

The complaint

Mr L complains about how Mortgage Agency Services Number Five Limited (MAS5) has administered his mortgage account. Specifically, he complains about the following:

- The interest rate charged on the mortgage has been unfair.
- The way MAS5 has handled the repossession and marketing of the mortgaged property.

What happened

Mr L has a mortgage with MAS5. As no payments had been made to the mortgage since May 2022, MAS5 took legal action to repossess the property. In June 2023, a court granted MAS5 possession of Mr L's property. The court order said that the amount Mr L must pay MAS5 was £415,728.39.

The repossession went ahead, and Mr L was evicted from the property on 8 January 2024. On 9 January 2024 Mr L made a proposal to clear the arrears (which were around £39,000 at the time) to regain possession of the property. MAS5 declined the proposal and said the full mortgage balance needed to be repaid. In the following months several discussions took place about the property's value, Mr L's belongings, and Mr L gaining access to the property. The property was put on the market for sale in May 2024.

Mr L complained to MAS5. In summary, he was unhappy with how things had been handled since the property had been repossessed. He disagreed with the valuations MAS5 obtained for the property. He said he had difficulty getting access to the property to retrieve his belongings, and he was struggling to find some of his personal items. He felt MAS5 had delayed marketing the property and so he was incurring additional costs and interest unnecessarily. He wasn't satisfied MAS5 was keeping the property in a good state of repair. He also complained about the interest rate MAS5 had been charging on the mortgage and the buildings insurance premiums it had added.

MAS5 agreed that one phone call hadn't been handled very well by a member of its staff, and paid Mr L £50 to apologise, but didn't uphold the rest of the complaint.

Mr L brought his complaint to our service. MAS5 didn't give our service consent to consider Mr L's complaint about the buildings insurance premiums or the interest rate charged more than six years ago as it said those complaints had been made out of time. Our Investigator agreed, and having looked at the merits of the complaint, she concluded that MAS5 had not treated Mr L unfairly. Mr L disagreed and the complaint was passed to me.

I issued a decision which said we could only consider the following parts of Mr L's complaint:

- The fairness of the interest rate charged on the mortgage account since June 2023. But bearing in mind earlier rate variations as part of all the circumstances of the complaint.
- The way MAS5 has handled the repossession and marketing of the mortgaged property.

This final decision will deal with the merits of the above complaint points.

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, whilst I appreciate it will come as a disappointment to Mr L, I've reached the same outcome as the Investigator. I note that Mr L has referred to additional evidence he can provide to support his concerns, but unfortunately this hasn't been received within the deadlines set. As I feel I have sufficient information and evidence to reach a decision on this complaint, I will now do so.

The repossession and marketing of the property

When Mr L asked MAS5 if he could take the property back if he cleared the arrears, he'd already been evicted and MAS5 was in possession of the property. Although I appreciate Mr L said he had been trying to speak to both MAS5 and its solicitors the day before (on the eviction date) and had been unable to get through. When the eviction went ahead on 8 January 2024, Mr L hadn't made a mortgage payment for over 18 months. Nor had he engaged with MAS5 about his circumstances or options for avoiding repossession.

I understand Mr L had not been using the mortgaged property as his permanent residence, and he says he wasn't always collecting the post, so he may not have seen all the letters both MAS5 and its solicitors had sent him, but I'm not persuaded that's a result of anything MAS5 had done wrong.

Ultimately, by the point Mr L offered to clear the arrears it was too late. MAS5 did consider his request, but it had concerns over the affordability of the mortgage given the lack of payments made. I think that was reasonable.

Mr L feels strongly that the valuations MAS5 obtained for the property were incorrect and undervalued the house. He has done his own research, and compared the valuations to those he had carried out himself in 2008. He believes the value of the property should have increased by more than MAS5 is now saying it has.

Whilst I understand it would be disappointing for Mr L to learn his property was not worth as much as he was expecting, despite the home improvements he says he's made, I'm not persuaded MAS5 has acted unfairly when relying on the valuations it received. It received two independent valuations for the property, which both suggested an initial asking price of £650,000. I also note the estate agents have struggled to achieve a sale at that price, and this has since been reduced. Which further supports the initial valuations were not too low as Mr L claims.

As a mortgage lender in possession of Mr L's property, MAS5 was required to market the property for sale as soon as possible, and obtain the best price that might reasonably be paid. Mr L feels that MAS5 unreasonably delayed the marketing of the property. The valuations were carried out in January 2024, but the property wasn't put on the market for sale until May 2024. So I agree it did take longer than one might reasonably expect for that process to happen. But having considered the account notes, and the testimony from both parties, I'm not persuaded that delay was a result of unfair treatment by MAS5.

Much of the delay was caused by disputes about whether Mr L could gain access to the property to remove his belongings, and what belongings he would be able to take. Mr L was initially granted supervised access to take essential items, which I understand he did. He

then told MAS5 that he wanted to remove some of the fixtures and fittings, including the kitchen, bathroom, and carpets. Whilst Mr L has since said he wasn't actually going to take those things, I can understand why that caused MAS5 some concern as it could affect the value and saleability of the property. Particularly if any damage was caused during the removal of items. Mr L had also asked MAS5 to provide the legal basis on which it was preventing him from taking those fixtures from the house, and refused to arrange collection of his belongings until that was resolved.

There was quite a lot of back and forth about this issue, and MAS5 agreed that Mr L could have supervised access to the property to remove his car and complete an inventory so he could arrange a removals company to take his possessions so that the property could be put on the market. Having reviewed the timeline of events and the notes, I'm not persuaded it was unfair of MAS5 to take the steps it did to protect all parties' interests in the marketability of the property, and I think Mr L's actions contributed to the delays. I note Mr L has made some comments about MAS5 declining a reasonable offer from a prospective buyer, but as that was after this complaint was dealt with, it hasn't been considered as part of this complaint and Mr L will need to complain about that separately if he wishes to do so.

Overall, whilst I appreciate Mr L's disappointment and frustration about having to deal with MAS5, as well as its agents, and that he has ultimately not been in control of the sale of the property, I'm not persuaded that MAS5 has acted unfairly in the way it's dealt with things. Up until this complaint had been made, I'm satisfied it was trying to achieve the best sale price for the property as it was expected to do.

The interest rate

When Mr L took this mortgage out, he did so on a fixed interest rate until 30 June 2009. The mortgage offer said that after that date, the interest rate charged would be a variable rate which is 2.65% above the Bank of England base rate for the remainder of the term.

I've looked at the interest rate history for Mr L's account, and I'm satisfied that MAS5 has charged the correct interest rate in line with what was agreed when the mortgage was taken out. So I don't think Mr L has been charged a rate that was unfairly high.

My final decision

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 19 March 2025.

Kathryn Billings
Ombudsman