

The complaint

Mr A complains about the way National Westminster Bank Plc dealt with his buy to let mortgage account, in particular that it took action for possession of the property.

Mr A asks that the court order for possession is revoked and for compensation.

What happened

Mr A took out a buy to let mortgage with NatWest in 2008. The mortgage fell into arrears in mid-2022 and NatWest started recovery action. Mr A's complaints are:

- NatWest rushed into recovery action and didn't put an arrangement in place, change the interest rate product (he's unhappy about the amount of interest accrued), or accept token payments via a debt management plan.
- He wasn't told about a court hearing, the account was passed through different companies which made it difficult for him to address the arrears, NatWest didn't send a redemption statement to his solicitors and it prevented him selling the property at auction in late 2023.
- NatWest has discriminated and conspired against him.

Our investigator said NatWest had tried to contact Mr A about the arrears and given him a fair amount of time to respond before taking legal action. She didn't agree that NatWest had made errors issuing a redemption statement or appointing solicitors and said there was no evidence he'd been treated differently to any other customer in the same position.

Our investigator said she hadn't seen evidence that Mr A was told about the court date. She said it was unlikely matters would have turned out any differently. But NatWest should pay £200 for the upset this caused.

Mr A didn't agree and asked that the matter was re-considered by an ombudsman.

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.

Where the evidence is incomplete, inconclusive or contradictory, I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

Mr A's mortgage had a tracker product. Interest rates increased in 2022, which meant Mr A's contractual monthly payments also increased. Mr A didn't increase the amount he paid each month. By mid-2022 his account was in arrears. Mr A has continued to make underpayments and the arrears increased.

There was no requirement for NatWest to reduce Mr A's interest rate or offer him a lower rate than generally available to other customers. In August 2023 Mr A chose a new interest

rate product – also a tracker product. I haven't seen evidence that Mr A tried to switch interest rate products and NatWest prevented this. I don't think NatWest made an error when it applied interest to Mr A's mortgage in accordance with the mortgage terms and conditions.

NatWest wrote to Mr A about the arrears. It also sent text messages and emails and sent a field agent to the property – it thought Mr A might be living at the property. In mid-2023 NatWest sent a notice that it would start legal action. NatWest then appointed solicitors.

NatWest says it didn't appoint different companies to deal with Mr A's account. It appointed solicitors to manage the legal action on its behalf, as it was entitled to do. I don't think this was the reason Mr A was unable to agree a repayment plan or otherwise deal with his arrears.

Mr A spoke to NatWest in August 2023 about changing his name and to update his contact details and choose a new product. The information he provided to NatWest suggested he couldn't afford his mortgage payments. Mr A said he'd take independent financial advice about what to do.

NatWest issued a redemption statement to Mr A's solicitors in September 2023 and a redemption statement to Mr A in October 2023. Mr A hasn't provided evidence his solicitors requested redemption statements which NatWest failed to provide. I find this unlikely as in late September 2023 the solicitors told Mr A they were unable to continue acting for him. I haven't seen evidence that NatWest was responsible for Mr A being unable to go ahead with a sale of the property by auction at about that time.

NatWest's solicitors applied for a court order. There was a hearing in January 2024 and the court issued an order for possession.

Mr A says he didn't receive notice of the court hearing. NatWest can't provide evidence that notice was sent to Mr A by its solicitors. Mr A wasn't able to attend the hearing. I think it's unlikely the outcome of the hearing would have been different. From what Mr A has told NatWest he wouldn't have been able to provide evidence to the court that he could make regular payments to clear the arrears within a reasonable period. But it must have been upsetting for Mr A to find out about the hearing too late to have the opportunity to attend and provide evidence to the court, or instruct a solicitor to attend on his behalf.

Mr A contacted NatWest several times between March and mid-2024. He said he was dealing with a debt advisory charity. He said a third party would pay the mortgage and he intended to either let the property or sell it and asked for time to arrange this. NatWest told Mr A that to stop possession action he needed to clear the arrears or set up a repayment plan. The information Mr A provided about his financial position suggested this wasn't affordable.

As a secured lender, NatWest didn't have to agree to accept token payments through a debt management plan. Given that this is a buy to let mortgage, I don't think it fairly had to do so.

I don't have the power to revoke or set aside a court order. I don't think it was unfair or unreasonable for NatWest to start legal action in mid-2023, or to decline to hold action in mid-2024. I don't agree that NatWest rushed into taking action for possession without giving Mr A the opportunity to agree a repayment plan or make other arrangements – such as selling the property – to clear his arrears. Mr A's mortgage has been in arrears for more than two years and the arrears are increasing. NatWest didn't prevent Mr A from marketing the property for sale during this time.

Mr A says NatWest discriminated against him and conspired with others. I can only look into

actions taken by NatWest here. Although it isn't entirely clear, it seems as though Mr A is saying he has been discriminated against because of his race or his beliefs. It would be for a court to make a formal finding of breach of the Equality Act 2010, although this is something I've taken into account as relevant law. I haven't seen anything to suggest that NatWest treated Mr A differently or less favourably to any other customer in the same position – that is with a buy to let mortgage in arrears.

Putting things right

As I said, I can't set aside a court order. And I don't think it was unfair or unreasonable for NatWest to take recovery action, given that Mr A's arrears were increasing and he didn't contact NatWest with a credible proposal to clear the arrears within a reasonable period.

NatWest agreed to pay £200 for the upset caused to Mr A in not receiving notice of the court hearing. I think in the circumstances that's fair and reasonable. I don't think it's fair and reasonable to require NatWest to pay further compensation.

Mr A is in a difficult situation. I understand he's in contact with a debt advisory service and I hope this will provide him with some support.

My final decision

My decision is that I uphold this complaint and order National Westminster Bank Plc to pay £200 to Mr A.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 23 December 2024.

Ruth Stevenson
Ombudsman