

## The complaint

Mr R's complaint is about Lloyds Bank PLC cancelling the assisted voluntary sale (AVS) agreement he entered into with it, as he did not agree the amount it wanted to market the property for. He says that he was told that he would have complete control of the process and so is unhappy that the agreement was cancelled for this reason. In addition, he is unhappy that there was a delay in him receiving a copy of the agreement so that he could get advice about it and its implications for him.

## What happened

In 2019 Mr R took out a mortgage with Lloyds to buy his home. In 2023 he experienced financial difficulties, which resulted in arrears accruing on the mortgage. Lloyds decided to take legal action to recover the amount that was owed to it and a court issued a possession order in April 2024.

Mr R had put his property up for sale in December 2023, but he's told us that it was not selling, so he spoke to Lloyds about its AVS scheme in June 2024. He explained to Lloyds in that call that he had originally marketed the property at £360,000. He had then dropped the asking price to £340,000 but had very few viewings and the estate agent wanted him to drop the asking price again to £325,000. The AVS scheme was explained to Mr R and information about it was sent to Mr R the following day.

Mr R contacted Lloyds again on 8 July 2024. He again wanted to discuss the AVS scheme and said that he had been unwell when he had the previous conversation, so it was not meaningful. Mr R said that he would be discussing the AVS scheme with Citizen's Advice, and while he would like to keep the property, he felt selling it was the only option. Information was again sent to Mr R on 10 July 2024.

On 25 July 2024 Mr R called Lloyds as he had received the information about the AVS scheme, but there was nothing for him to complete. It was confirmed that an application had not been started, and that process would be started over the phone and then he would be sent documents. Mr R said that he would call back to start the AVS application.

On 15 August 2024 Mr R called back to start the AVS application – he confirmed that he'd taken the property off the market. On 20 August 2024 Lloyds sent Mr R a letter, which enclosed two copies of the agreement – one to be signed and returned, and the other for his records. When Mr R later said he had not received the documents, two further copies were sent in September 2024.

Lloyds explained the AVS scheme to Mr R in both the 3 June and 15 August 2024 telephone calls. Based on the similarity of the wording used, it appears that the members of staff were using a script. Lloyds explained in both calls that:

- The scheme was offered through an asset manager, which was an independent professional to work with him and give him guidance and support through the whole sales process.
- He would stay in control of all the key decisions involved in the sales process.

- The asset manager would commission up to three valuations from estate agents to make sure the property was marketed for the right and best price.
- The asset manager would then provide him with a marketing report setting out its recommendations for marketing the property, including the asking price. Mr R would be asked to approve the marketing price.
- The asset manager could arrange for the estate agents to attend all viewings and would work with the estate agents to get as much feedback as possible from viewings.
- The asset manager would keep Lloyds up to date on the marketing and sale of the property.
- The asset manager would contact him to discuss each offer received and if Mr R agreed a sale, they would handle all the next steps, including issuing a memorandum of sale.

Mr R confirmed he'd received the agreement when he spoke to Lloyds on 3 October 2024 and he said he would return it after he's spoken to Citizen's Advice about it. There were some delays in the agreement being returned. When it was, it was unfortunately not received by Lloyds. Further copies of the agreement were sent to Mr R at the beginning of November and December 2024. It was not until January 2025 that Lloyds received the signed agreement from Mr R.

The AVS scheme was designed to provide the borrower with advice and support to sell their property, including arranging valuations and commissioning an estate agent. However, the borrower still got to make the key decisions. The agreement stated in relation to the marketing and sale of the property, that the asset manager would review the estate agents' valuations and recommend an initial asking price. Alongside this, it would select an estate agent. Mr R would be asked to accept the proposed initial asking price within 14 days of it being presented to him. If he did accept it, the property would then be marketed, however, if he did not accept the recommendation for the asking price, it was confirmed that Lloyds would have the right to terminate the agreement.

The asset manager spoke to Mr R at the end of February 2024 and explained the process to him. It then arranged for two estate agents to assess the property and provide recommendations for marketing the property with the aim of a sale being achieved within 90 days. The first estate agent proposed that the property be marketed for £300,000 with an aim to achieve a sale at £275,000. The second estate agent recommended the property be marketed for £290,000 with an expected sale price of £280,000. The second estate agent said that there were more properties like Mr R's on the market than there was demand for, which had affected its recommendation.

The asset manager proposed that the property should be marketed in line with the first estate agent's recommendations – at £300,000. It spoke to Mr R in March 2024 about this, but he didn't agree to the asking price. He considered the property should be marketed at £375,000. It was explained to Mr R that there were a lot of properties similar to his on the market at that time, many of which would be cheaper, so the property would be unlikely to sell. So marketing it at what Mr R wanted to, would result in months of the asking price being chipped away at until it reached a realistic asking price. The asset manager recommended putting the property on the market at a competitive and realistic asking price, but Mr R did not accept the advice he was given.

The asset manager contacted Lloyds on 31 March 2024 and told it about the conversation with Mr R. It asked Lloyds to consider whether Mr R was suitable for the AVS scheme as he was not willing to consider the recommendations being made to him. Lloyds cancelled the agreement the following day.

Mr R complained to Lloyds on 3 April 2025 and asked that it confirm in writing that the AVS agreement had been cancelled. He also asked Lloyds to send him a copy of the agreement

he'd signed. Lloyds did so on 8 April 2025, but Mr R said he didn't receive it. A further copy was sent to him on 1 May 2025.

On 7 April 2025 Lloyds wrote to Mr R and confirmed that if he an agreement for payment of the mortgage was not reached, it might ask the court to enforce the possession order.

Lloyds responded to the complaint on 19 April 2025. The complaint was not upheld – Lloyds highlighted that it had the right to terminate the agreement if Mr R didn't accept the recommendation for marketing the property, which is what he had done.

Mr R was not satisfied with the response and asked this Service to consider his complaint. He told us that he had entered into the AVS scheme because his property was not selling and Lloyds was threatening repossession. Mr R said that, in a conversation with Lloyds in August 2024, the details of the AVS scheme were discussed and he was told that he would have completed control of the sale, including setting the asking price.

One of our Investigators considered the complaint, but he didn't recommend that it be upheld.

Mr R didn't accept the Investigator's conclusions. He said:

- The Investigator had simply restated his points and accepted Lloyds' internal records and his account without subjecting them to independent investigation.
- The valuation discrepancy remained unchallenged, in that he had provided information relating to the marketing of other properties, which he says are similar to his in the same area, that are being marketed between £365,000 and £400,000 – significantly more than Lloyds proposed for the marketing of his property.
- The recording of his conversation with Lloyds about the AVS process was not fully reviewed in the Investigator's assessment of the complaint, and he had not considered it in the context of the process that was later imposed by Lloyds.
- The communication failures and delays in documentation were not fully addressed – Lloyds only communicating by telephone and post significantly delayed the receipt of the AVS agreement, thereby hindering his ability to seek timely legal counsel and to understand his contractual rights. The impact of the outdated communication methods was not sufficiently considered.

The Investigator considered Mr R's comments and responded to them, but he was not persuaded to change his conclusions. Mr R asked that the complaint be referred to an Ombudsman. He said that the complaint is not simply about the termination of the AVS agreement, but also about the 'structural failures in communication, misrepresentation, valuation and procedural engagement'.

### **What I've decided – and why**

As the Investigator explained to Mr R, in order for us to be able to consider a complaint, the financial business it has been made about has to be given the opportunity to consider the complaint first. As such, Mr R needs to refer his complaints about the following matters to Lloyds before we can consider or comment on them:

- Excessive interest charges.
- Data subject access request failures.
- Lloyds not taking his health situation into consideration when it decided to take legal action, and later, its decision to enforce the possession order the court had issued.
- Lloyds being unwilling to communicate by email.
- Lloyds' request for in-person visits to the property, despite the legal process being on

hold.

- Lloyds offering to remove details of Mr R's medical situation from its records, if he wanted it to do so.

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

If the available evidence is incomplete and/or contradictory (or simply disputed) we reach our findings on what we consider is most likely to have happened, on the balance of probabilities. That's broadly the same test that the courts use in civil cases.

It's for us to assess the reliability of evidence, from both sides, and decide how much weight should be attached to it. When doing that, we don't just consider individual documents in isolation. We consider everything together to form a broader opinion on the whole picture.

Our enabling legislation, the Financial Services and Markets Act 2000, provides at section 225 that we are required to resolve complaints "*quickly and with minimum formality*". We're impartial, and we don't take either side's instructions on how we investigate a complaint. We conduct our investigations and reach our conclusions without interference from anyone else. That means I don't have to address every individual question or issue that's been raised if I don't think it affects the outcome.

In reaching my decision, I will have regard for the law, regulatory rules and guidance, and good industry practice where relevant, but my overarching responsibility is to decide what is fair and reasonable in the circumstances. That can sometimes mean reaching a different outcome from what might prevail in court.

We have no regulatory function; that's the role of the Financial Conduct Authority (FCA); nor are we a consumer protection body. We're an alternative dispute resolution body; an informal alternative to the courts for financial businesses and their customer to resolve their differences. We deal with individual disputes – when we're able to – subject to rules laid down by the FCA (which are known as the DISP Rules).

Mr R has highlighted that Lloyds insisted on communicating by telephone or post, rather than his preferred method of email. As I have said above, this is not a complaint point that he has raised with Lloyds, and I won't be commenting on it. However, what I will say is that it does appear from his many reports of not receiving post, there may be an issue with the post in either his building or area. That is not something that Lloyds can be held responsible for and, it does not appear that Mr R informed Lloyds that there was a problem, so that it could consider if it could do something to ensure that he received its communications. So, if there were delays in him receiving information or documentation, such as the copy agreement he requested when he raised his complaint due to the postal problems in his building/area, that is not something I can hold Lloyds responsible for.

Mr R has said that he was assured that he would have complete control over the sale of his property under the AVS scheme. I have listened to the calls in which the AVS scheme was explained to Mr R, and he was told that he would have control over the key decisions being made. These would be the asking price and whether to accept any offer presented to him. That said, having control over the key decisions, does not mean that Lloyds had to do whatever Mr R wanted in relation to the marketing of his property. For the scheme to be effective, Mr R had to be realistic about marketing the property to achieve a sale.

Mr R has raised concern about the asking price that the asset manager recommended. Many lenders offer AVS schemes, which are designed to help a consumer sell their property, either because it is a process that they are unfamiliar with and want help, or because they

have already had difficulty selling their property and want guidance about how to achieve a sale. The valuations obtained come from estate agents, independent of the asset manager, with knowledge of the local housing market. They will be asked for realistic recommendations with the aim of achieving a sale within a reasonable period – usually around three months. The asset manager will consider what the estate agents have said and make their recommendations for marketing the property.

Mr R disagreed with the proposed marketing price the asset manager recommended, as he believes that his property is worth considerably more. I am not a property expert, and it is not for me to decide what his property was, or is, worth. However, I would highlight that when Mr R first marketed his property a few months earlier, he did so for less than the asking price he later told the asset manager he wanted it marketed at. In addition, he had so little interest in the property that he had reduced that price once and had been recommended to reduce it again. It was at this point that Mr R started to ask about the AVS scheme. This would indicate that the recommendation for the asking price made based on the local property expert's advice was realistic and appropriate.

Marketing the property at the much higher price that Mr R told the asset manager he wanted, would effectively be a case of marketing the property not to sell – the exact opposite of the purpose of the AVS scheme. The agreement said that an asking price had to be agreed between the asset manager and Mr R. It was not and so, given the circumstance where Mr R was not willing to market the property for a price that would achieve a sale, I don't consider that it was unreasonable for Lloyds to terminate the AVS agreement.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I am required to ask Mr R to accept or reject my decision before 2 December 2025.

Derry Baxter  
**Ombudsman**