

The complaint

Mr B and Mrs B complain that Charter Court Financial Services Limited trading as Precise Mortgages didn't treat them fairly whilst they've been in financial difficulties.

What happened

Mr B and Mrs B have a mortgage with Precise since 2016. They've been having financial difficulties since about 2018. In October 2018, Precise agreed to put the mortgage on interest-only for two months to allow them to get independent financial advice due to concerns about future affordability. In early and late 2020 Precise agreed to three-month payment holidays related to the Coronavirus Pandemic. In November 2021 Mr B and Mrs B were struggling with their payments after Mr B's redundancy and at that date an income/expenditure statement showed they had an income deficit of £235. There was talk of a remortgage but there would be difficulties with this because of their credit history and Precise directed them to a free debt help and advice service.

In March 2022, Precise were told about the passing of Mrs B's mother and stepfather and agreed to put the mortgage for a further two months on an interest-only basis for April and May 2022. In November 2022, Mr B and Mrs B took out a new mortgage product reducing the interest rate from 7.61% to 5.9% for two years. In August 2023, Mr B and Mrs B looked for a one-month payment holiday due to illness but this was refused. In September 2023 Mr B and Mrs B applied and got a concession under the Mortgage Charter putting their mortgage on an interest-only basis for six months. This was extended for a further period because of expected redundancy pay and the expected sale proceeds from a deceased relative's home.

In June 2024, as the property didn't sell, Mr B and Mrs B applied for further three-month interest-only extension, but this was refused but later in the month, Precise agreed to accept reduced payment of £1,218.75 for three months. Precise in fact took the full contractual monthly payment of £1,625.56 by direct debit. Because of the error Precise offered compensation of £100 and to refund the overpayment. Mr B and Mrs B declined the refund offer and paid the concessionary amount for the next two payments. In November, Mr B and Mrs B requested a continuation of the concessionary payments but this was refused.

Mr B and Mrs B complained and said the bank wasn't helping them and that they wanted to continue on interest-only. Our investigator didn't recommend that this complaint should be upheld as he didn't believe that Precise had done anything wrong. Mr B and Mrs B disagree and asked for a review.

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 read the file and Mrs B's further submissions of 30 November 2024. As outlined in the

history provided above Mr B and Mrs B have been in financial difficulties more or less severe for some-time and they have turned to Precise for assistance since 2018. I can see that Precise has generally provided assistance but if not has provided reasons for not doing so related to the best interests of Mr B and Mrs B. Its not always in their best interests that Precise agree a reduced payment concession if that results in a higher payment in the future. But Precise and Mr B and Mrs B seems to have worked productively in managing Mr B and Mrs B's financial difficulties with their mortgage over an extended period until now. I can see that Precise made an error in taking more than it should have done in one month when a concession had been arranged. But it recognised that error and offered a refund and compensation which we would expect it to do.

I can see the difficulties that Mr B and Mrs B face, but I also recognise that Precise must balance any short-term relief by way of lower payments that Mr B and Mrs B get with the longer term impact of an increase in payments in the future and arrears affecting their credit file if the contractual monthly payments aren't being met. I understand the present issue is that Mr B and Mrs B would like to put the mortgage on interest-only for a further period. Mr B and Mrs B are hopeful that when her deceased mother's house is sold that it will release monies to pay off any arrears that accrue.

The difficulty that Precise have faced in considering this proposal is that the house has been on the market for some time and no word of a sale although a new estate agent had been appointed in early 2024 after it previously failed to sell at auction. It is a difficult house to sell for whatever reason. So, it's understandable that Precise don't want to accept a proposal when there is, as yet no definite prospect of the house selling. If Precise were to accept reduced payments now with no prospect of monies coming from the sale of the property and with no increase in income, it will mean higher unaffordable payments in the future. The problem would only be postponed. So, I can't criticise Precise for not agreeing to the proposal.

To date I believe that Precise has achieved that balance of fairness in its treatment of Mr B and Mrs B whilst I also see that Mr B and Mrs B are working hard to meet their commitments. So, my view is that to date apart from taking the monthly payment in error that Precise has met the standard we would expect in dealing with Mr B and Mrs B in their financial difficulties. I would remind Precise of its continuing obligation to assist Mr B and Mrs B. I note that Mr B and Mrs B are talking to a broker about a longer-term solution, and I will leave that to them to pursue. But for the reasons set out above I can't 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 B and Mrs B to accept or reject my decision before 14 February 2025.

Gerard McManus
Ombudsman