

## **The complaint**

Mrs M says it was unfair for Charter Court Financial Services Limited trading as Precise Mortgages to report a default to the credit reference agencies regarding her buy to let mortgage. She asks that it removes the default.

## **What happened**

Mrs M had a buy to let mortgage with Precise on an interest only basis. The term expired in October 2019 with an unpaid balance. In late 2023 Precise appointed Law of Property Act (LPA) receivers and reported a default to the credit reference agencies. The mortgage was repaid in April 2024.

Mrs M says it was unfair for Precise to record the default. She says despite being seriously ill she kept Precise informed of her efforts to repay the mortgage. Mrs M says she was assured she wouldn't suffer any penalties once the mortgage was repaid.

Mrs M has a serious health condition and says she wants her reputation, good name and access to credit restored before she dies. She says the default has prevented her re-mortgaging one of her other buy to let properties.

Our investigator said Precise had forgone interest and exercised forbearance over several years. He said ultimately it was entitled to take steps to recover the debt. Our investigator said the default recorded on Mrs M's credit file wasn't inaccurate or unfair.

Mrs M didn't agree and asked that an ombudsman re-consider the matter. She provided a copy of a letter she sent to the directors and senior executives at Charter Court Financial Services Limited.

## **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.

The term of Mrs M's mortgage expired in October 2019. Precise had written to her earlier in 2019 to remind her of this. It wrote to her after the term expired saying that it had the right to take action, including appointing a receiver or taking possession of the property.

Mrs M and her broker were in regular contact with Precise about repaying the debt. Over the course of the next few years Mrs M said she was looking into various options, which included refinancing the debt, selling or mortgaging one or more of her other properties or selling the security property. Nonetheless, the debt remained outstanding in late 2023, some four years later.

Precise says it took action in late 2023 because Mrs M hadn't provided a clear plan for imminent repayment of the debt. It was also concerned that the remaining term of the lease (the property was leasehold) was diminishing so as to impact the value of its security. Precise had written to Mrs M in July 2023 saying that it would take action if it didn't have an

update on the position with the lease and repayment of the mortgage within six weeks.

In the circumstances, I think it was fair and reasonable for Precise to take action in late 2023 to recover the debt.

Precise sent a final demand in early October 2023 asking Mrs M to repay the mortgage balance within 15 days. While Mrs M says this wasn't feasible, I need to take into account that the debt had already been outstanding for about four years.

The final demand said if Precise took possession of the property or appointed LPA receivers it would report this to the credit reference agencies. Precise instructed LPA receivers in November 2023 and sent written confirmation of this to Mrs M in December 2023. It recorded a default on Mrs M's credit file with a default date in January 2024.

Mrs M says she didn't receive all of the letters sent by Precise and it made some errors. She says Precise's letter saying it had instructed LPA receivers suggested this was due to arrears of £20. She says when she asked Precise about the default recorded on her credit file it initially said the property had been sold, which wasn't right. While I understand Mrs M's frustration, these issues don't change the overall outcome of this complaint. Mrs M was aware that she owed the mortgage balance and this has been outstanding for some years.

Letting property is a business. Buy to let mortgages are not regulated. Precise didn't have to offer support to Mrs M in the same way as for a regulated residential mortgage. Nonetheless, Precise agreed to hold action to allow Mrs M time to look into her options to repay the debt. I think it responded fairly when it was told it about Mrs M's serious health conditions, and to take account of difficulties during the Covid-19 pandemic, by allowing Mrs M additional time to redeem the account. In March 2023 Precise agreed to apply interest at 0%, backdated to the mortgage term expiry in October 2019. This benefitted Mrs M by about £100,000.

I don't think Precise treated Mrs M unfairly. Precise allowed Mrs M four years to arrange for the mortgage to be repaid before taking action to recover the debt. Precise instructed LPA receivers after writing to Mrs M saying it would take action and report this to the credit reference agencies. I don't think the default recorded on Mrs M's credit file is inaccurate or unfair. In the circumstances, I don't think it's fair and reasonable in the circumstances to require Precise to remove the default from Mrs M's credit file.

### **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 Mrs M to accept or reject my decision before 4 April 2025.

Ruth Stevenson  
**Ombudsman**