

The complaint

Mr M complains that Platform Funding Limited treated him unfairly regarding his mortgage arrears. His representative asks that Platform accepts his proposal to clear the arrears.

What happened

Mr M took out an interest only mortgage with Platform in 2005.

The security property is leasehold. In late 2022 solicitors acting for the freeholder wrote to Platform about service charge arrears, enclosing a copy of a county court judgement and Law of Property Act 1925 section 146 notice. If the debt remained unpaid the freeholder could potentially take action to forfeit the lease. Platform says it had paid Mr M's service charge arrears on multiple previous occasions.

Platform wrote to Mr M asking him to pay the arrears. It said if Mr M didn't make the payment it would start action for possession. Mr M didn't make the payment and in early 2023 Platform paid the service charge arrears to protect its security. It started possession action.

Platform was granted a full possession order in October 2023, requiring the full mortgage balance to be repaid. Platform says Mr M didn't respond substantively to it regarding repayment of the mortgage. An eviction date was set for mid-June 2024. However, the bailiffs discovered there were tenants in the property who refused to leave.

Mr M contacted Platform. He said he'd started a new job and he'd be moving back into the property once he'd finished his probation period. He said family would help him to clear the arrears. Mr M said he'd had problems contacting Platform to provide income and expenditure information due to his working hours and Platform's team being unavailable. When Mr M did provide income and expenditure information, Platform said this didn't show affordability.

An eviction date was set for mid-August 2024. Just before this, Platform received an email from Mr M's representative to say Mr M was in breathing space for two months. The breathing space scheme gives borrowers temporary protection from recovery action. The breathing space period ended in October 2024.

Mr M's representative asked Platform to agree a plan to clear the remaining arrears. Platform says the income and expenditure information provided didn't demonstrate affordability for Mr M to make overpayments. Platform says it's paid Mr M's service charge arrears on 18 occasions. It says Mr M is in breach of the mortgage terms and conditions in addition to being in arrears. It decided to proceed with the eviction.

Mr M says proceeding with the eviction process was unfair. He says his financial situation has changed and he's now in a position to make overpayments and agree a plan to clear the arrears within a reasonable time.

Our investigator said Mr M was in breach of the mortgage terms and conditions as well as in mortgage arrears. She said there had been numerous previous breaches of the mortgage

terms and conditions and it was reasonable for Platform to proceed to eviction.

Mr M's representative didn't agree. He asked that this service consider whether Platform's decision to evict Mr M was fair and necessary. He said Mr M can now afford to make payments to clear the arrears and has been making overpayments which will clear the mortgage arrears and service charge arrears within 14 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.

Mr M's representative says Mr M doesn't dispute that it was fair for Platform to pay the overdue service charge arrears. He says he's not asking us to consider whether Platform should have taken action for possession or question the court's decision to issue the possession order.

The issue Mr M would like us to consider is whether it was fair and necessary for Platform to proceed to eviction when Mr M was in a position to remedy the breach. Mr M's representative says Platform should treat the overdue service charge arrears in the same way as the mortgage arrears and agree a plan to repay the total arrears.

Platform sent its final response to Mr M in October 2024, responding to the complaint that was brought to us in December 2024. I have to consider whether Platform acted fairly up to that point. Platform put further action on hold while the complaint is with us.

The court issued an order for possession by 31 October 2023, with judgement for Platform for the full mortgage balance outstanding at that time. If Mr M didn't leave the property by the end of October 2023, Platform could ask the court to authorise a bailiff to evict him. Platform tried to contact Mr M to ask about his proposals to repay the debt.

I don't think it was unfair for Platform to start the eviction process in 2024. I think Mr M had reasonable time to contact Platform with repayment proposals after the court issued the possession order and before the first eviction date was set.

Mr M had mortgage arrears of about £4,500. In addition, in early 2023, Platform had paid overdue service charges of about £8,000 on his behalf, to avoid the risk of the lease being forfeited. It says it had done this on 18 previous occasions. Platform was concerned that Mr M might not maintain payments owed to the freeholder – which seems a reasonable concern in the circumstances – and this would erode his equity in the property. The balance of Mr M's mortgage had increased by about £19,000 since he took it out. Platform said Mr M breached the mortgage terms and conditions by failing to maintain payments to the freeholder.

An eviction date was set for mid-June 2024. The bailiffs discovered tenants in the property who refused to leave. The eviction was cancelled to give the tenants time to leave the property.

I can't fairly find that it was unfair for Platform to continue with the eviction process after this. Mr M contacted Platform to say he'd found a job and offered to make payments. However, Platform says the income and expenditure information he provided didn't evidence this as affordable.

The eviction date set for mid-August 2024 was cancelled when Platform was told Mr M was in breathing space. The breathing space period ended in October 2024.

Mr M's representative sent income and expenditure information and an arrears repayment proposal to Platform, to make an additional payment of about £430 each month towards his arrears. Platform declined to agree a repayment plan as no costs were included for food. It said the overpayments might not be affordable once food costs were taken into account.

The representative said he made an error when he missed out food costs. He said he also missed out some income. He says the corrected income and expenditure sent to Platform in mid-November 2024 does show affordability to address the arrears and Mr M had been making overpayments of £500 per month since mid-2024. The representative says these payments will clear the arrears by mid-2026.

Platform says it considered the repayment proposal, but had concerns about the number of occasions that it had paid overdue service charges for Mr M. It was concerned that the mortgage balance had increased. At that time, it didn't know if there were still tenants in the security property. Platform decided to seek a further eviction date.

I understand the points made by both parties here. Mr M's representative says it's not fair or necessary for Platform to proceed with the eviction when Mr M is able to remedy the breach. By that, he means Mr M is now in a position to maintain mortgage payments and make payments towards clearing the arrears. However, I also understand Platform's concerns, given the history of the account.

By late 2024, over a year had passed since Platform was given a full possession order. The balance owed increased during that time. Mr M's representative said that Platform wrongly allocated Mr M's overpayments to the mortgage arrears instead of the service charge arrears. Platform says that's its usual process. I don't think how the overpayments were allocated from mid-2024 changes the outcome here. Platform had already been issued a possession order for payment of the full mortgage balance.

Mr M had mortgage arrears and arrears from the overdue service charges. Platform had paid Mr M's service charge arrears on multiple occasions, and I think its concerns about Mr M failing to maintain payments owed to the freeholder were reasonable. Mr M breached the mortgage terms and conditions by failing to make payments to the freeholder and by letting out the property without Platform's consent.

Mr M's mortgage balance had increased since he took it out. From Mr M's income and expenditure information, it seems he has a second charge loan on the property. I think Platform's concerns about Mr M's equity being further eroded if he didn't maintain payments to his mortgage account and/or the freeholder were reasonable. Mr M could potentially be in a worse position if the debts secured on his property increase – especially if this puts him into negative equity.

In August 2024, after starting a new job, Mr M provided income and expenditure information to Platform which suggested repayments to clear the arrears were not affordable. Mr M told Platform his family would help him clear the arrears. While Mr M made overpayments from mid-2024, this wouldn't itself demonstrate affordability if Mr M was – as he'd told Platform – receiving support from family.

I'm sorry to disappoint Mr M. But taking all of the circumstances into account, I don't think it was unfair for Platform to start the eviction process in mid-2024 and to proceed with it in late 2024. That means I don't uphold the complaint that was brought to us, and I can't fairly require Platform to accept Mr M's repayment proposals or cancel the eviction process.

Before issuing my decision, I asked both parties for an update as to what had happened since late 2024. Mr M's representative says Mr M is living in the property. Both parties said

that Mr M has made his monthly mortgage payments and overpayments each month towards his arrears. Mr M didn't provide evidence that he's up to date with payments owed to the freeholder.

Platform put the eviction process on hold while the complaint is with us. My decision is the last stage of our process and Platform will now decide how to proceed. If Mr M has evidence that he's up to date with payments to the freeholder and that he can afford to continue to make overpayments to clear the arrears within a reasonable period, I'd urge him to provide this to Platform so that it can take it fairly into account when deciding how to proceed.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 25 July 2025.

Ruth Stevenson
Ombudsman