

The complaint

Mrs P complains that her second charge secured loan was mis-sold and irresponsibly lent for several reasons. She also complains about the recent administration of the loan, including the steps Swift 1st Limited trading as Swift Advances is taking to pursue repayment of the debt.

What happened

Mrs P and her late husband, Mr P, took out a loan in 2007 with a lender I'll call Lender W. They borrowed around £31,855, which included the cost of added insurances. The loan was to be repaid over a term of 180 months.

Unfortunately, Mr P passed away a short time after the loan began and Mrs P was often unable to make the contractual monthly payment in full or on time. The lender stopped charging interest to Mrs P's loan in 2011 and Mrs P last made a payment to the loan in 2013.

The loan was transferred from Lender W to a different lender, which I'll refer to as Lender C, in 2018. Around five years later, in April 2023, the loan was transferred to Swift Advances plc which appointed Swift 1st Limited to administer the loan on its behalf.

Swift 1st attempted to contact Mrs P after it took over administration of the loan. As it couldn't reach her, it wrote to her in September 2024 and said it would instruct a field agent to visit the property the loan is secured against. Following this, Mrs P asked Swift 1st questions about the debt including asking it to show it was legally authorised to collect it. Swift 1st cancelled the field agent visit and responded to Mrs P's queries. A short time later, Mrs P raised a complaint.

Swift 1st said some parts of Mrs P's complaint were time-barred as they have been raised too late. And it didn't think it, or the predecessor lenders, had acted unfairly so it didn't uphold the other parts of Mrs P's complaint. Mrs P didn't agree and asked the Financial Ombudsman Service to look into her complaint.

Our Investigator said we can't consider Mrs P's concerns about the sale or other actions of Lender W in a complaint brought against Swift 1st. But he concluded that we can consider Mrs P's complaint about the transfer of the loan, it being changed to a mortgage, and about Swift 1st's administration of and communication about the debt. He didn't think Mrs P's complaint about those issues should be upheld. Mrs P didn't agree and she asked for an Ombudsman's review of her complaint.

I issued a separate decision setting out how the jurisdiction of this Service applies to Mrs P's complaint. In summary, I decided we can only consider Mrs P's concerns about what's happened since Swift 1st Limited trading as Swift Advances took over administration of her loan account. I'll consider the merits of those matters in this 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.

Having done so, and while I appreciate it'll come as a disappointment to Mrs P, I have to tell her that I've reached the same overall outcome as the Investigator and for broadly the same reasons.

When a borrower takes out a secured loan like Mrs P's with a lender, they agree for a charge to be taken over their property as security for the repayment of the debt. Although often referred to as a 'legal charge', this is a 'legal mortgage'. Indeed, the legal charge document signed by Mrs P when this loan was taken out shows that it was to be secured by a legal mortgage. It says the Owner (Mrs P) "...hereby charges the Property by way of Legal Mortgage..."

When Mrs P's loan was transferred to Swift Advances plc (and when Swift 1st was appointed as administrator), the existing legal charge (legal mortgage) on the property register was varied to show this. I can see that this is in line with the legal charge document. It says the lender and Mrs P "...agree that the Lender may assign the benefit of the charge to another person at its absolute discretion." It's not unusual for loan agreements to include this type of term and, generally, no further permission or agreement from a borrower is required before the loan (or legal mortgage) can be transferred to a different lender.

Overall, I don't consider Swift 1st acted unfairly when the loan was transferred to Swift Advances plc. I'm also satisfied that the way in which the loan was secured initially – by legal mortgage – has remained the same since Swift 1st took over as administrator. That is, it's still a loan secured on her property as it was from inception.

Mrs P is concerned that she's being chased for repayment of the debt now and she doesn't understand why. I appreciate Mrs P hasn't made a payment towards the loan since 2013. But I haven't seen any evidence, such as within the contact notes, that shows the loan was repaid at any point either before or after Swift 1st was appointed to administer it, or that she has been told that'd been the case.

The contact notes also show that statements continued to be sent to Mrs P over the years. I've seen a sample of those statements and they confirm, among other things, that a balance of around £35,797 remained outstanding and that the interest rate has been set to 0% since 2011. And I'm satisfied this was still the case at the point the loan was transferred to Swift Advances plc. Taking this all into account, I don't consider Swift 1st is acting unfairly by seeking repayment of the outstanding debt on the current lender's behalf.

Since Swift 1st was appointed to administer the loan, I can see it's made several attempts to communicate with Mrs P. As it was unable to reach her initially, it instructed a field agent to visit her. I don't think it acted unfairly when doing that as this is another contact method that lenders can use to reach a borrower, where other contact methods were unsuccessful – as was the case here. This instruction was cancelled, however, when Mrs P contacted Swift 1st and so the visit didn't take place. I consider that was a fair step for Swift 1st to take in the circumstances. And, overall, I'm persuaded Swift 1st has acted fairly when communicating with Mrs P about her loan.

As things stand, the agreed term of the loan ended in 2022 and there's an outstanding balance of around £35,797 which is due to be repaid. Ultimately, Mrs P needs to find a way to repay the debt, otherwise there's a real possibility that Swift 1st will seek possession of her property on behalf of the lender. I'd encourage her to engage meaningfully with Swift 1st to discuss what options might be available. In doing so Mrs P will likely need to share details of her financial circumstances. I'd expect Swift 1st to give fair and reasonable consideration to potential forbearance options. I hope that an agreement can be reached.

Mrs P may also wish to seek some independent debt and financial advice. The Investigator can provide details of free to use debt advice organisations on request.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 4 November 2025.

Keith Barnes
Ombudsman