

The complaint

Mr G complains that Bank of Ireland (UK) Plc (“BoI”) is refusing to engage with detailed arguments about the source of the funds it lent him to mortgage his property. Mr G says that without certain proofs, his mortgage must be considered void.

What happened

Mr G said that information he’d gained from the internet led him to believe that when he mortgaged his property, in 2019, BoI didn’t actually lend him real money, but, in essence, created money out of thin air. Mr G said he’d asked BoI to respond to his detailed questions about this, including showing him its internal accounts, but it wouldn’t do so. Mr G has told BoI that if it cannot answer his questions to his satisfaction, he will cease his monthly payments under the mortgage.

Mr G has shared a number of documents and online links with our service. He also summarised his own arguments as follows – *“I would like to point out that any agreement obviously hinged on the fact that the Bank of Ireland (UK) lent me real money. ... any agreement must surely be null and void if they never actually lent me any money.”*

BoI said that it lent Mr G £40,000 in 2019, through a mortgage secured on his existing property. BoI has shown our service the mortgage illustration and offer from July 2019, and Mr G’s signed acceptance of that offer, dated the same month.

BoI said the mortgage deed Mr G had signed was legally binding. Mr G had agreed to make the required monthly payments to meet that agreement, and to repay the amount required to redeem the loan. BoI said it wasn’t an option to unilaterally change or miss payments.

BoI said that if Mr G was unclear as to his obligations under the mortgage, it suggested he obtain advice from a solicitor registered to practice in England and Wales. And it said that if Mr G didn’t maintain his monthly payments, that would result in adverse credit information being reported to credit reference agencies.

Our investigator didn’t think this complaint should be upheld. He said it’s not for our service to decide whether a contract between a consumer and a business is valid or enforceable. That’s the role of the courts. Our investigator said he could look at whether funds were lent as per the mortgage offer, and whether the lender has a reasonable expectation that those funds will be repaid, in line with the agreement. He said neither BoI nor Mr G had offered evidence to suggest Mr G didn’t receive the funds specified in the mortgage agreement.

Our investigator said Mr G had agreed to make the payments under the mortgage, and our investigator thought BoI had a reasonable expectation of repayment. He said he wouldn’t ask BoI to take any further action on Mr G’s complaint.

Mr G replied to say that he was very disappointed that our service hadn’t engaged with what he considered to be empirical evidence. He wanted us to contact the author of the papers he quoted, to obtain this evidence for ourselves. Mr G said if we did that, we’d see it was glaringly obvious, unless the BoI can show otherwise, that no monies were lent and

therefore the contract is voided.

Mr G said the issue is not whether an amount appeared in his account, the issue was where did the money come from? What was the source of these funds? He said if the money didn't come from within Bol, then his mortgage agreement wasn't enforceable. He still wanted Bol to produce a ledger showing the money leaving its internal account and going into his.

Our investigator didn't change his mind. He reiterated that our service isn't deciding whether Mr G's contract is valid or not. Everything Mr G and Bol said made him think Bol did lend Mr G the funds, so it did have a reasonable expectation that Mr G would repay those funds in line with the contract he agreed to. If Mr G wanted to pursue the wider arguments about the validity of his mortgage, our investigator said he could only suggest Mr G should seek independent legal advice regarding the feasibility of progressing that issue through the courts.

Because no agreement was reached, this case then came to me for a final decision.

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 reached the same overall conclusion on this complaint as our investigator.

As our investigator noted, Mr G's arguments appear to be that, without specific evidence that he says Bol hasn't provided, he has no duty to pay this mortgage. That means Mr G would benefit from continuing to own his property, and would have had the benefit of the funds that he borrowed secured on the property, but with no requirement to pay back the money he borrowed using that property as security. At the outset, it is difficult to see how a finding which supports Mr G's arguments could be reached, in compliance with the duty upon me to be fair and reasonable in all the circumstances of the case.

Mr G has provided detailed arguments, which he says show (unless required evidence is provided by Bol) that this mortgage would be void. He has referred us to further argument, and encouraged us to engage with the online sources he has provided. But I don't think it would assist in this case for us to do so. As our investigator has already set out, our service doesn't have the power to decide whether a mortgage is void, invalid or unenforceable. This is something that a court would need to decide. I have to consider what is fair and reasonable in all the circumstances of this case.

I should set out that, from the documentation I've seen, I'm satisfied that Mr G did borrow money from Bol. So, like our investigator, I also think it's fair and reasonable for Mr G to pay this back, in accordance with the terms of the mortgage contract he entered into. That means I also think Bol is entitled to collect payment from Mr G for the mortgage loan. I note that Mr G says he intends to stop his payments, but I would be concerned that if Mr G doesn't repay this mortgage, he risks losing the property.

As our investigator set out, Mr G is free to run the arguments he has advanced to our service, and to Bol before us, in court if he wishes to do so, and a court can then reach a decision on those arguments, and indeed on the validity of Mr G's mortgage. But I don't think it would be fair and reasonable to require Bol to respond to those detailed arguments, in advance of any such court case.

I've explained that our service can only look at what's fair and reasonable, and here I do think, for the reasons set out above, that it is fair and reasonable for Bol to ask Mr G to pay it

back the loan it made to him. So I don't think it would be fair and reasonable for me to suggest, in any way, that this repayment could or should be contingent on Bol responding to Mr G's very detailed arguments on the enforceability of his mortgage. I won't ask Bol to do that now, or ask it to pay compensation for not having done so already.

I know that Mr G will be disappointed, but I don't think this complaint should be upheld.

My final decision

I don't 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 3 June 2025.

Esther Absalom-Gough
Ombudsman