

## **The complaint**

Mr G complains that Bank of Scotland plc trading as Halifax broke their contract with him by allowing his ex-wife to take advantage of the Mortgage Charter scheme.

## **What happened**

Mr G and his ex-wife have separated. Their home was mortgaged to Halifax and Mr G left it in December 2023 after, he says, suffering a prolonged period of domestic abuse. Mr G says his ex-wife won't sell him the house or allow the house to be sold and is not cooperating with the divorce process. Mr G's ex-wife applied to transfer the mortgage to interest-only for six months under the Mortgage Charter which Halifax agreed to. Mr G contacted Halifax before the end of the six month period and asked them to transfer it back to repayment but it continued on interest-only. Mr G believes that Halifax is facilitating his ex-wife whereas it should be assisting him to move matters forward and get the house sold.

Halifax says that it processed an online application for the mortgage to be transferred from repayment to interest-only under the Mortgage Charter in March 2024. It says that there is a section in the online request form where it needs confirmation that all account holders have given permission for the request to go ahead and as the online form was completed it appeared that Mr G's consent was given. But it agreed that it should have texted Mr G when the interest-only facility had started but didn't and for failure of this service paid Mr G £80. Our investigator didn't recommend that this complaint should be upheld as he believed that Halifax had acted fairly. Mr G disagreed 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'm sorry to read here of the personal circumstances that Mr G finds himself in. My role here is to decide whether Halifax did something wrong. Most lenders introduced the Mortgage Charter with the support of the government to assist householders faced with increases in the cost of living. I understand that Mr G's ex-wife applied for a transfer of the mortgage from repayment to interest-only for six months under this scheme. This was a concession that Halifax could provide which meant that Mr G's ex-wife, who was paying the mortgage, would be paying less than the contractual monthly payment for that period and the credit file of the mortgage holders - which included Mr G - would not be affected. Halifax understood from the documentation it received that the application was made on behalf of both mortgage holders and so it's understandable that in the circumstances that it would grant the application. At a later stage however, it became clear that Mr G did not support the application, but Halifax allowed Mr G's wife to make the reduced payments for the remainder of the six-month period.

Mr G says that Halifax was in breach of its contract with him to require payment of the contractual monthly payment. The Mortgage Charter was a government supported scheme whereby lenders could agree, as in this case, not to require the full contractual monthly payment for a short period. This was a concession by Halifax whereby it accepted something

less per month than it could have demanded. That doesn't bring the contract to an end merely that Halifax accepts lesser payments for a period. As I say the assumption was that it was requested by both Mr G and his wife and so I can't fault Halifax for providing this relief under the Mortgage Charter as it appeared both parties requested it. I note that after the Mortgage Charter concession had been granted and running for several months and Mr G objected that Halifax considered withdrawing it but didn't and I also understand why that would be if Halifax had already committed itself to providing the concession for the six-month period. To do so could be unfair to the party that it had promised the concession to and was reliant on it.

Mr G says he didn't want it but even if he didn't what detriment did he suffer as a result of his concession? If his ex-wife was unable to meet the full contractual payments as they fell due it would have had an effect on his credit file. But as the application was made under the Charter, Mr G's credit file wasn't going to be affected. On the other hand, had the concession been refused and Mr G's ex-wife had been unable to pay the full contractual monthly payment, his credit file would certainly have been affected by the joint mortgage falling into arrears. So, there was a benefit to Mr G in the application being approved. I note that Mr G says he's in a position to purchase a property and his ex-wife isn't, so not having arrears showing on a credit file is a significant benefit that Mr G would likely be without had the concession not been granted.

There is a bigger picture here as Mr G and his ex-wife as they are involved in divorce proceedings which Mr G says are being held up by the non-cooperation of his ex-wife. Mr G believes that if Halifax had not granted the concession, it would have forced his ex-wife into arrears and brought forward a repossession of the property. I can understand Mr G's frustration with the slow process of bringing the marriage to a conclusion.

But it's the divorce that will decide whether the property is sold or not and the speed of that process is not the fault of Halifax. Whilst Mr G isn't paying the money that is due to Halifax and his ex-wife is, it doesn't automatically mean that her failure to pay the money will lead to a repossession of the property. As Mr G knows, repossession is a last resort and there are many regulatory and legal hurdles that a lender will have to cross before it can do so and of course like any lender it can come to accommodations with its borrower accepting late or reduced payments for a period without repossessing the property. That commonly occurs. So, I can't fairly say that Halifax has done anything wrong and I don't uphold this complaint. Finally, I note that as a service issue, Halifax should have texted Mr G when it granted the Mortgage Charter concession and paid him £80 for its failure to do so which I consider appropriate.

### **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 G to accept or reject my decision before 5 February 2025.

Gerard McManus  
**Ombudsman**