

The complaint

Miss B complains that Leeds Building Society didn't allow her long enough to sell her property before it started possession action.

What happened

In November 2015 Miss B took a mortgage with Leeds Building Society ("LBS") in joint names with her ex-partner (who I'll refer to as "X").

Due to a relationship breakdown Miss B left the mortgaged property in July 2019. X remained living in the property and making the mortgage payments until October 2022 when the payments stopped.

In January 2023 Miss B told LBS that a dispute over ownership of the mortgaged property was being dealt with through the Court. She said it was her intention to obtain possession of the property so that she could sell it to repay the mortgage owed to LBS.

A hearing date was set for 27 April 2023. At the hearing, X was awarded full ownership of the property and Miss B had 60 days to sign the deeds over.

On 23 May 2023 Miss B filed an appeal. At a hearing held at the High Court of Justice on 10 July 2023, Miss B's application for permission to appeal was granted.

With no confirmed date for the appeal hearing in sight, on 8 November 2023 LBS sent the parties a letter before action. On 20 November 2023 Miss B told LBS that the appeal hearing had been listed for February 2024.

The appeal hearing went ahead on 12 February 2024. The High Court of Justice granted Miss B an order of sale.

Some months passed and Miss B said she was trying to sell the property, but X was being obstructive – he wasn't cooperating with the estate agents and other third parties. On 23 September 2024 Miss B told LBS that she had taken legal action to have X removed from the property.

LBS made several unsuccessful attempts to contact Miss B and on 31 October 2024 it informed her of its intention to start possession action. By this point no payment had been made to the mortgage for 24 months and the account was in arrears of more than £50,000.

Miss B made contact with LBS on 5 November 2024. She said that on 29 October 2024 the Court granted her a vacant possession order so she could proceed with the sale of the property. X was given until 22 November 2024 to vacate the property.

Miss B explained that X was not complying with the Court Order and that it was likely that she'd need to apply to the High Court of Justice to enforce an eviction. She wasn't sure how long that would take but she couldn't market and sell the property whilst X remained.

Miss B asked that legal action be put on hold whilst she goes through the enforcement process and completes a private sale. In mid-November 2024 LBS agreed to a two-month zero payment arrangement and a hold on possession action in light of Miss B's ongoing efforts to sell the property.

Miss B asked that the two-month concession start from when X vacated the property, so she'd have reasonable time to market and sell the property in a vacant position thereafter. Miss B's request was escalated to a panel but not approved.

Later that month LBS said that as a likely sale wasn't in clear sight, it would be starting possession action. Unhappy with this Miss B complained. LBS didn't uphold the complaint, so she brought the complaint to our service.

An investigator looked into things and didn't think the complaint should be upheld. In response to our investigator's findings, Miss B provided further evidence of her defence against LBS' legal proceedings to take possession of the property.

The information showed that X was removed from the property on 24 January 2025. LBS' possession proceedings were due to take place on 10 February 2025. Miss B appointed a solicitor to defend the possession claim and the possession hearing was adjourned until 16 June 2025 – allowing Miss B four months to market and sell the property.

The basis for the defence was that the Pre-action Protocol for Possession Claims based on Mortgage Arrears in Respect of Residential Property ("Protocol") as set out in the Civil Procedure Rules ("CPR") had not been complied with. Part of Miss B's defence included a submission that a two-month concession was unfairly refused by LBS.

Our investigator explained that under the relevant Dispute Resolution rules, known as DISP this was not a complaint that our service could consider further – because the subject matter of the ongoing legal proceedings is the same or at least consists of some overlap with the subject matter of the complaint that has been brought to our service.

The exception to this would be if the proceedings are stayed or sisted (by agreement of all parties, or order of the court) so that the matter may be considered by the Financial Ombudsman Service. LBS didn't agree to stay the proceedings. It said it had a duty of care to reach a resolution for both customers involved.

Miss B later informed our service that the hearing went ahead as planned on 16 June 2025, but the matter was adjourned for a further two months to allow Miss B to complete the sale of the property which was imminent. The sale completed on 1 August 2025 and so possession was avoided.

Ultimately this means that the court never made a decision on the subject matter of this complaint – that being whether a two-month concession from vacant possession was unfairly refused by LBS. As such this now means I can make a decision on this issue.

I note that whilst this complaint has been with our service Miss B has raised a separate complaint with LBS about what she considered to be non-compliance with the Protocol and the handling of LBS' litigation process. This is not a complaint that our service has investigated and so I won't be commenting on these matters as part of my decision.

Miss B is unhappy that LBS started legal action without allowing her reasonable time to sell the property. Although ultimately possession was delayed allowing time for a private sale, Miss B is unhappy because she says she incurred unnecessary costs as a result of LBS taking what she considers to be premature legal action.

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.

I'd like to start by saying how sorry I am to hear about the challenging time Miss B has been through. Miss B describes what sounds like a very difficult relationship with X. I truly empathise with her circumstances. I've deliberately omitted any detail relating to Miss B's personal circumstances to avoid disclosing any information in this published decision that could lead to her identification. But I can assure her that I've given careful consideration to everything she's told us when reaching my decision and I've thought carefully about whether LBS has treated her fairly given everything it knows about her circumstances.

Ultimately, a lender is entitled to expect the debt to be repaid in line with the agreed mortgage contract. In situations where a customer is in financial difficulty, a lender should act fairly towards the customer – taking into account their circumstances. The lender is expected to discuss their customer's situation with them and try to help get the mortgage back on track. Repossession should always be a last resort. And it's important that the customer also engages with the lender to keep it up to date with their situation. That said, the lender must take a balanced approach to ensure that in situations where there isn't reasonable prospect of getting the mortgage back on track and where possession is the last resort – this isn't unnecessarily delayed, which would end up costing the customer more at a detriment.

Miss B has been open with LBS about the circumstances surrounding her separation. It's clear from what she's said that there was no reasonable way of getting the mortgage back on track. All payments towards the mortgage stopped in October 2022. X refused to make payment and Miss B didn't have the funds herself, as she was paying for her own accommodation costs. Miss B's only option was to sell the property to repay LBS. It's clear she was taking proactive steps to do so but unfortunately for reasons outside of her control she was faced with challenges along the way.

Miss B is unhappy that once LBS started legal action, it wouldn't allow a two-month concession to begin from the point X was legally removed from the property. I completely understand why she feels this way. After all she was physically prevented from taking any meaningful action towards selling the property whilst he remained there. So, a two-month concession prior to X leaving the property was almost pointless in her opinion and I can understand why she felt that way.

Whilst I understand this is the core of Miss B's complaint, it's necessary for me to consider LBS' decision to not grant a deferred concession in light of the wider circumstances. Having done so, I don't think LBS acted unfairly by taking legal action when it did, I'll explain why.

LBS sent the parties a letter before action on 8 November 2023. At this point no payment had been made to the mortgage for 12 months and the account was in arrears of over £26,600. Miss B had previously told LBS that she was awaiting the outcome of a Court hearing in April 2023 to be able to take possession and sell the property. But the hearing didn't go as planned and matters had been escalated to the High Court of Justice. With no hearing date or any reasonable plans to address the arrears in sight, LBS did explain to Miss B that litigation action was likely. I think LBS allowed a reasonable time for Miss B to resolve matters through the Court before notifying her of its intention to start legal action – more than one year after the arrears began.

LBS didn't actually begin legal action until a year later in late 2024. By this point two years had now passed since the payments to the mortgage stopped. I think LBS showed Miss B reasonable forbearance given what it knew about her circumstances and the difficulty she faced having X removed from the property. LBS allowed Miss B a reasonable amount of time to sell the property before starting legal action.

That said LBS couldn't allow a hold indefinitely. And as I mentioned previously it needed to think about its own interests and that of the parties involved when considering the options available. By this point the account was over £53,000 in arrears and with no clear resolution in sight for repaying the arrears, delaying possession any further would lead to increasing costs to the parties involved and erode the equity in the property. LBS was also concerned about the possible risk to the property – which acted as its security for the mortgage owed.

At the time of her conversation with LBS in mid-November 2024, Miss B said that the property wasn't insured. She also said that she was worried that X may try causing criminal damage to the property as he had previously set fire to her car and so he was capable of such behaviour. I understand insurance appears to have been later obtained, but from what I can see it wasn't in place at the time LBS was making its decision about moving forward with legal action and it wasn't unreasonable for it to take into account a possible risk to the security property as part of its overall decision.

So, for these reasons, I don't think LBS acted unreasonably when it didn't agree to a deferred concession.

It wasn't after legal action commenced that X was removed from the property. Miss B told LBS that X was removed from the property on 24 January 2025.

Miss B appointed a solicitor to defend the possession hearing claim. Miss B was seeking that the Court orders:

- a. *"The possession hearing on 10 February 2025 be adjourned;*
- b. *For the possession proceedings to be stayed to allow for Miss B to obtain possession, market the Property for sale and sell the Property; and,*
- c. *For Miss B to be awarded costs as a consequence of the Claimant's failure to adhere to the Protocol."*

Having received confirmation that X had been removed from the property, LBS agreed to adjourn the possession hearing for four months to allow Miss B time to sell the property.

The property was marketed for sale on 12 February 2025, and an offer was accepted on 18 March 2025. By June 2025 the sale hadn't completed so a further adjournment was agreed in which time the sale completed on 1 August 2025 – therefore avoiding possession going ahead.

Miss B is unhappy that LBS didn't agree to delay legal action sooner than it did. She says as a result she incurred unnecessary legal costs charged by LBS and the solicitor she was required to obtain to defend the claim.

As I explained earlier, at the point LBS started legal action there was no clear end in sight for repayment of the arrears. It still remained for X to be removed from the property and then for the marketing and sale process to commence. LBS had already allowed two years for the sale to happen before taking legal action. So, I don't think it acted unfairly by taking legal

action when it did. It therefore follows that I can't reasonably say that LBS is required to cover the costs described by Miss B.

It's important to note that X being removed from the property in January 2025 was a key turning point and I think in light of this new development, LBS acted fairly by re-evaluating the situation. I'm pleased to see that at this point LBS agreed to allow Miss B a reasonable amount of time to sell the property to avoid possession taking place. But that does not automatically mean that LBS should have taken this action sooner. For the reasons I've explained I don't think LBS acted unfairly in this case and so I don't uphold the complaint.

My final decision

My final decision is that I don't uphold Miss B's complaint against Leeds Building Society.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 5 November 2025.

Arazu Eid
Ombudsman