

## **The complaint**

Mrs R and Mr S complain that Cambridge & Counties Bank Limited (CCBL) unfairly required them to repay a commercial loan.

## **What happened**

In 2016, Mrs R and Mr S took out a commercial loan facility with CCBL for £600,000. The loan had a fee of £12,000 that was added to the loan. The loan was secured against two properties.

In February 2024, CCBL wrote to Mrs R and Mr S. It said that a family member was in occupation of one of the properties for personal use and that was a breach of the terms and conditions of the loan. It said it *“agreed to waive your breach of the Facility Agreement on this occasion for a period of six months from the date of this letter, this will be reviewed and monitored. We still reserve the right or remedy we may have now, or in the future to take action if you are still in breach of the Facility Agreement at that point in time.”*

Mrs R and Mr S repaid the loan by taking out another loan. They complain the loan was mis-sold as CCBL told them that a family member could live at the mortgaged property. They dispute the authenticity of a letter of variation provided by CCBL. Mrs R and Mr S said that CCBL did not treat them fairly when it told them they were in breach of the agreement. They said they were left with no choice other than to remortgage.

Mrs R and Mr S want CCBL to refund the original loan fee of £12,000 and the £6,000 they said they had to pay in fees to the new lender.

I issued a jurisdiction decision. I found that any complaint about the sale of the mortgage had been made outside our time limits. But we could consider if CCBL treated Mrs R and Mr S fairly in 2024.

The investigator did not think the complaint about being pressured to repay the mortgage should be upheld.

Mrs R and Mr S did not accept what the investigator said, They responded to make a number of points, including:

- When CCBL told them they were in breach of the agreement they were given no choice other than to remortgage – recordings of the phone calls would support that.
- They were never given any alternative options.
- When they spoke to CCBL it said it could give no reassurances what would happen next, including the possibility of repossession.
- It was unclear what had caused CCBL to take action in 2024, bearing in mind the family member had occupied the property since the loan's inception.
- They were initially told to remortgage within 12 months. But CCBL later changed that to six months.

## **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.

CCBL has produced a copy of a letter of variation. It says, as relevant:

*“b. The applicants or their family will not reside in the property...whilst the loan is outstanding.*

*c. An A.S.T [assured shorthold tenancy agreement] is to be signed for the property...at the market rent advised by the valuer, within three months of the loan draw down.”*

The letter is signed by Mrs R and Mr S. They dispute ever signing the document. But I consider it unlikely that the letter of variation was not signed by them. CCBL has given us evidence to support that it needed an additional property as security for the loan to go ahead – and that it emailed the letter to Mrs R telling her it needed her and Mr S's signatures before it could proceed.

I consider it unlikely that CCBL would have falsified the letter of variation and/or Mrs R and Mr S's signatures. I consider it more likely, on balance, that the letter of variation is a true copy of a document signed by them. I do not see why CCBL would have proceeded with the loan without Mrs R and Mr S's signed acceptance of the letter of variation.

We are an informal dispute resolution service. It is not unusual for us to receive and to rely on electronic copies of documents. In my experience the majority of businesses we deal with store documents electronically. So I do not think the way CCBL has presented that document would make any difference to my findings or mean the letter is “inadmissible”

Mrs R and Mr S do not dispute that a family member was living in the property. I am satisfied that was a breach of the terms of the loan. It was reasonable for CCBL to look for Mrs R and Mr S to remedy the breach. I can't see that CCBL would be obliged to offer Mrs R and Mr S any further support or options.

Even if I accept everything Mrs R and Mr S have said, I do not think that CCBL treated them unfairly. Repossession was a possible outcome in view of the breach of contract. It was therefore reasonable for CCBL to mention that as a possibility if the breach was not remedied.

I think six months was a reasonable timescale to allow Mrs R and Mr S time to review their options. I'd note that as they were able to refinance the loan in that timescale it would be difficult for me to say that it was unreasonable or unfair. Of course, if they did not do so then it would have been reasonable for CCBL to review things at that point, but that was not necessary.

I understand why Mrs R and Mr S are unhappy that they incurred the cost of refinancing – particularly when the breach had been ongoing since the inception of the loan. But I don't think that would mean that it was unfair for CCBL to take the action it did.

**My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R and Mr S to accept or reject my decision before 21 July 2025.

Ken Rose  
**Ombudsman**