DRN-5590016

The complaint

Mr and Mrs D complain that Rooftop Mortgages Limited has treated them unfairly in relation to Buy-to-let (BTL) mortgages.

They say that Rooftop didn't let Mrs D know about important information to do with the mortgages, and that this led to LPA Receivers (LPAR) being appointed. They also say that Rooftop still won't provide important information about the accounts, following the appointment of the LPAR.

What happened

Mr and Mrs D hold two joint BTL mortgages with Rooftop. Both accounts were in arrears and Rooftop's records show that it issued final demand letters in August 2023, setting out the status of each account and saying that, if the accounts weren't brought up to date, an LPAR would be appointed.

In September 2024, Mrs D attempted to raise a complaint with Rooftop by e-mail, about the appointment of the LPAR. She said that Rooftop hadn't provided her with any paperwork or notification about the appointment of the LPAR, and that instead Rooftop had only corresponded with Mr D.

Rooftop responded to the e-mail to say that the e-mail address used wasn't verified. It asked Mrs D to provide some personal and account information and said that, upon receipt of that information, it would be able to review the issues raised.

Mrs D responded to say that Rooftop was obliged to investigate her concerns and reply within eight weeks. She provided the property addresses, but not the other information that Rooftop had requested. Rooftop eventually responded not upholding the complaint. It said it had sent Mrs D correspondence over time, first setting out the arrears on the account, then issuing a final demand, and finally confirming that an LPAR was being appointed.

It also said it had acted reasonably in seeking to verify Mrs D before dealing with the issues raised, and provided a statement of fees for both of the joint accounts, as well as two accounts in Mr D's sole name.

Mr and Mrs D referred their concerns to the Financial Ombudsman Service. An Investigator here issued an assessment of the case. In summary, they said they could see Rooftop had sent correspondence to Mrs D at one of the mortgaged property addresses, because previous correspondence sent to Mrs D at the correspondence address on file, had been 'returned to sender'. The Investigator considered this to be reasonable.

The Investigator also said that Rooftop had been entitled to appoint an LPAR when it did, and that, although the LPAR had been appointed by Rooftop, it was acting on behalf of Mr and Mrs D. As such, Mr and Mrs D would need to contact the LPAR if unhappy with any of the fees applied to the mortgage accounts.

The Investigator said they couldn't consider the concerns raised about how Rooftop had responded to the complaint Mrs D was trying to raise, because complaint handling isn't something that falls within our remit.

Mr and Mrs D disagreed. They raised several points, including that both Rooftop and the LPAR had failed to provide them with information about fees and costs. They also said Rooftop was exploiting regulatory loopholes due to the non-regulated nature of BTL mortgages. They said that these issues, amongst others, meant that Rooftop had caused there to be an unfair relationship.

They also raised concerns about 'cross-collaterisation' of properties, saying that the Financial Ombudsman Service had previously dismissed that issue, and that this was unfair.

The Investigator didn't change their outcome. They re-iterated they couldn't consider the cross-collaterisation issue, said they could see that Rooftop had provided Mr and Mrs D with information about fees and charges, and re-iterated that Mr and Mrs D would need to contact the LPAR if they disputed any of the fees and charges. They also weren't persuaded that the arguments Mr and Mrs D had raised about an unfair relationship, meant the case should be upheld.

As the matter remained unresolved, it was passed to me to decide. I asked the Investigator to write to both parties to set out my provisional thoughts on how Rooftop had responded to Mrs D's attempt to raise a complaint, and the cross-collaterisation issue.

In summary, I said that I could consider the way Rooftop had responded to Mrs D's attempt to complain, because it was ancillary to a regulated activity. But that I didn't think there was anything unfair about Rooftop's approach. This was because the e-mail seeking to raise the complaint was from an e-mail address that Rooftop didn't have on file. As such, it was reasonable for Rooftop to seek to verify that the complaint was being raised by Mrs D as an account holder, before engaging any further with the issues raised.

The information Rooftop requested to verify that the request had come from Mrs D, was reasonable. I noted that in Mrs D's reply, she included another e-mail address, which looked like it was the one Rooftop did already have. However, Mrs D hadn't provided the information that Rooftop had requested and, as such, I was satisfied it was reasonable for Rooftop to ask Mrs D to provide the information it had already requested from her.

In terms of the cross-collaterisation issue, I said that I'd found we had previously said the issue was outside of our jurisdiction, because Mr and Mrs D hadn't referred it to us within six-months of Rooftop's complaint response on the issue. But that I could see the complaint response in question didn't constitute a Final Response Letter, because it didn't include referral rights to the Financial Ombudsman Service. I said that on that basis, the Financial Ombudsman Service could consider the cross-collaterisation issue.

I said though that the issue would be dealt with under a separate complaint reference, because it was different in substance and timing to the issues dealt with in the Final Response Letter issued by Rooftop dealing with the way in which it had handled Mrs D's attempt to complain and its correspondence with Mrs D about the mortgage accounts.

I asked both parties to provide me with any submissions they wanted me to take into account on those issues, by 22 August 2025.

Rooftop responded to say it was happy to proceed as I'd suggested. Mr and Mrs D responded raising several points. They disagreed that Rooftop had acted fairly responding to Mrs D's attempt to raise the complaint. They also said that my findings hadn't addressed the broader and ongoing failure by Rooftop to provide important account information to Mrs D.

On the cross-collaterisation issue, they didn't agree it should be separated from this complaint, because it directly affected Rooftop's administration and communication with them.

They also said Rooftop's approach was in breach of regulatory requirements, including the FCA's Consumer Duty.

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.

Having done so, I've reached the same overall outcome as the Investigator, for broadly the same reasons, on the substantive issues of Rooftop's correspondence with Mrs D, and its provision of account information. On the issue of how Rooftop responded to Mrs D's attempt to raise a complaint, I still find that Rooftop acted reasonably.

Before I explain why, I want to set out the purpose of my role. It isn't to address every single point that's been made to date. Instead, it's to decide what's fair and reasonable given the circumstances of this complaint.

For that reason, I'm only going to refer to what I think are the most salient points when I set out my conclusions and my reasons for reaching them. But, having considered all of the submissions from both sides in full, I will continue to keep in mind all of the points that have been made, insofar as they relate to this complaint.

Mr and Mrs D have said that Rooftop's approach breached the FCA's Consumer Duty. However, the Consumer Duty doesn't apply to BTL mortgages and isn't a relevant consideration in this case.

<u>The cross-collaterisation issue</u>

I've noted what Mr and Mrs D said in response to my provisional findings, but I still consider it most appropriate for the issue to be dealt with under a separate complaint reference. This is because I still consider that the issue is different in substance and timing to the issues dealt with in the Final Response Letter issued by Rooftop dealing with the way in which it had handled Mrs D's attempt to complain and its correspondence with Mrs D about the mortgage accounts.

<u>Rooftop's approach to corresponding with Mrs D about the mortgage accounts</u>

In our Complaint Form, Mr and Mrs D said that Rooftop should've sent all correspondence and notices to Mrs D at her correspondence address (specifying that address).

Rooftop has provided evidence to show that letters it had attempted to send to Mrs D in June and August 2020, at that same correspondence address, were 'returned to sender'.

On this basis, I consider it was reasonable for Rooftop to send subsequent correspondence to one of the mortgaged addresses, on the basis this might then reach Mrs D (and that continuing to send correspondence to the address held on file, might be more likely to result in a data breach).

Mr and Mrs D haven't said anything to persuade me that Rooftop's approach was unfair. Alongside this, it was in any case Mr and Mrs D's responsibility to make sure they kept up with the required mortgage payments. If Mrs D wasn't receiving correspondence about the mortgages, she could have contacted Rooftop about this.

Taking everything into account, I don't uphold this element of the complaint.

The provision of information about the mortgage, including fees and charges applied

Rooftop has shown that it was sending Mrs D annual mortgage statements to the same mortgaged property address. As is usual for such statements, they included various details about the account, such as the balance, payments, fees and charges. In addition, the correspondence sent in August 2023 referred to enclosing up to date statements of the accounts. Following on from my findings above, it was reasonable for Rooftop to be sending the annual statements, and other correspondence, to that address - and means that it was providing information about the account.

As before, if Mrs D wasn't receiving correspondence about the mortgages, including correspondence setting out the balance, payments, fees and interest etc, she could have contacted Rooftop about this.

I can also see that in the Final Response Letter pertaining to this complaint, Rooftop said it was enclosing a statement of fees for the mortgage accounts. Given that Mr and Mrs D have continued to say that Rooftop (and the LPAR) haven't provided them with clear information about the account, I assume this wasn't the information they were or are seeking. However, I'm satisfied that Rooftop has provided Mr and Mrs D with information about their mortgage accounts.

Issues specifically relevant to the LPAR

I'm satisfied that under the relevant terms and conditions, Rooftop was entitled to appoint the LPAR when it did. This is on the basis that the terms and conditions allow for Rooftop to sell the property if the mortgage accounts are in arrears, and to appoint an LPAR in these circumstances. Both mortgage accounts were in arrears when the LPAR was appointed.

The terms and conditions set out that the LPAR would be Mr and Mrs D's agent. As such, if Mr and Mrs D dispute any of the charges levied by the LPAR, they would need to contact the LPAR about this. I note Mr and Mrs D have said that Mrs D hasn't received any information from the LPAR, including in relation to the property sales and how sales proceeds were applied. In the Final Response Letter pertaining to this complaint, Rooftop made the point that, up to when the complaint was made at least, the LPAR might not have had an up to date correspondence address for Mrs D.

I'm aware that Rooftop sent Mr and Mrs D a completion statement for one of the two mortgaged properties, in May 2025, as this is mentioned in a separate Final Response Letter, relating to another case being considered by the Financial Ombudsman Service. The Final Response Letter also gave an update on the status of the other mortgaged property.

Regardless, Mr and Mrs D would need to contact the LPAR if they have any questions or concerns about specific charges levied by the LPAR, or details about sales proceeds.

Rooftop's handling of Mrs D's initial attempts to raise the complaint

Per my provisional findings on this issue (which form part of this Final Decision), I consider that Rooftop's approach here was reasonable. I appreciate that Mr and Mrs D consider that Rooftop was putting in place an unreasonable barrier to raising a complaint, but I disagree.

Unfair relationship

Mr and Mrs D say that the various issues they've mentioned mean that the relationship between them and Rooftop became unfair. They've also referred to several pieces of case law, which they believe support their case.

I've considered all of this. But taking everything into account, I haven't found that Rooftop has acted unfairly, or that any of its actions have created an unfair relationship with Mr and Mrs D, so this doesn't change the outcome of the complaint.

My final decision

My final decision is that I don't uphold Mr and Mrs D's complaint about Rooftop Mortgages Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and Ms D to accept or reject my decision before 2 October 2025.

Ben Brewer
Ombudsman