

The complaint

Mr M complains that Bank of Scotland plc trading as Halifax failed to treat him fairly when his mortgage was in arrears. He asks for clarity regarding Halifax's intentions and a hold on recovery action to allow him time to sell the property.

What happened

Mr M's mortgage has been in arrears since 2022. Halifax started recovery action and a full possession order was granted in February 2023.

In November 2023 Mr M said he'd be marketing the property for sale using an online estate agent. Halifax offered a hold on recovery action (which it refers to as a sale of property hold).

In January 2024 Mr M changed estate agents. Halifax agreed a 90-day sale of property hold. In mid-2024 Halifax resumed recovery action. It says it hadn't had any contact from Mr M.

The court agreed an eviction date in September 2024. Mr M told Halifax he was in breathing space and the eviction was cancelled. Halifax resumed recovery action after this and the court agreed an eviction date in January 2025.

Mr M asked for a further sale of property hold in January 2025 after changing estate agents. Halifax declined. Mr M says this was unfair. He says the change in estate agents was a change in circumstances and demonstrated a realistic effort to sell the property to repay the debt. He says he incurred costs for marketing materials and the inconvenience of arranging viewings and engaging with Halifax and the court. Mr M says the court proceedings will reduce the marketability of the property and force a sale at a lower price.

Mr M also raised complaints about poor service and confusing correspondence from Halifax.

Halifax said it hadn't made an error. It apologised for any confusion and upset. It offered £250 to Mr M for the upset caused by a field agent visit and not speaking to him about his complaint on the agreed date.

Our investigator said we can't look into Mr M's complaint that Halifax mis-handled his breathing space protection in late 2024. That's because he brought the complaint to us more than six months after Halifax issued its final response, which is outside our time limits. Our investigator said we can look into other parts of Mr M's complaint, and the matter proceeded on this basis.

Our investigator said a change in estate agents didn't make it unfair for Halifax to proceed with recovery action. She didn't agree that the letters sent by Halifax were contradictory. However, our investigator said Halifax's field agent shouldn't have visited the property when it knew Mr M would be attending a hearing regarding the eviction. She said the £250 compensation offered was fair and reasonable in the circumstances as an apology for the upset caused and poor service.

Mr M didn't agree. He said his new sales strategy is materially different and a credible

strategy to repay the debt. He said possession is not proportionate or justified. Mr M set out regulations and case law which he says supports him.

In July 2025 Mr M received an offer for the property. The court said Halifax could proceed with an eviction only after 5 September 2025, to allow time for the sale to complete. Halifax said the court had agreed a new eviction date of 11 September 2025.

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.

Confusion about the change of solicitors

Halifax changed solicitors. The new solicitors wrote to Mr M in September 2024 to inform him of the change in solicitors, enclosing a notice of change of legal representation. Mr M says he didn't open the letter as he was in breathing space and he'd been told he didn't need to open post regarding the arrears during this time.

The new solicitors wrote to Mr M in late November 2024 and early December 2024 about the application to the court for an eviction date.

The court included details of Halifax's previous solicitors in the notice of eviction sent to Mr M in late 2024. Mr M says this caused confusion and he had to spend time checking who the legal representative was.

Halifax says this was an error by the court. I haven't seen evidence that the incorrect details were included in the court notice due to an error by Halifax or its solicitors. Mr M contacted the previous solicitors on 16 December 2025 to ask who was dealing with the matter. The new solicitors sent him an email in 19 December 2024 confirming they were the acting solicitors. Any confusion was put right within a few days.

I don't think it's fair and reasonable to require Halifax to pay compensation or take further steps regarding this part of Mr M's complaint.

Contradictory letters in January 2025

Halifax sent a quarterly arrears statement on 1 January 2025. Halifax sent a letter on 9 January 2025 saying its solicitors had applied for an eviction date and it had asked its field agent to visit to explain the next steps. Mr M says the two letters are contradictory, as the arrears statement didn't say Halifax intended to proceed with legal action and implied negotiation was possible.

I can't fairly agree that the two letters were contradictory. The arrears statement set out information about Mr M's account and payment history as required by mortgage regulations. The 9 January 2025 letter set out the steps Halifax intended to take to recover the debt.

The arrears statement said Mr M could get in touch to set up a plan to make regular payments. There's nothing to suggest Mr M intended to do this (or was in a position to do so) and it's not clear what he means by negotiation. While the arrears statement didn't mention the eviction process, I don't think it could have created any reasonable expectation that Halifax didn't intend to recover the debt. And the 9 January 2025 letter was sent a week later. So if there was any confusion this was cleared up within a short time.

I don't think it's fair and reasonable to require Halifax to pay further compensation or take

further steps regarding this part of Mr M's complaint.

The field agent's visit

The 9 January 2025 letter said a field agent would visit Mr M. Halifax says the visit needed to take place before the scheduled eviction date but the timing was otherwise left to the field agent.

The field agent visited Mr M's property on 21 January 2025. Mr M applied on 17 January 2025 to suspend the eviction and a hearing took place on 21 January 2025. Mr M says Halifax knew he wouldn't be home when the field agent visited.

I don't think Halifax deliberately arranged for the field agent to visit when Mr M wouldn't be home. Halifax could have cancelled the field agent visit when it was told about the hearing on 21 January 2025. Halifax said the field agent visit went ahead as it didn't know that the eviction would be cancelled. However, part of the reason for the visit was for the field agent to discuss the eviction process with Mr M and this couldn't happen if he wasn't home.

Halifax acknowledged that it was upsetting for Mr M to return home after the eviction was suspended by the court and find the field agent had visited. Halifax said it didn't apply a fee for the visit. It offered £200 for the upset caused to Mr M, which I think is fair and reasonable. I don't think it's fair and reasonable to require Halifax to pay further compensation or take further steps regarding this part of Mr M's complaint.

Confusion about Halifax's intentions after 22 January 2025

Mr M says he was confused about what Halifax intended to do after the eviction scheduled for 22 January 2025 was cancelled. Halifax's solicitors wrote to him saying "*the above eviction will not now take place as it has been suspended by the court*". Halifax wrote to Mr M on 22 January 2025. The letter heading said "*The repossession of your property has been cancelled*". I agree that parts of the letter could imply that Halifax might not be pursuing repossession at that time. But other parts of the letter suggested action might continue, and asked Mr M to make a payment (of about £20,000) to bring the account up to date and to make his contractual monthly payments.

Halifax apologised for Mr M's confusion. It confirmed that the eviction scheduled for 22 January 2025 was cancelled, but the repossession proceedings would continue.

Given the wider circumstances, I don't think Mr M could reasonably have expected Halifax not to continue with repossession action. Halifax asked for the next hearing (scheduled for late February 2025) to be adjourned, this was to allow time for it to respond to Mr M's complaint.

I don't think it's fair and reasonable to require Halifax to pay further compensation or take further steps regarding this part of Mr M's complaint.

Failure to offer a further sale of property hold after a change in estate agents

Mr M asked for a sale of property hold in January 2025 after appointing new estate agents. Mr M says the change in estate agents was a fundamental change in his sales strategy. He says Halifax should allow him reasonable time to sell the property, and that regulations and case law support him.

I'd expect a lender to allow customers a reasonable amount of time to sell a property. But I must fairly take into account the wider circumstances here – in particular the history of the

account and that Halifax had already held action to allow Mr M time to sell the property.

Halifax first offered a sale of property hold in late 2023. It agreed a 90-day sale of property hold from early 2024.

In mid-May 2024 Halifax resumed recovery action. Halifax says Mr M made no mortgage payments and he was not paying ground rent and service charges. It said there had been no progress with the sale of the property. Halifax says other creditors applied for charging orders against the property. Halifax says it was unable to contact Mr M after January 2024. An eviction date was agreed by the court for September 2024.

In September 2024 Mr M told Halifax he'd entered "breathing space" for 60 days. During breathing space lenders can't add interest, take enforcement action or contact borrowers about repayment. Breathing space is intended to give the borrower time to seek advice and work towards a debt solution.

Halifax says Mr M didn't contact it during this time or resume mortgage payments. Halifax was notified that another creditor intended to start proceedings for possession. When the breathing space expired Halifax applied for a new eviction date. This was scheduled for 22 January 2025.

Mr M says Halifax can't rely on lack of progress with the estate agent appointed in 2024 as it didn't send a form for him to authorise Halifax to liaise with the estate agents. I don't think that's reasonable. Mr M could have changed estate agents if he wasn't satisfied with how the property was being marketed. It's unclear why Mr M had difficulty selling the property, but I can't see that this is due to any error by Halifax.

I must fairly take into account that when Mr M asked for a sale of property hold in early 2025 he'd been trying to sell the property for more than 12 months. I think Halifax had allowed Mr M a reasonable amount of time to sell the property.

Mr M bought the property with a help to buy loan, which will have to be repaid when the property is sold. He has a second charge on the property for a debt of about £26,000. Mr M hasn't made a mortgage payment since early 2022. By early 2025 Mr M's arrears were about £20,000 and his mortgage balance had increased to about £105,000. As he wasn't making payments the arrears were increasing. This will reduce Mr M's equity when the property is sold, or increase any shortfall debt owed to Halifax or another secured lender.

Taking all of this into account, I don't think it was unfair or unreasonable for Halifax to decline a further sale of property hold in January 2025. I don't think it's fair and reasonable to require Halifax to agree a sale of property hold or pay compensation to Mr M for not offering a sale of property hold in January 2025.

Eight months have passed since January 2025 when Mr M changed estate agents. Mr M has had this time to market and sell the property.

Putting things right

Mr M has had to deal with bereavement, redundancy and serious injury which affected his finances and his mental health. Mr M says this has caused severe stress, anxiety and uncertainty. Mr M is unable to pay his mortgage (and it seems other debts). He's not in work and is worried about being homeless. I'm sorry for everything Mr M has had to deal with. But I think this is due to Mr M's difficult circumstances and not any error by Halifax. I think Halifax's offer of £250 compensation for any confusion and upset is fair and reasonable.

Halifax adjourned hearings while it responded to Mr M's complaint. It says it won't continue to adjourn hearings as it's not in Mr M's best interests for his debt to continue to increase.

Mr M says he's accepted an offer for the property. Hopefully the sale of Mr M's property will complete smoothly and within a short timescale.

If the sale of Mr M's property doesn't complete it's likely that Halifax will resume recovery action. I appreciate how upsetting this would be for Mr M. I'd expect Halifax to treat Mr M fairly and I'd encourage Mr M to stay in touch with Halifax about the progress of the sale.

My final decision

My decision is that Bank of Scotland plc trading as Halifax should pay £250 to Mr M as it offered to do (unless of course it has already made the payment).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 9 September 2025.

Ruth Stevenson
Ombudsman