

The complaint

Mr and Mrs H complain that Bank of Scotland plc trading as Birmingham Midshires (BM) should've extended their mortgages following a final decision by our Service, and that it was inappropriate for BM to instruct a field agent visit in 2024 in spite of their perfect payment record and vulnerability.

What happened

The circumstances around this complaint are detailed but well known to both parties. So, I'll summarise what has happened leading up to this decision.

Mr and Mrs H hold three mortgages with BM. One is a residential mortgage on their home, and two are buy-to-let mortgages (BTL) for properties Mr and Mrs H rent out. All mortgages are on interest only terms.

Mrs H has an adult son who is autistic and has learning disabilities. Mr and Mrs H have explained that he lives with them and is not capable of living independently. Their current home is very important to them due to its size, location and layout for their family. Mr and Mrs H say continuity and stability are important to their son and therefore to them as well. The residential mortgage was due to end in 2018. Mr and Mrs H wanted BM to extend the terms of each mortgage.

A complaint was considered by our Service and in 2019 an Ombudsman issued a final decision. The Ombudsman upheld the complaint, and part of the direction was for BM to extend the term of Mr and Mrs H's residential mortgage for seven years from the date of its initial expiry in 2018 and extend the term of Mr and Mrs Hs BTL mortgages with Birmingham Midshires so that they expire at the same time as the revised term of the residential mortgage. The final decision was not accepted in time by Mr and Mrs H, so it wasn't binding on either them or the business.

BM says it tried to get in touch to arrange for the changes the decision had set out regardless of it not being formally accepted, but that Mr and Mrs H remained unhappy with the decision and were unwilling to proceed. The mortgage terms were not formally extended.

BM sent Mr and Mrs H a number of letters between 2022 and 2024 as the term of the mortgage had expired. It asked them to get in touch with the bank. BM says it didn't hear from Mr and Mrs H so decided to appoint a field agent to visit them in relation to one of the BTLs. The term of the BTL mortgages were extended in 2024. The residential mortgage term has not been extended and has expired.

Mr and Mrs H complained to BM that they'd been contacted by its end of term team and that a field agent had been appointed to visit the property. Mr and Mrs H also complained that the term on their residential mortgage should've been extended following our final decision in 2019 but wasn't.

BM didn't uphold either complaint. It said the mortgage term on the BTL had expired and that having had no contact from Mr and Mrs H, it was right to instruct a field agent. And BM

explained that as Mr and Mrs H hadn't accepted the final decision and wasn't willing to work with it following this decision, the term of the residential mortgage wasn't extended.

Unhappy with this response, Mr and Mrs H referred their complaint to us. An Investigator here reviewed the complaint points but didn't think BM had done anything wrong. Mr and Mrs H didn't accept this and asked for the complaint to be considered by an Ombudsman. So, it's been passed to me to review and make a final decision.

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 think it would be first useful if I set out the manner in which we work, our scope and remit, as well as what I will and won't be considering here.

Mr and Mrs H have submitted their complaint in great detail, running to hundreds of pages of submissions within which they've made many varying points. They've also responded to our Investigator in substantial detail, across many submissions. I want to reassure them that I've considered everything they've said. However, my role isn't to address each and every point raised. Instead, it's to consider the overall complaint and reach what I consider a fair and reasonable outcome.

So, if I don't mention particular points, it's not because I haven't thought about it, it's because I didn't consider it key to the overall outcome. Instead, I'll focus on what I consider to be the crux of the complaint. I hope Mr and Mrs H realise I mean no disrespect by this. It simply reflects the quick and informal nature of this Service as an alternative to the courts.

Mr and Mrs H have made many complaint points about the manner in which BM handles complaints and its internal set up and procedures. I should explain that it's not for us to police businesses – that's a matter for the Financial Conduct Authority as the industry regulator. And we aren't able to tell a business to change its policies or procedures. Instead, we look at individual complaints to see if mistakes have been made and, if so, we consider the impact this has as well as any financial loss caused. That's what I've done in this decision.

Mr and Mrs H have also raised issues with the manner in which their complaint has been handled by BM. However, complaint handling isn't a matter which our rules allow us to investigate. So, I won't be commenting on that further.

Lastly, I can see Mr and Mrs H have raised complaints about the manner in which we have handled their complaint about BM. This has been responded to by an Ombudsman Manager and our Customer Complaints Team. I won't be addressing that within this decision or commenting on that matter further.

Moving on to the complaint I can consider, I think it would first be useful to explain that Mr and Mrs H have, in more recent submissions, detailed how they've been treated since referring their complaint to us. They referred this complaint to us in September 2024. I can therefore only consider complaints about matters that happened before and up to that date. I understand that a new complaint has been set up for what's happened since this date. That doesn't form part of my review or this decision.

Having reviewed everything provided by both parties, I'm satisfied there are, broadly speaking, two key complaint points here. I'll address them separately under individual headings for ease.

BM not extending the mortgage term following our final decision in 2019

First, I must emphasise that I'm not revisiting the Ombudsman's decision from 2019. No one at this Service can review and change the outcome of that, regardless of Mr and Mrs H's opinion on that decision. That decision said that BM should extend all three mortgages until August 2025. However, BM was only bound by the decision if Mr and Mrs H accepted the decision in the time frame given. They didn't, so BM wasn't bound by it.

I can see that BM wrote to Mr and Mrs H saying that it would still agree to the extensions if they spoke with a mortgage advisor. However, I've seen an email from Mr and Mrs H saying they were no longer willing to cooperate with BM. Based on this, I can't say it was unreasonable of BM to not formally extend the term.

At this stage, I also think it's worth noting that even if the extension had been put in place following the Ombudsman's decision of 2019, it would've now expired. When a mortgage is entered into, it has a fixed term. And BM is entitled to expect repayment of the mortgage once the term ends. This something Mr and Mrs H agreed to when they took the mortgage, and the balance is now due. They will now need to make arrangements with BM to repay this mortgage. If they don't, this may lead to further legal action being taken by BM.

The appointment of a field agent in 2024

Mr and Mrs H's BTL mortgage expired in 2022. BM is entitled to take action if the balance isn't repaid in a reasonable amount of time.

It's unclear why BM allowed the mortgage to go on for so long after expiry before taking further action other than issuing letters. But I don't think this makes a difference to my decision. Ultimately, Mr and Mrs H wanted the mortgage to continue, and by not getting in touch or taking further action, BM hasn't disadvantaged them.

From reviewing the contact notes provided by BM, end of term letters started being sent to Mr and Mrs H in June 2022. However, I can't see that Mr and Mrs H got in touch with BM to discuss this until the field agent visit in 2024. According to the contact notes, Mr and Mrs H got in touch with BM in April 2024, after which the field agent had been instructed. Given that two years had passed since expiry of the mortgage, and no agreement had been made to repay the balance, I don't consider it unreasonable for BOS to instruct a field agent when it did.

Mr and Mrs H say they've never missed a payment or defaulted and believe this is a reason the mortgage should be allowed to continue. But that's not how mortgages work. A mortgage doesn't run indefinitely whilst payments continue to be made. They have a fixed time frame, and full repayment is expected at the end of this. Ultimately, if Mr and Mrs H wish for the mortgage to continue, they needed to work with BM and up until April 2024, they hadn't.

Mr and Mrs H have also referred to the impact this has had on their son and the fact that he's vulnerable. They have provided a lot of detail with regards to their son's health struggles. I thank them for sharing this. I've considered Mr and Mrs H's complaint point that BM aren't making reasonable adjustments taking their son's health into account.

The previous Ombudsman explained in his decision of 2019 why BM wasn't required to make reasonable adjustments because of Mr and Mrs H's son's disability. In summary, he said the relevant law requires a service provider to make reasonable adjustments for those who themselves have a disability, not those associated with a person who has a disability.

It remains the case that as Mr and Mrs H's son isn't a party to this mortgage, BM doesn't need to make reasonable adjustments in how it deals with Mr and Mrs H. I therefore can't say BM has treated Mr and Mrs H unfairly by not making what they consider to be reasonable adjustments taking into account their son's situation. That said, I do note that BM has at times put on hold phone calls because of this at Mr and Mrs H's request. And, up until the field agent visit, I can't see BM was in touch with Mr and Mrs H by phone.

As I've said, it seems from the contact notes that Mr and Mrs H have not always been wholly engaged when BM has tried to get in contact with them. Therefore, I don't consider it unreasonable that BM has taken other steps to get in touch with Mr and Mrs H, such as returning to using the phone.

Ultimately, Mr and Mrs H's mortgage term ended in 2022. And BM was entitled to ask for repayment. It didn't do so for some years, which, as I've said, wasn't to Mr and Mrs H's detriment. Whilst BM should be sympathetic when pursuing this debt, there are steps it can rightly take, including phone calls and field agent visits. And I don't think these are inappropriate in light of Mr and Mrs H's specific circumstances.

In summary, I understand the strength of feeling Mr and Mrs H have with regards to this complaint and BM's actions. And I realise Mr and Mrs H will be both disappointed in both the outcome I've reached, and the detail in which I've gone into in responding to their complaint. But ultimately, these are both decisions for me to make. I don't think BM has treated Mr and Mrs H unfairly, so I'm not going to ask BM to do anything further.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs H to accept or reject my decision before 4 November 2025.

Rob Deadman
Ombudsman