

## **The complaint**

Ms L and Mr R's complaint is about a mortgage they have with Bank of Scotland plc trading as Halifax. They are unhappy that despite them having asked for a breathing space, Halifax's solicitors still wrote to them about legal action being pursued.

## **What happened**

Ms L and Mr R took out their mortgage with Halifax in 2007 on an interest-only basis over 12 years. They informed Halifax that they would sell the property at the end of the term to repay the mortgage.

The mortgage term ended in 2019 and it was not repaid. Ms L and Mr R asked Halifax for a term extension, which it declined. Ms L and Mr R complained about this in 2021. The complaint was referred to this Service and was considered by one of my Ombudsman colleagues in 2022. The complaint was not upheld.

Ms L and Mr R continued to make interest payments to the mortgage for some time after my colleague's final decision. However, at the end of 2023 payments began to be regularly missed and after May 2024, no further payments were made.

Halifax started legal action in November 2023 and in June 2024 the courts granted a possession order. This gave Ms L and Mr R until 29 July 2024 to repay the mortgage or leave the property. If they did not do so, they were told that Halifax could ask the court to enforce the possession order.

At the end of July 2024 Ms L and Mr R contacted Halifax asking for a statutory breathing space in relation to their mortgage account. Halifax confirmed that a breathing space, which would end on 25 September 2024, had been attached to the mortgage. This should have meant that legal activities and most contact should have been stopped. However, Halifax didn't tell its solicitors and so the solicitors sent Ms L and Mr R a letter on 14 August 2024 reminding them that a possession order had been granted and that Halifax might be taking steps to enforce that order.

On 27 August 2024 Ms L and Mr R complained to Halifax. Halifax responded in a letter of 11 September 2024. It upheld the complaint because it had not informed its solicitors that it had granted Ms L and Mr R breathing space. Halifax paid them £50 compensation for any inconvenience they suffered because of its mistake. It also confirmed the breathing space was in place until 25 September 2024.

Ms L and Mr R were not satisfied with the response and referred their complaint to this Service. When Halifax was informed, it made a new offer to settle the complaint. It offered to increase the compensation payment to £200 (including the amount already paid) and to apply a hold on the account until 31 December 2024. Halifax also confirmed that no additional legal costs had been incurred since the beginning of the breathing space.

This offer was forwarded to Ms L and Mr R, and they initially accepted it. However, despite Halifax's offer, its solicitors sent Ms L and Mr R a letter on 5 December 2024 telling them that Halifax had instructed it to enforce the possession order.

Halifax confirmed that the new breathing space had been attached to the account, but due to human error, it had been removed. Halifax confirmed the legal action had been stopped again and it apologised for the additional upset this would have caused to Ms L and Mr R. It said that it would leave it to us to fully review the situation.

Halifax then agreed a further £100 compensation payment and extended the breathing space until 17 January 2025. This offer was made to Ms L and Mr R, but they did not accept it. Ms L and Mr R said that as this was the second time the same type of mistake had been made, they thought that Halifax had been at least negligent and had possibly done it deliberately the second time. They also evidenced that Halifax had sent a field agent to their home on the same day as it sent the letter about enforcing the possession order.

Ms L and Mr R confirmed in January 2025 that they had moved out of their home in light of Halifax's intention to enforce the possession order. The mortgage was repaid on 20 January 2025.

The Investigator reviewed the complaint in full, but she considered the redress already agreed was sufficient in the circumstances. Ms L and Mr R did not accept the Investigator's conclusions. They said they thought that given they had received more compensation for the first mistake, the offer for the second was not sufficient. They asked that the complaint be passed to an Ombudsman for 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.

Halifax has acknowledged the mistakes it made in this case and so I don't need to consider whether it did anything wrong. Furthermore, both parties accepted the compensation offered for the first mistake Halifax made was sufficient in the circumstances. So I will, therefore, restrict my consideration to what Halifax needs to do to put things right in relation to the December 2024 mistake.

I can understand Ms L and Mr R's comments that this mistake compounded the previous one. They have also said that it caused them to rush the sale of their home. However, it is also clear that Ms L and Mr R were aware that the actions of 5 December 2024 were mistakes. I am also satisfied that they would have been aware that any action would not go ahead once they'd raised the issue, due to what had happened when the previous mistake had been raised. So while it is regrettable that Halifax made a second mistake, and that should not have happened, I consider the additional £100 compensation the Investigator recommended is fair and proportionate in the circumstances.

### **My final decision**

My final decision is that I uphold this complaint. In full and final settlement of the complaint, Bank of Scotland plc trading as Halifax should pay Ms L and Mr R a further £100 compensation in addition to that which it has already paid.

Under the rules of the Financial Ombudsman Service, I am required to ask Ms L and Mr R to accept or reject my decision before 2 May 2025.

Derry Baxter  
**Ombudsman**