

The complaint

Ms B complains that Bank of Scotland plc trading as Birmingham Midshires did not treat her fairly when it took possession of her home.

What happened

In 2008, Ms B took out a mortgage with Birmingham Midshires. In 2021, Ms B's account number was changed. She wasn't happy about that. She stopped making payments to the mortgage and made a complaint. We looked at that complaint in 2021.

As Ms B was not making payments to her mortgage it went into arrears. Birmingham Midshires tried to talk to Ms B about the arrears to try and work out a way to get things back on track. But Ms B did not want to discuss that with Birmingham Midshires.

Birmingham Midshires took legal action. It obtained court orders in 2022, 2023 and 2024. An eviction notice was sent in April 2024. Birmingham Midshires took the property from Ms B. In September 2024, it sold the property for £92,000.

Ms B complains that Birmingham Midshires:

- Should not have changed the account number on her mortgage.
- Acted unfairly by taking the property from her.
- Damaged her property.
- Stole her belongings when it took the property from her.
- Sold the property for less than it was worth.

The investigator said we should not look at the complaint about the account number as we'd looked at that complaint before. She did not think the other parts of the complaint should be upheld.

Ms B did not accept what the investigator said.

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.

Account number

In 2021, Ms B brought a complaint to us about the account number on her mortgage. She said that when Birmingham Midshires changed her account number, it meant she did not have a valid contract in place. And she was worried that it made her vulnerable to fraud.

We usually won't look at a complaint again after we've already considered. I can dismiss a complaint if I think it will seriously impair the effective operation of our service. That includes when we've already looked at a complaint. And I don't think there is any new evidence that would affect the outcome we reached in the previous complaint.

I don't consider we should look at the complaint about the account number again.

Repossession

Mortgage lenders should only take possession of a property as a last resort. Ms B hadn't paid her mortgage since 2021. Birmingham Midshires tried several times to speak to Ms B about the arrears, but she refused to do so. She strongly felt she'd been disadvantaged by the change in the account number.

I consider that it was reasonable for Birmingham Midshires to take legal action when it did. The mortgage was in arrears, Ms B refused to make any payments and it appeared very unlikely that things would get back on track.

The court gave Birmingham Midshires possession of the property. I can't change or overturn any order or judgment made by the court.

When Birmingham Midshires first tried to take the property from Ms B it was unable to do so. That meant it had to go back to the court and ask for another order so it could remove Ms B from the property.

I understand the eviction was very difficult for Ms B. But Birmingham Midshires was allowed to take the action it did – and it was reasonable for it to do so in the circumstances.

Birmingham Midshires had to take extra steps to take the property back as Ms B threatened to try and take the property back, that increased its legal costs. It also meant that bailiffs and security were involved. All of those things increased Birmingham Midshires costs. Birmingham Midshires was entitled to pass on any reasonably incurred costs to Ms B. It said Ms B had threatened to try and take the property back.

So it took additional steps to secure the property and employed security guards.

This is a serious step for a lender considering the costs involved – bearing in mind the relative value of the property.

I can understand why Birmingham Midshires took the steps it did. But I might have looked more into the costs it incurred had it not agreed to write off the shortfall that arose because of that.

It was reasonable for it to use its own security measures and not rely on any existing features Ms B had installed to secure the property.

Birmingham Midshires has agreed to write off the shortfall that arose because of the costs that it added to the mortgage, which were over £250,000. I consider that is a fair way to resolve any complaint about the costs of taking possession. I say that as I've found that the costs incurred by Birmingham Midshires were largely fair. They reflected the challenging nature of the repossession and eviction, along with the legitimate aim to protect the property once it had possession. The costs were always likely to be significant because of that. By writing off the shortfall balance, Birmingham Midshires has not passed on most of the costs to Ms B that it incurred because of this matter.

Overall, I consider that Birmingham Midshires acted reasonably in taking possession of the property. It was entitled to pass on the costs it incurred in doing so to Ms B. Its offer to write off the significant shortfall that arose because of the costs is a fair way to resolve this complaint.

Ms B attempted to agree a plan to repay the arrears before the property was sold, but Birmingham Midshires rejected the offer. It said it would need the arrears repaid in full and to be satisfied that the mortgage would be kept up to date in future. I consider that was a reasonable stance for it to take in the circumstances. The information given by Ms B did not support that was likely. So it was reasonable for it to decline her offer.

Damage

Birmingham Midshires has accepted that damage was caused to the property during the eviction. It appears, that the damage was unavoidable in the circumstances to allow Birmingham Midshires and its agents to take the property from Ms B, as she would not allow access to the property. In the circumstances, I do not consider Birmingham Midshires or its agents acted unreasonably. It was entitled to take the property from Ms B and had given her sufficient notice that it was going to do so.

Belongings

Birmingham Midshires gave Ms B notice that she would need to remove her belongings from her home before she was evicted. But she did not do so.

Birmingham Midshires has given us evidence that no one could access the property between the eviction date and June 2024, because there was a suspected ammonia leak at the property. But it spoke to Ms B and agreed it would send her belongings to her if she gave it an address and a suitable date. But there is no evidence that Ms B gave that information to Birmingham Midshires or its agents.

In September 2024, Birmingham Midshires moved Ms B's belongings to a storage facility. It emailed her the location, collection instructions, and a deadline of 10 October 2024 for Ms B to collect her things to do so. I understand Ms B unsuccessfully attempted to collect her belongings, but she'd not made an appointment or brought identification. Birmingham Midshires gave Ms B more time. But the items were disposed of because Ms B did not make suitable arrangements to collect them.

In the circumstances, I think that Birmingham Midshires gave Ms B enough time to collect her belongings and gave her enough information to know what she needed to do and when she needed to do it by. It would not be fair or reasonable to expect it to keep her belongings indefinitely.

Ms B also had pets at the property when it was repossessed. Birmingham Midshires told Ms B that it would deliver the pets to her, but I can't see that she ever gave it an address. Birmingham Midshires then arranged for the pets to be rehomed. While I understand why Ms B is unhappy about that, I think it is reasonable in the circumstances. It reflects the reality of the situation and the practical steps that were available to the lender.

Birmingham Midshires has offered to cover the costs of Ms B obtaining replacement documents such as driving licence, birth certificate and passport. I don't think it acted unfairly in how it dealt with Ms B belongings, so I think that is a fair offer.

Sale price

Birmingham Midshires was obliged to obtain the best possible price for the property. It sold the property at auction. That was in view of independent reports it received that due to the condition of the property it was unlikely that a buyer would be able to obtain a mortgage. In the circumstances, I think it was reasonable for Birmingham Midshires to use an auction to sell the property. It is more likely that there would be cash buyers and developers who were able to buy the property without a mortgage.

Birmingham Midshires received three independent valuations. The property sold within the estimated sale prices. I don't consider Birmingham Midshires acted unfairly in selling the property.

Conclusion

Birmingham Midshires has written off the significant shortfall balance that was in place once the property was sold. It has also offered to meet the costs of replacing any important documents such as driving licence, birth certificate and passport. And it has paid £300 for a delay in dealing with the complaint.

In the circumstances, I don't see how I could fairly require Birmingham Midshires to do any more.

My final decision

My final decision is that Bank of Scotland plc trading as Birmingham Midshires should honour its offer as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 20 August 2025.

Ken Rose
Ombudsman