

## **The complaint**

J, a limited company, complains that OneSavings Bank Plc trading as Kent Reliance was unfair to appoint receivers in relation to its buy to let mortgages. J's directors, who I'll refer to as Mr and Mrs J, have brought this complaint on J's behalf.

Mr and Mrs J say the mortgage arrears have been cleared. They ask that the mortgage accounts are returned to Kent Reliance.

## **What happened**

J has several buy to let mortgages with Kent Reliance. The mortgages fell into arrears in 2023. In late 2024 Kent Reliance appointed receivers. Mr and Mrs J say this was unfair. They say they were discussing ways to address the arrears and Kent Reliance didn't warn them it might appoint receivers.

Mr and Mrs J say they cleared the arrears in late 2024 and made regular payments since. They say the mortgages are back on track and should be transferred back to Kent Reliance. Instead, the receiver is requiring them to remortgage or sell the properties.

Our investigator said Kent Reliance tried to address the arrears with Mr and Mrs J before appointing receivers. He said it explained the implications of the arrears not being paid and issued formal demands and letters before action before appointing the receivers. Our investigator said Kent Reliance didn't act unfairly.

Our investigator said once appointed the receiver acts for the borrower (J). Kent Reliance wasn't responsible for the actions of the receiver.

Mr and Mrs J didn't agree. Mrs J said appointing receivers caused difficulties and they lost potential buyers for their properties. She said the arrears were cleared and the accounts are back on track. Mrs J said J's accounts were not well managed by Kent Reliance and it didn't take their personal circumstances into account. Mrs J said sales of two properties were progressing towards completion at the end of August 2025 and the sales proceeds would allow them to reduce the loan balances.

## **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.

First, I must be clear about the complaint I am looking into. As a limited company, J is a separate legal entity. J took out the mortgages with Kent Reliance. That means J is the eligible complainant under our rules to bring a complaint about how Kent Reliance managed its mortgage accounts.

Mr and Mrs J have a buy to let mortgage with Kent Reliance in their own names. If Mr and Mrs J want us to look into what happened with their mortgage that will have to be dealt with as a separate complaint in their own names.

I should also explain that I can't usually award compensation to a third party or for a third party's loss or upset. I can only consider how any error affected J. So while Mr and Mrs J say they were affected by the actions of the receiver (for instance a credit card account was cancelled), that isn't something I can consider here. Mr and Mrs J are not the complainants.

J has buy to let mortgages with Kent Reliance. The mortgages fell into arrears in 2023. The arrears were reduced, but increased again in 2024. There was contact between Kent Reliance and J's directors about addressing the arrears and plans were agreed. J didn't maintain the plans. Kent Reliance didn't agree to J's proposal in October 2024 that it repay the arrears through the sale of other properties – it said this was too uncertain and J didn't provide information about expected exchange/completion dates.

Kent Reliance wrote to J in April 2024 saying it would appoint receivers to manage the properties if the arrears were not repaid within two weeks. In September 2024 Kent Reliance issued final demands, asking J to repay the full amount owed. Kent Reliance's notes say it made J's directors aware it might appoint receivers during calls.

I can't agree with Mr and Mrs J that Kent Reliance didn't warn them it might appoint receivers. And Kent Reliance's notes suggest it made reasonable efforts to contact Mr and Mrs J, agreed payment plans and considered their repayment proposals.

Kent Reliance appointed receivers in late October 2024. The receivers became responsible for managing the mortgage accounts. Kent Reliance told J's directors they needed to correspond with the receivers.

J's directors complain about the actions of the receiver, such as sending post to the wrong address or failing to respond to their proposals. That's not something I can look into here. Complaints about receivers aren't within our jurisdiction. And once appointed the receivers act on behalf of the borrower (J), not Kent Reliance.

After the receivers were appointed J made payments to clear the arrears. Kent Reliance says this was too late. It said once it issued the final demands and appointed receivers the loans had to be repaid in full.

Mr and Mrs J explained their personal circumstances that contributed to the mortgages falling into arrears. I'm sorry for what they've had to deal with. But I must be clear that the complainant here is J – a limited company.

The appointment of the receivers caused difficulties for J. It doesn't have control of the properties. It might be more difficult for J to re-mortgage – Mrs J provided recent correspondence with the receiver and Kent Reliance which suggests this is the case. J will incur an early repayment charge if it repays the mortgages while an interest rate product is in place. This doesn't mean it was unfair for Kent Reliance to appoint the receivers.

I must fairly take into account that the mortgages were in arrears for some time before Kent Reliance appointed the receivers. Kent Reliance says it decided to appoint Law of Property Act receivers as agreed arrangements had failed, further payments were missed, J was receiving rental income but not using it to address the arrears, and while J's directors said properties were for sale no information regarding completion and exchange dates had been provided. Kent Reliance said it had allowed J enough time to make a credible proposal to address the arrears.

I think Kent Reliance did give J reasonable time to address the arrears and explained the consequences of not doing so. J's directors didn't put forward a credible proposal to clear the arrears within a reasonable period. Kent Reliance didn't have to wait indefinitely for the

arrears to be repaid.

Kent Reliance says it made an error. An email address was incorrect in the footer of one of its letters. I don't think this had any impact on the events that led to the receiver being appointed. That was due to the accounts being in arrears without a credible proposal to address the arrears.

Mrs J would like J's accounts moved back to Kent Reliance. She says the arrears were cleared and the mortgages are back on track. Mrs J says they had offers on two other properties which will allow them to reduce the debt owed. However, the sales of these properties were due to complete in August 2025 and Mrs J hasn't confirmed that this happened or that the funds were used to reduce the debt owed to Kent Reliance. Mrs J says other lenders agreed to take mortgage accounts back from solicitors or receivers.

I've thought carefully about what Mrs J has said. But ultimately I think it's for Kent Reliance to decide whether to take the mortgages back.

Letting property is a business, including arranging the related finance, and Kent Reliance is entitled to expect J and its directors to manage the business and mortgages accordingly. These are unregulated buy to let mortgages, so they aren't subject to the same rules as for a regulated residential mortgage. The mortgages were in arrears for some time. Kent Reliance had concerns about J's management of the accounts – for instance that it received rental income which it didn't pay towards the arrears. Kent Reliance issued final demands asking for the mortgage balances to be repaid in full, as it was entitled to do under the mortgage terms and conditions due to the arrears. Kent Reliance says it wants the mortgages to be repaid in full. It's almost a year since receivers were appointed, so I think J's directors have had enough time to arrange this. While J made payments to clear the arrears, I don't think that makes it fair and reasonable to require Kent Reliance to re-instate the mortgage accounts.

As I said, it's for Kent Reliance to decide whether to take the mortgages back. I don't think it's fair and reasonable in the circumstances to require it to do so.

### **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 J to accept or reject my decision before 12 November 2025.

Ruth Stevenson  
**Ombudsman**