

The complaint

Mrs M complains about how Topaz Finance Limited trading as Hessonite Mortgages dealt with her account when she encountered financial difficulties.

What happened

Mrs M originally had a buy to let interest-only mortgage with Northern Rock and the account was switched to Hessonite in October 2023. Before September 2024, the last payment made by Mrs M on the account was in December 2022. The property had been tenanted but according to the file notes tenants left the property in the summer of 2023 and by April 2024 had not been re-let. Mrs M was dissatisfied with how Hessonite handled her account when she suffered financial difficulties and brought the following complaints to us:

1. The lack of notice or explanation regarding the transition of her mortgage from NRAM to Hessonite, which caused confusion.
2. Hessonite's refusal to accept proposed payment arrangements despite prior acceptance of similar arrangements by NRAM.
3. Poor communication and inadequate response from Hessonite's representatives, particularly regarding her situation and the specific requirements to address the arrears.
4. Hessonite's handling of the arrears, including the appointment of a Law of Property Act (LPA) receiver, which she feels was done unfairly.
5. The business's failure to acknowledge or properly handle the vulnerability within her household, given her mother's condition and their financial difficulties.

Hessonite offered compensation of £100 for a single service failure that it identified. Our investigator felt that in general that Hessonite had done nothing wrong but that there were several individual service failures and that compensation of £200 in total would be more appropriate. Whilst Hessonite accepted our investigator's view, Mrs M disagreed and asked for a 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.

If I deal with the first point. This mortgage was, like many others transferred from NRAM to Hessonite. I've seen evidence that NRAM wrote to Mrs M on 13 October 2023 a "good-bye" letter telling her that the mortgage would be moved on 23 October 2023 and then Hessonite issued an "hello" letter dated 23 October 2023 telling her that the administration of the mortgage had moved so I'm satisfied that Mrs M was informed of the move.

The other issues relate to how Hessonite dealt with her in her financial difficulties. I've looked at the extensive file notes detailing Mrs M interactions with her lender including notes

preceding the transfer to Hessonite. From the beginning of 2023, there is a great deal of interaction between the lender and Mrs M. From my reading of the notes the lender's staff deal with Mrs M with a great deal of sensitivity, paying attention to previous notes on the file which notes that she is a person with vulnerabilities. I can see that the lender had a great deal of difficulty trying to see how Mrs M could come to a plan to deal with her arrears. I note that over a period of many months it was looking for an income/expenditure statement which it was unable to obtain. I note that the lender was understanding about the difficulties Mrs M faced in providing such an account and gave her an extended period of time to produce one.

But in the meantime, the arrears continued to build. The last payment on the account was in 2022 and the notes indicate that the property was untenanted and there was no workable plan to get the account back on track. Mrs M believes that she was treated differently when Hessonite took over the account. But if I look for instance at a file note of 31 January 2024, I see that the lender is still looking for an income/expenditure account and the Hessonite member of staff dealing with the account tells Mrs M that if she has any problems to give them a call. It wasn't until March 2024 that the lender had a full picture of the income/expenditure, and the notes read that there was a very high negative disposable income, the property wasn't yet let and work still needs to be done and there is no affordability to pay the contractual monthly payments apart from the arrears. Mrs M was told that on those figures an agreement to pay was not possible and that litigation was a possibility. In April I see that Mrs M suggested her and her son would submit a business plan that would allow them to pay off the account. I note that at that point the account was £70,696.18 in arrears. Hessonite wasn't satisfied with the business plan submitted by Mrs M and her son. Hessonite later appointed a LAPR to manage the property.

Did Hessonite act reasonably in its dealings with Mrs M? As I say I've looked at the file in detail and my view is that it did. Despite not receiving any payment since late 2022, it worked sensitively with Mrs M to understand her financial situation and see whether there was any possible solution to address the arrears and put the account back on track. The lender was sensitive to Mrs M's difficulties in producing an Income/expenditure account but when this was received it did not show that there wasn't affordability to address the arrears and make the monthly payments. I note that Mrs M and her son wrote to Hessonite on 5 April providing very general information about their hopes for income from a business in the future. The letter refers to an imminent agreement for an unnamed project with an unnamed major organisation and for payment sometime in the future upon commencement of the project.

But Hessonite didn't consider that this plan provided a reasonable basis for moving forward and I can't fairly disagree with that assessment. I have no doubt that Mrs M and her son had hopes for their business in the future, but I understand why Hessonite don't consider from information provided that it provided a realistic plan to pay off this mortgage account. Given that the arrears were now in excess of £70,000 a I don't consider that it was unreasonable of Hessonite to appoint an LPAR to the property.

So, when I look at Mrs M's complaints, I don't consider that in general Hessonite did anything wrong. I acknowledge that there were specific instances as set out in our investigator's view where Hessonite's service fell below the expected standard which it maintained more generally including a call on 2 April where the Hessonite staff member failed to be clear about what evidence Mrs M was required to produce. These instances would have caused Mrs M some distress and inconvenience and I consider that the figure our investigator suggested of £200 is fair compensation for this. On that basis I am upholding this complaint. I also note that Mrs M has other complaints about the lender which do not form part of this complaint and are not addressed here.

Putting things right

Topaz Finance Limited trading as Hessonite Mortgages should pay Mrs M £200.

My final decision

I uphold this complaint in part and require Topaz Finance Limited trading as Hessonite Mortgages to pay the redress set out above,

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 16 October 2025.

Gerard McManus
Ombudsman