

## **The complaint**

Mr C complains about how Bank of Scotland plc trading as Halifax treated his application for a payment break.

## **What happened**

Mr C took out a mortgage with Halifax in October 2021 and contacted Halifax on 25 August 2023 about his financial difficulties. He had just lost his job and was selling his house and spoke to an adviser for assistance. Mr C reached an arrangement whereby the payments wouldn't be collected for three months. But Mr C says that he wasn't made aware that the payments were only postponed and that he would have to make a large payment to cover the three months. Mr C said if he had known that he wouldn't have agreed the arrangement.

Our investigator didn't recommend that this complaint should be upheld as Halifax acted fairly and correctly explained what Mr C was agreeing to. Mr C disagreed saying that he was told that he had to repay the arrears in one lump sum whereas his understanding was that the payments would be spread out over the remaining term of the mortgage.

## **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 seen Halifax's policies and I've noted that Mr C didn't qualify under the terms for a payment holiday and so was directed to an alternative option which was a nil payment arrangement for three months. I listened to the call that Mr C had with the Halifax adviser on 25 August 2023. Mr C had asked about a payment holiday, but Mr C didn't qualify under Halifax's terms and so was passed to talk to another adviser.

Mr C had just lost his job and rang Halifax to tell them of it and that he would be unable to pay his mortgage. Halifax offered a three-month temporary nil payment arrangement to allow Mr C time to get a job. The arrangement was to start on 1 September. I found the interview to be overlong, disjointed with the adviser following a formula rather than displaying any real interest in Mr C's situation. But Mr C got the nil payment arrangement. He was told that the arrangement would result in arrears, what those arrears were likely to be - I noted a figure of over £1,900.00 - that they would affect his credit file and that there would be interest on the arrears but there was no discussion about how or when the arrears would be paid. It may not have been the best time to discuss that given that Mr C had just lost his job so would not have known at that time how those arrears were going to be paid.

On the same date Halifax sent Mr C a letter which said that he didn't need to pay anything towards the mortgage until 2 November 2023 but that the payments included in the plan would need to be paid when the plan ends, and that Halifax would be in touch in November to work through options about repayment of the missed payments. If Mr C didn't want to go ahead with the plan he was asked to let Halifax know within the next seven days. So, although the repayment had not been directly addressed in the phone conversation, it was addressed in the letter sent to Mr C in advance of the plan starting on 1 September.

So, I'm satisfied that before Mr C went ahead with the plan that he knew that the missed payments would have to be repaid but chose to go ahead with that knowledge. On 2 November, Halifax wrote to Mr C telling him that the missed payments were £1,967.37 which he could pay all in one go if he had the money or a contact number to discuss alternative payment options. My view is that Halifax gave Mr C accurate information about what would happen to the missed payments if he agreed to the arrangement, that the missed payments would have to be repaid and after the break invited him to a discussion about how the missed payments would be repaid.

The November letter was not a demand for immediate repayment but an invitation to a discussion about how the missed payments could be repaid. So, as I say above, I believe that in the phone call in August the Halifax adviser could have been more engaged and sympathetic to Mr C who had just lost his job. But as Mr C got his payment arrangement and in my view knew the terms of it before he agreed to it, I don't find Halifax a fault and I cannot fairly uphold this complaint.

### **My final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 31 December 2024.

Gerard McManus  
**Ombudsman**