

## **The complaint**

Miss E complains about her second charge secured loan, or second mortgage, with Blemain Finance Limited, trading as Together. She says that Together failed to ask her trustee in bankruptcy for payments towards the loan, and has unfairly sought to take possession of the mortgaged property.

## **What happened**

Miss E took out a second charge loan with Blemain, which now trades as Together, in 2007. She borrowed just under £100,000, repayable over a term of 25 years.

In 2014, Miss E was made bankrupt. She was discharged in 2021. During the period of Miss E's bankruptcy, the mortgaged property was taken into possession at different times by both Together and her trustee in bankruptcy, but each time it was handed back to her after payments were made.

Miss E says she has made regular payments to the loan since her bankruptcy was discharged in 2021, but in March 2023, without warning, Together said it was planning to repossess the property again and it wasn't prepared to agree to any payment arrangements.

Miss E complained about this, as well as about the level of arrears on the loan. She thought Together should have demanded some payments from her trustee, and its failure to do so had caused arrears. Together said it hadn't done anything wrong, and Miss E referred her complaint to us. The trustee in Miss E's bankruptcy said they didn't object to Miss E bringing her complaint.

Our Investigator said that Together wasn't required to ask Miss E's trustee for payments, so it hadn't done anything wrong in respect of the first part of this complaint. In respect of the second part of the complaint, the Investigator said that Together could have done more to support Miss E in March 2023.

In February 2024 the Investigator recommended that Together treat interest on the loan as frozen – that is, reduced to 0% – between March 2023 and March 2024 and treat all the payments Miss E made during that period as payments towards the capital and arrears balances. He said that Together should also pay Miss E £200 compensation and then review on a regular basis what further forbearance might be appropriate for Miss E.

Together said it has concerns about the sustainability of the loan in the long term, given the history of arrears and broken payment arrangements, and the significant off schedule balance. It nevertheless agreed to the Investigator's recommendation in order to draw a line under the matter.

Miss E said that £200 isn't enough to cover the arrears she considers Together created, and that Together has continued to treat her unfairly and has failed to support her appropriately since February 2024.

## **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 noted what Miss E has said about how Together has treated her more recently, as well as what Together has told us about the arrears balance on the loan having increased since our Investigator issued his assessment of this complaint in February 2024. I'm sorry to learn that the loan isn't back on track, but I must confirm what our Investigator has said about what I can consider in this complaint. I can only look at the period up to February 2024 in making my decision. Anything that has happened since then would need to be the subject of a fresh complaint which Together should have the opportunity to respond to before the Financial Ombudsman Service can consider it. I'll now deal with the issues in this complaint in turn.

### Together didn't ask Miss E's trustee in bankruptcy to pay the loan

There was no requirement for Together to ask the trustee for payments and I wouldn't have expected it to do so. It asked Miss E, who is its customer, for payment. It was then for Miss E to relay those requests to her trustee if she considered that appropriate – but this had nothing to do with Together.

I don't therefore consider that the loan arrears arose because Together did anything wrong in terms of this part of the complaint. If Miss E considers that the trustee should have made payments to the loan but did not do so, that's a matter for her to take up with the trustee, but it's not something the Financial Ombudsman Service can consider because the trustee isn't covered by our scheme.

### In March 2023, Together said it wouldn't agree to any further payment arrangements and may take possession action

There's a long history of arrears on Miss E's loan. Extra interest has been charged on the higher balance that resulted from missed payments, and this interest and other charges have led to a significant off schedule balance building up. By April 2023 the loan was in arrears of just over £6,700, the off schedule balance was around £58,000, and the loan balance was more than the amount Miss E had originally borrowed, with less time on the term for her to pay it off. Together told Miss E that she would need to pay just under £2,000 each month to repay the loan within the remaining term, and that amount would change if the loan interest rate changed.

Against this background I can understand why Together was concerned about the long-term sustainability of the loan. However, I agree with our Investigator that it would have been reasonable for it to have considered further forbearance when it discussed the situation with Miss E in March 2023. At that point Miss E had regularly paid more than the contractual monthly loan payment for around a year, she had offered to increase her payments further, and she was keen to avoid legal action. Together's records also show that she was vulnerable, having told it in early March 2023 that a close family member was very ill.

Given Miss E's circumstances, I don't think it was fair for Together to say it wasn't prepared to consider any further forbearance in March 2023. However, the level of interest being applied to the loan by then meant that Miss E's monthly payments were having very little impact on the loan balance.

In all the circumstances, I think that our Investigator recommended a fair and reasonable resolution, which Together has agreed to: to treat the interest on the loan as frozen between March 2023 and March 2024 and consider what if any further forbearance might be

appropriate in future, depending on Miss E's circumstances. The effect of this interest freeze is that the payments Miss E made during this period will reduce the loan balance instead of mostly going towards the interest.

I also think that £200 compensation is fair in recognition of the worry and upset Miss E was caused by Together telling her that it wouldn't offer any further payment arrangements or alternative support. I realise that this is far less than Miss E thinks she should receive, but the level of award is not related to the arrears balance on her loan; it is for non-financial loss because I've concluded that Together could have dealt with her situation better and has caused her avoidable upset.

I don't think it would be fair and reasonable to expect Together to have stopped charging Miss E interest on an ongoing or permanent basis. The addition of interest to the loan is a contractual entitlement and it's reasonable for Together to review Miss E's situation regularly to explore what options might be appropriate as a form of forbearance if she remains unable to get the loan back on track. I also don't think, having listened to the call Miss E had with a Together representative on 9 March 2023, that the representative was rude to her. While the representative didn't agree to look into further forbearance, I think he was polite and professional on the call.

Things have of course moved on since March 2024, and I understand that Miss E has missed further payments this year. I hope that she and Together can find a way forward for the loan. Together should treat Miss E fairly, but if no agreement can be reached it may decide to take legal action to recover the debt.

### **My final decision**

My final decision is that Blemain Finance Limited, trading as Together, must:

- re-work Miss E's loan balance as if interest on it had been frozen (set at 0%) between March 2023 and March 2024 inclusive; and
- pay Miss E £200 (Miss E may choose to use this sum to reduce the loan balance if she wishes).

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss E to accept or reject my decision before 13 October 2025.

Janet Millington  
**Ombudsman**