought that was fair.

Paratus said it understood Ms D was selling a property and anticipated the money from this would clear her mortgage. But it said that can take a while, and there was no sale in progress at the time. It had considered her circumstances in full, but still thought litigation action was appropriate.

Paratus said it could see that it had written to Ms D in early June, offering a concession for three months, subject to an assessment of her I&E information. But although it did receive some information in return, it didn't receive a fully legible completed form at the time. It said it had asked again for this a number of times. It was sorry that there was a delay between the last incomplete document being sent, on 3 July 2023 and it requesting this be sent again on 16 August 2023. But it said that once it did finally receive a fully completed document, the request was turned down.

Paratus noted that Ms D had asked for copies of its policies on vulnerabilities, and on tailored support, but it wouldn't share those with her.

Paratus then wrote again, on 5 February 2024, after Ms D had complained to our service. It said it required Ms D's explicit consent to record sensitive information, and it had requested this on 31 January 2023, but it never received any reply to that request. It said that's why it had later asked her again for her consent to record her sensitive information.

Paratus said its policies on vulnerability and good practice around tailored support were for internal use only, so it wouldn't share those with her. Paratus said it was sorry about how its response had made Ms D feel, and it offered her £150 in compensation.

On 29 February 2024, Paratus wrote yet again. It said that Ms D had raised the following complaint points –

- She was unhappy that Paratus had still taken her to court, after she'd made proposals to clear her arrears.
- She said Paratus had told the court she hadn't been communicating with it, or put anything in place to clear the arrears, which wasn't true.
- Ms D didn't think Paratus was listening to her.
- Ms D said she'd previously asked for copies of its policies, which she hadn't received.

Paratus said it had explained why it would continue the litigation action, and it had nothing to add to that.

Paratus said it hadn't told the court Ms D hadn't kept in touch, or made proposals to clear the arrears. It had said Ms D hadn't cleared the arrears, and the sale of her property remained at an early stage.

Paratus repeated that its responses to Ms D weren't generic.

Paratus said it wouldn't share its internal policies, but it said that on 13 December 2023, it had sent Ms D a letter signposting her to information on its website about how Paratus could support vulnerable customers.

Paratus told our service that Ms D was then around a year in arrears, and the debt was increasing each month, so it had taken the decision to litigate. It understood that Ms D was expecting a large cash sum from the sale of a property, but it said the property hadn't yet sold. If this got to the exchange of contracts, then Paratus said it would cancel any litigation proceedings.

At first, our investigator thought this complaint should be upheld. He said in June 2023, Paratus had requested up to date I&E information so it could consider a concession for Ms D, and it caused some delays in telling Ms D that it hadn't received a fully completed and

legible form. But he said that a payment of £150 which Paratus had offered would compensate for that.

Our investigator said he understood the property Ms D was trying to sell had now sold, and her mortgage would be paid off. He thought Paratus should have given Ms D more time to arrange the sale of her house, and said Paratus should reimburse Ms D for the costs of litigation. He also said it should pay £200 for the distress and inconvenience caused by needing to re-raise details of her vulnerability. He didn't think Paratus had to share with Ms D the policies she had requested.

Paratus wrote back with further information, disputing the conclusions that our investigator had reached. It said that Ms D's arrears weren't just a recent problem, she had repeatedly faced problems paying her mortgage, and the existing arrears dated from 2017.

Paratus said it was told Ms D's property had sold just before the court hearing, but it said it was too late to adjourn and avoid costs. And, although Paratus had asked for evidence of a sale, such as the exchange of contracts, it received no response to that. It also said Ms D had said she'd be selling this property a number of times before, in April 2022 then again in May 22, June 22, June 2023, October 2023, November 2023, December 2023 and January 2024.

Paratus also said it needs a customer's consent to record any sensitive data, and Ms D hadn't provided that when asked in January, June and November 2023. It said Ms D had mentioned her vulnerabilities in a number of emails to Paratus, it hadn't asked her again about these.

Our investigator then changed his mind. He said that when litigation was started, Ms D hadn't just told Paratus she was selling a property, she'd been saying that for around a year and a half. So he no longer thought Paratus was wrong to start proceedings for January 2024. And he didn't think Paratus had to try to stop those proceedings, when Ms D contacted it again about this just before the hearing. Those costs were already incurred. So he thought this hearing should have gone ahead, and no longer thought Paratus had to compensate Ms D for this.

Our investigator also said that as Paratus had told us it had repeatedly asked Ms D for consent to note her vulnerability, and it hadn't been given, he didn't think Paratus had to pay compensation for that.

He said that Paratus should now pay the £150 to compensate for the delay in advising Ms D that her I&E form wasn't legible, and for acknowledging she didn't feel heard during the process. But he didn't think it had to do more than that.

Ms D objected. She said she'd shown the property was listed for sale, and told Paratus when it was sold. But she said it was clear she'd have enough money to pay off the mortgage from the time she first mentioned the inheritance. She said she wouldn't have allowed the arrears to build if she hadn't known this, she would have considered selling her own house instead.

Ms D also said the distress of potentially losing her home, compounded by grief, had a significant impact on her ability to work and earn money. She said she'd had to repeatedly share sensitive data, and said she could show she had given her consent to Paratus recording her circumstances in April 2022. She sent us an email chain which she said showed this.

Because no agreement was reached, this case came 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'd like to start by saying how sorry I have been to hear about the difficult personal and family circumstances that Ms D has faced in the last years. I appreciate that additional worries over her mortgage and her home would have been especially unwelcome and hard to manage at this time.

I understand Ms D was confident the sale of a property she had inherited would clear the debt on this mortgage. But it appears she'd been raising this as a way of paying off this debt since 2022, and unfortunately, by late 2023 Paratus said there still didn't appear to be any evidence that a sale was definitely going ahead. Given the arrears building on the account, I don't think it was unfair or unreasonable for Paratus to take steps towards a possession hearing in late 2023 and early 2024.

I also understand that Ms D regarded the property as sold in January 2024, when she asked Paratus not to go ahead with the hearing. But it looks as though what had happened was an offer had been accepted on the property. Unfortunately, that's not the same as a sale having happened, and the buyer isn't committed to going through with any purchase at that stage. So I don't think Paratus made a mistake by going ahead with the hearing only a couple of days later, especially as most of the costs of this hearing would already have been incurred.

Ms D said she didn't feel heard by Paratus, and said she had repeatedly had to tell it about her vulnerabilities. I can see that in April 2022, Ms D told it about the death of one parent, and Paratus asked for permission to note this. Ms D gave that permission, and Paratus did note this. In May 2022, Ms D told Paratus again about these circumstances, and Paratus said it had this on file, she didn't need to tell it again. I can see that Ms D then mentioned the same issues a number of times in her contact with Paratus throughout 2022.

I don't think Paratus had failed to record Ms D's circumstances in 2022, and I don't think she needed to continue to alert Paratus to these in her contact with Paratus after this, until almost the end of 2022. I would understand if Ms D found it upsetting to repeat this, but I don't think she had to do this because of failings by Paratus.

Towards the end of 2022, Ms D's circumstances changed again, as unfortunately her other parent also passed away. I appreciate that this must have been deeply upsetting for Ms D. I can see she told Paratus about this, and Paratus asked her in January 2023 for consent to note this vulnerability. I think it's important to be aware that the sensitive circumstances Paratus wanted to record for Ms D had changed at this point, and Paratus wanted her permission to update this. I think it was right for Paratus to ask.

Unfortunately, Paratus told us it never got any reply to this request. It was sorry Ms D found it upsetting to subsequently be asked about this again, but it didn't think this was its fault.

I don't think Paratus should have updated Ms D's sensitive information in late 2022 or early 2023, to record another recent bereavement, without her consent to that. And Ms D hasn't suggested she consented at this point, or subsequently. So, again, I would understand if Ms D found it upsetting to repeat this, but I don't think she had to do this because of failings by Paratus.

Ms D said she wanted Paratus to share its policies on vulnerability and good practice around tailored support. But Paratus has told her these were for internal use only. It has signposted Ms D to some information on its website that she might find helpful. I don't think Paratus has to do more than that.

I can see Paratus has repeatedly asked Ms D to send updated I&E information, but I do think it's fair for Paratus to say that it would only make decisions about support it could offer Ms D, or proposals it could accept, on the basis of up to date information. There then seem to have been particular problems with supplying an I&E in June 2023, when Paratus told us Ms D unfortunately repeatedly sent a document which was either incomplete or not legible.

I do think that Paratus caused a delay in telling Ms D that it couldn't consider her request for a concession in July and August 2023, because it hadn't yet received a fully completed and fully legible I&E form from her. But I do think its offer of £150 provides a fair and reasonable outcome to that part of Ms D's complaint.

Ms D also said that she didn't feel Paratus was listening to her. She said this was shown because she offered to send Paratus medical evidence of the impact of grief on her health, and around a month later, Paratus suggested she could talk to her doctor about this.

I understand why Ms D thinks this means Paratus wasn't listening, but I've read her earlier email carefully, and although Ms D offers to provide medical evidence, I don't think it's clear from what she said there, whether she had already spoken to her doctor, or would only propose to do so if Paratus wanted to see the offered evidence. Because of that, I don't think that Paratus' later suggestion that she could talk to her doctor about her difficulties, and they may be able to help, was evidence it wasn't listening to her. I haven't otherwise seen evidence that Ms D was being ignored, although I have accepted above that there was an occasion when Paratus took too long to respond to her.

I know that Ms D will be disappointed, but I don't think Paratus has to do more here than pay the sum of £150 which it has previously offered, unless that has already been paid.

My final decision

My final decision is that Paratus AMC trading as Foundation Home Loans must pay Ms D the sum of £150 which it offered her in compensation after this complaint was passed to our service, if that money has not already been paid.

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

Esther Absalom-Gough
Ombudsman