

The complaint

Mr M complains Rooftop Mortgages Limited trading as Rooftop Mortgages (Rooftop) declined his request to sell his property at less than the amount he owed on his mortgage in 2023. It agreed to a shortfall sale in 2024, but the shortfall was significantly more at this point.

What happened

Mr M had a number of buy to let properties. One property had a Rooftop mortgage secured on it.

In June 2023, Mr M emailed Rooftop to say his buy to let business was no longer viable and he was looking to sell properties. Mr M said he'd found a buyer for the property that held a Rooftop mortgage, but there would be a shortfall between what it was sold for and the amount he owed on the mortgage. Mr M asked Rooftop to agree to the sale with a shortfall on the basis that he'd also be selling another property and the equity from this sale would cover the shortfall.

Rooftop declined this and said it would require full payment of the mortgage upon sale of the property that it held a mortgage on. The sale on the other property didn't proceed so Mr M wasn't able to sell the Rooftop property either. Mr M said he felt forced to let both properties again.

In March 2024, Rooftop started enforcement action due to the level of arrears on the mortgage account.

In April 2024, Mr M asked Rooftop to hold off taking action and said he'd serve notice on his tenants and market the property again. Rooftop agreed, and the property sold, but for around £35,000 less than the asking price. This left a shortfall of over £60,000 between what Mr M sold the property for and the outstanding mortgage.

Mr M complained to Rooftop about its decision not to agree to the sale in 2023 when the shortfall was only £15,000. Rooftop didn't uphold the complaint. It said it was Mr M's decision to take his other property off the market in 2023, and it therefore wasn't responsible for the fact that his Rooftop mortgaged property couldn't be sold at the time. Rooftop added that the increase in shortfall was as a result of Mr M not making his contractual monthly payments.

Mr M referred his complaint to our Service. One of our Investigators considered the complaint but didn't think it should be upheld. Mr M didn't accept this and asked for an Ombudsman to consider his complaint. So, it's been passed to me to make 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.

The crux of Mr M's complaint is that Rooftop should've agreed to a sale with a shortfall in 2023, when the shortfall was significantly lower than it was when it eventually agreed to a sale at shortfall in 2024.

The starting point here is that there's no obligation for a lender to accept anything less than the amount that is owed under a mortgage. But Rooftop was also required to treat Mr M fairly. So that's what I've considered within this decision.

Internal contact notes provided by Rooftop show that Mr M had received an offer for the property mortgaged with Rooftop in August 2023. Mr M told Rooftop that there was likely to be a small shortfall which would be covered from the sale of another property.

Rooftop considered Mr M's request but was concerned that if it allowed the sale to go through prior to the sale of the other property, and that sale fell through, there would be no way to repay the shortfall it was agreeing to. Rooftop therefore didn't agree to the sale with a shortfall. I think these concerns were reasonable, and ultimately, the sale of the other property did fall through.

Mr M made offers for Rooftop to add charges to other properties he owned for the shortfall, but Rooftop didn't agree. Again, there was no obligation for it to do so. Because of this, Mr M told Rooftop he'd decided to try to let both properties again.

Mr M has said he was forced into this action by Rooftop. But I can't agree. It wasn't Rooftop's fault that the other property sale fell through. Mr M could've remarketed this and kept the Rooftop mortgaged property marketed in the hope that both would sell, but he chose to try to rent the properties out instead and take both off the market.

As I've said, the key point Mr M is making is that had Rooftop agreed the shortfall sale in 2023, he'd have a significantly lower shortfall to repay. However, Mr M is using the benefit of hindsight for this. And I can't do so when making my decision. I need to consider, in isolation, whether Rooftop's decision in 2023 not to allow a sale at shortfall, knowing what it knew at the time, was fair. And I think it was.

Mr M has said that Rooftop not agreeing to the shortfall sale in 2023 led to a much higher shortfall. But it seems to me that the majority of the increased shortfall is because Mr M didn't continue to make payments towards the mortgage. This, combined with the fact that Mr M received a lower offer for the property when he sold it in 2024, is what caused the majority of the increase in the shortfall. These are factors outside of Rooftop's control, and not something Rooftop could've considered at the time of its decision in 2023.

Despite Mr M's assertions that Rooftop should've been able to predict the fall in the property value, I don't agree. Nor could it have known that Mr M wouldn't continue to make any contributions towards the mortgage.

In 2024, the situation and level of arrears had significantly changed. Rooftop had clearly decided that there was very little chance of Mr M bringing the mortgage back on track which is why it had initiated legal action. By agreeing to Mr M selling with a shortfall in 2024, further costs of receivers and solicitors have been saved. I don't consider this unreasonable.

I do take on board Mr M's point that Rooftop could've agreed this a year previously. But, as I've said, this is using the benefit of hindsight. And at that point, it was Mr M who was looking to dispose of his portfolio and did have other properties he could sell to repay the shortfall.

Whilst I recognise Mr M feels very strongly about this matter. Rooftop was entitled to decline the shortfall sale in 2023, and it was fair and reasonable for it to agree to this in 2024 when the level of arrears reached the amount it did.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 11 November 2025.

Rob Deadman
Ombudsman