

The complaint

Mr O's complaint is about a buy-to-let (BTL) mortgage, originally taken out in 2008 with another lender, but transferred to Topaz Finance Limited trading as Siberite Mortgages in 2019.

Mr O says that the valuation of the property carried out in May 2007 was negligent, as it was too high. When he came to sell the property in 2023 it was worth far less than he paid for it, and Mr O is unhappy that Topaz is pursuing him for the shortfall debt. Mr O is also upset at the tone of the correspondence he's had from Topaz, saying it is threatening and has caused him distress.

To settle the complaint, Mr O wants the shortfall debt of about £50,000 to be written off.

On 17 June 2025 I issued a decision in which I explained that the complaint about the valuation in 2008 had been brought too late for us to consider. This decision is about the other parts of Mr O's complaint, which I am able to consider.

What happened

I don't need to set out the full background to the complaint. This is because the history of the matter is set out in the correspondence between the parties and our service, so there is no need for me to repeat the details here. In addition, our decisions are published, so it's important I don't include any information that might lead to Mr O being identified. So for these reasons, I will instead concentrate on giving a brief summary of the complaint, followed by the reasons for my decision.

In 2008 Mr O purchased a BTL property with an interest-only mortgage through another lender, borrowing just over £105,000 over a term of 20 years on a purchase price of £118,000. The mortgage was taken over by Topaz in July 2019.

Mr O has told us that the rental income and capital growth generated by the property was intended to supplement his pension when he retired. Unfortunately, the property depreciated in value and the rent was insufficient to cover the monthly mortgage repayments. In 2022 Mr O approached Topaz to seek its agreement to him selling it for £70,000 (with about £113,000 outstanding on the mortgage). Topaz agreed to the sale, which completed in April 2023.

Topaz received just over £62,500 from the net proceeds of sale towards redeeming the mortgage. This left a shortfall debt of about £49,000. Topaz was in contact with Mr O about payment of the debt, with Mr O initially paying £100 per month towards this, until January 2024 when he told Topaz this was no longer affordable. Mr O started to pay £50 per month instead.

Topaz asked Mr O to complete an Income and Expenditure assessment (I&E). Mr O did so, and offered £30 per month. After considering the I&E, it appeared to Topaz that Mr O's proposals, whether £30 or £50 per month, were unaffordable due to his expenditure greatly exceeding his income. Topaz needed further information in order to consider Mr O's

proposals. Topaz also made Mr O aware that it might instruct a field agent to visit him to discuss his circumstances. In addition, Topaz made Mr O aware of the potential for legal action in the event agreement couldn't be reached about repayment of the debt.

Mr O was unhappy about this and, through his MP, complained. In its final response Topaz explained that it was trying to reach a resolution with Mr O, but that payment proposals needed to be affordable, which is why Topaz needed further information about Mr O's I&E. Topaz also explained that it needed to explain to Mr O the options available to it in relation to recovery of the debt.

Dissatisfied with Topaz's response, Mr O complained to the Financial Ombudsman Service, not just about Topaz's actions on the shortfall debt, but that the valuation carried out in 2007 was inflated. An Investigator looked at what had happened. She explained that we couldn't consider the complaint about the valuation, as it had been brought more than six months after the final response letter issued by Topaz.

In relation to Mr O's complaint that he was being harassed by Topaz over the shortfall debt, the Investigator reviewed all the contact between Mr O and Topaz after the property was sold. Having done so, whilst she acknowledged this had caused Mr O some distress, she was satisfied that Topaz's contact with Mr O was reasonable in the circumstances.

Mr O asked for an Ombudsman to review the complaint. He made detailed submissions, but these were largely about the valuation carried out in 2007.

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.

In relation to the 2007 valuation, I confirm I've revisited my decision issued on 17 June 2025. Having done so, I see no reason to change my conclusion that this part of the complaint is out of time. I will therefore make no further comment on this.

Turning now to Mr O's complaint that he's been threatened and harassed by Topaz for payment of the shortfall debt, I've reached the same conclusion as the Investigator, for broadly the same reasons.

I've reviewed the contact notes and the correspondence between Topaz and Mr O about his proposals to repay the shortfall debt. Topaz had concerns about the information in the I&E, as this appeared to show Mr O's proposal of £30 per month wasn't affordable, despite the fact that Mr O was paying £50 per month. As a result, Topaz wasn't able to put a payment arrangement in place.

The tone of the correspondence from Topaz, whilst I accept it was upsetting to Mr O, does not in my opinion amount to threats or harassment. The correspondence is in line with Topaz's regulatory obligations to ensure that a customer is not placed in financial hardship in relation to payment proposals that, on the face of it, appear to be unaffordable. Topaz is also required to explain the options it has to recover a shortfall debt (including legal action), the implications of the debt on Mr O's credit file and that a field agent might be instructed.

In the circumstances, I'm unable to find Topaz has done anything wrong.

I know this isn't the outcome Mr O was hoping for. He'd bought the property in the hope that it would be an investment for his future retirement. Unfortunately that didn't happen, and in the global financial crash that happened from September 2008 onwards, Mr O's investment

lost much of its value, something outside the control of Topaz. I can fully empathise with Mr O that what he had hoped would be a way of providing income in his retirement has now resulted in him owing £50,000 to Topaz.

Mr O might find it helpful to speak to an independent financial adviser about his options for repayment of the shortfall debt. He can find details of financial advisers on the Financial Conduct Authority website at <https://www.fca.org.uk>. Mr O also has the option of discussing his situation with one of the free debt advisory services such as StepChange, Citizens Advice or Shelter. We can provide Mr O with contact details of those agencies, if he would like us to.

My final decision

My final decision is that I don't uphold this complaint.

This final decision concludes the Financial Ombudsman Service's review of this complaint. This means that we are unable to consider the complaint any further, nor enter into any discussion about it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 17 July 2025.

Jan O'Leary
Ombudsman