

The complaint

Ms M complains that Topaz Finance Limited trading as Hyalite Mortgages hasn't treated her fairly when she's experienced financial difficulty with her mortgage, in particular in not taking account of her vulnerable situation.

What happened

Ms M took out an interest only mortgage with another lender. The mortgage has been transferred to other lenders over the years, and is now with Hyalite, which is therefore responsible for answering this complaint. Hyalite doesn't generally deal with customers direct; it appoints a third party company to do so on its behalf. But it remains responsible for the actions of its agents. For ease, I'll refer to Hyalite throughout – this includes, where appropriate, previous lenders and the administrator.

Ms M is in her seventies and has serious health conditions. She says that she finds it difficult to speak over the phone about her mortgage, especially when called unexpectedly, and can't easily leave the house to send letters in the post. She also finds it difficult to read documents on paper because of a visual impairment. She wants Hyalite to agree to communicate with her by email as a reasonable adjustment to take account of her circumstances, but it has refused to do so. It says it can't use email because it's not secure and it can only communicate via phone or letter. It said it could instead liaise with a third party on Ms M's behalf if she wanted that.

In recent years, the mortgage has fallen into arrears. Ms M says that recent increases in interest rates have made it unaffordable for her – the monthly payment has trebled since 2022. Combined with the financial impact of her health problems, she has been unable to keep up with the payments. She is now being threatened with repossession. She complains that Hyalite have not treated her fairly or sympathetically, or come to any arrangement with her, despite her vulnerable situation.

Hyalite said it hadn't acted unfairly when trying to support Ms M. It couldn't communicate by email. It had agreed a reduced payment arrangement for several months. But when at the end of that period Ms M couldn't afford to resume payments and there was no prospect of her situation improving, it didn't agree a further arrangement because it wouldn't resolve the situation. It has reviewed what else it can do to assist but the mortgage isn't affordable for Ms M. However, it agreed it may have failed to include some notes in a subject access request, and a call on 7 December 2023 hadn't been handled as well as it should have been. It offered £100 compensation for that.

Ms M has made previous complaints, to which Hyalite and its predecessors have responded. Our investigator explained we couldn't deal with matters covered in those responses in this complaint, which Ms M accepted.

In respect of this complaint, the investigator said that overall Hyalite had offered reasonable forbearance, taking into account Ms M's circumstances. But he said that some of its communication with Ms M hadn't gone as well as it should have done. And it ought to have been willing to communicate with her by email as a reasonable adjustment – though this

wouldn't have made any difference to what support it could offer her, it had contributed to Ms M's distress. The investigator said Hyalite should also have sent her subject access request electronically. He sent Ms M the documents missing from the subject access request. He said that Hyalite should pay £500 compensation.

Hyalite agreed to pay £500 compensation. It reiterated that it couldn't communicate with customers via email. Ms M accepted that there was a limit to what Hyalite could offer, given its status as a closed book lender and her individual circumstances. But she said its failure to communicate with her – and allow her to communicate with it – in a way she could manage had caused her much distress.

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'm very sorry to hear about Ms M's situation. She's had to deal with serious health concerns at the same time as rising interest rates, which has made her mortgage unaffordable for her.

Ms M began to miss payments in November 2022, when the monthly payment increased from £1,080 to £1,216. By late 2023, it had reached around £2,050. Ms M made no payments between November 2022 and May 2023. From May 2023 until August 2023, she paid £900 per month. No further payments were made until the complaint was first brought to us in early 2024.

Hyalite agreed payment arrangements, first for no payment then for £900 per month, until August 2023. In August 2023, Ms M asked it to agree a further three months at £900 per month. She said she was currently receiving treatment for cancer but expected to be able to start working again in around October. Hyalite refused to agree a further payment arrangement, because it said the arrears were continuing to mount and it wasn't clear that Ms M would be able to resume making full payments or start reducing the arrears based on the financial information she had given.

I would expect Hyalite to look carefully and sympathetically at Ms M's circumstances, and consider what it could do to assist her. Unfortunately, the reality of Ms M's difficult situation was that there was little it could do. I think it was fair that it agreed to accept no or reduced payments for almost a year. That gave Ms M some time and space to focus on her health, and on looking at her financial options, without having also to deal with Hyalite taking collection action.

But by August 2023, Ms M hadn't been able to find a way of repaying the mortgage in full each month, or of reducing the arrears. She hoped to be able to resume work in the coming months, but given her health situation that was uncertain. Hyalite is a closed book lender and doesn't have any new reduced interest rates available. And this is an interest only mortgage, so extending the term wouldn't help either – there was no way of making the mortgage cheaper or affordable for Ms M. Unfortunately, in reality there was little further Hyalite could do.

In those circumstances, it wasn't unreasonable that Hyalite didn't agree a further reduced payment arrangement, because that would just increase the arrears and increase the mortgage balance. However, it also didn't go straight to recovery action either – so while it didn't offer a formal arrangement, it did offer Ms M a further period of forbearance to look at other options. Ms M said that she intended to sell the property, and Hyalite asked for more information about her plans. During the time this complaint has been live, Hyalite has also not taken recovery action. Overall, I think it has acted fairly in offering Ms M what

forbearance it can. Ultimately, unfortunately, it appears that Ms M's mortgage simply became unaffordable for her, and there's a limit to what Hyalite can do about that. The end of the term is also now approaching. Ms M says that her property is now on the market, and I hope she'll be able to find a solution. I think Hyalite has shown appropriate forbearance to date.

During this period – as our investigator highlighted, and as Hyalite accepts – Hyalite didn't always handle things as well as it should have, particularly on calls with Ms M. It did stick to arrangements it had agreed with her – firstly only to call at specific times, then only to call with advance warning – but when they did speak, Hyalite's advisers were at times insensitive, or gave Ms M confusing or misleading information. This caused Ms M considerable additional upset at what was already a difficult time for her.

Ms M was also caused confusion about who she was dealing with – it wasn't clear to her what the relationship between Hyalite and the administrator was, and the administrator from time to time referred to other companies it acts on behalf of instead of Hyalite. This caused Ms M further worry about whether she was actually speaking to her lender, or someone who could make decisions on its behalf, at all.

Ms M asked Hyalite to allow her to communicate with it by email. Because of her health conditions she was unable to leave the house regularly to send it information by post, so had no other way of sending it documents. And she struggled with phone calls – having difficulty remembering and retaining information because of her illness. She also has a visual impairment, so wanted to receive documents electronically rather than by post so she could make them more visible on a screen.

Hyalite said this wasn't possible, because it doesn't consider email a secure medium and doesn't communicate with customers that way. I'm not persuaded this was fair. Ms M has explained that the other options – post and phone – are not practical or not possible for her. This is because of her ongoing serious health conditions. In other words, they're matters arising from what the law regards as a disability – which means that Hyalite has an obligation to make reasonable adjustments in how it communicates with her. While it adjusted how it communicated by phone, I don't think that went far enough, because that didn't solve the problem with sending or receiving documents, and didn't address Ms M's need to have information in writing to take it in and remember it. Standard email is not secure. But there are straightforward ways of managing that risk. For example, Hyalite could have used secure email, or it could have sent documents by standard email but with password protection. In all the circumstances, I don't think it acted fairly and reasonably when it refused to communicate, either incoming or outgoing, with Ms M via email.

The same applies to Ms M's subject access request. Again, as she requested, Hyalite ought to have sent her the subject access request by email. I'm satisfied that by not communicating with her in this way, as an adjustment to take account of her particular circumstances, Hyalite didn't act fairly and reasonably.

Putting things right

I've taken all that into account. Having done so, I agree with our investigator that £500 compensation is fair in all the circumstances. That recognises that this was already a difficult time for Ms M – and Hyalite isn't responsible for that – and that it did show appropriate forbearance, but the way it communicated (and failed to communicate) with her caused her real distress, made worse by the situation she was in.

Going forward, I hope Ms M is now in a position where she can bring this mortgage to a close in a controlled way. She says she is now trying to sell the property. She will need to

keep Hyalite up to date with her progress. And Hyalite will need to communicate with her in a way that takes account of her particular needs and circumstances, making adjustments as appropriate. That includes doing so electronically.

My final decision

My final decision is that Topaz Finance Limited trading as Hyalite Mortgages should pay Ms M £500 compensation. It should also make appropriate adjustments to the way it communicates with her in future.

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

Simon Pugh
Ombudsman