

### **The complaint**

Mr C complains that his mortgage with Yorkshire Building Society (YBS) was mis-sold and YBS hasn't treated him fairly now the mortgage term has ended.

### **What happened**

Mr C took out his mortgage in December 1999 with Prudential Banking plc. He received advice from The Prudential Assurance Company Limited. He borrowed £57,500 over a term of 25 years, initially on a capital and interest repayment basis. YBS says the mortgage has been on an interest-only basis since around 2002.

The mortgage was transferred to YBS in 2011. The mortgage term came to an end in November 2024, but Mr C wasn't in a position to repay the mortgage. He made a complaint about the sale of the mortgage and YBS's treatment of him in seeking repayment.

Mr C said in summary that he was coerced into taking out the mortgage in 1999 to fund an investment for a family member, and he was and continues to be mentally ill. He complained that YBS had put the mortgage into arrears by increasing the monthly payments, it had sent threatening letters and it hadn't offered appropriate support. He said he had agreed a sale of the property but hasn't been able to complete on it because he has nowhere suitable to move to.

YBS said it wouldn't investigate the sale of the mortgage because of the time that had since passed, and it didn't think it had treated Mr C unfairly in seeking repayment. Mr C referred his complaint to us.

Our Investigator said that the advice firm, not YBS or the predecessor lender, was responsible for advising Mr C about the suitability of the mortgage in 1999. He also found that Mr C had made a complaint about the mortgage sale in 2018 and a final response letter had been sent to him then giving him six months to get in touch with us if he remained unhappy, but he hadn't done so.

The Investigator concluded that he couldn't look into the complaint about the mortgage sale. He investigated the way YBS had treated Mr C following the end of the fixed interest rate on the mortgage and the end of the term, and concluded that it hadn't done anything wrong.

Mr C didn't accept that conclusion and asked for it to be reviewed, so his complaint has been referred to me to decide.

### **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.

Having done so, while I realise this will be very disappointing for Mr C, I've come to the same overall conclusion as the Investigator did, for much the same reasons.

When Mr C took his mortgage out more than 25 years ago, he did so with the advice of an adviser. While the adviser was representing a firm which was part of the same group of companies as the original mortgage lender, the advice firm and the lender were separate firms. I can't therefore consider Mr C's complaint about the advice he was given or any ongoing unfairness which arose as a result of that advice against YBS as the current lender.

I've also noted that Mr C made a complaint about the sale of the mortgage in 2018. YBS sent him a final response letter in November 2018. In that letter it said it had referred his complaint about the mortgage sale to Prudential. It also said that he could refer his complaint to the Financial Ombudsman Service but he had to do so within six months of the date on the letter, and if he didn't do so YBS wouldn't consent to us looking into the complaint. I find nothing to indicate that Mr C referred this complaint to us until March 2025 – so he did so too late. Given that he has had regular contact with YBS since 2018 I can't reasonably say that his late referral was a result of exceptional circumstances, so I can't set aside the time limit.

For these reasons I can't look into Mr C's complaint about the sale of the mortgage in this complaint about YBS. I have however considered the rest of his complaint about how YBS has treated him more recently.

The term of Mr C's mortgage ended in November 2024. Mr C had agreed to repay his mortgage at that point, and YBS was entitled to expect him to do so. It had written to him multiple times in the years leading up to 2024 reminding him of the approaching term end and that he would need to repay the capital he borrowed, setting out his options and inviting him to get in touch.

Mr C had been in contact with YBS and had arranged new interest rate products on the mortgage in 2013, 2015 and 2018. YBS's records also say that in 2016 he asked it about extending the mortgage term on an interest-only basis because he didn't have a repayment plan in place. YBS wasn't prepared to extend the term and wrote to Mr C in July 2016 with details of where he could get free financial advice, and again said that the mortgage would need to be repaid at term end.

Mr C is in a very difficult situation. He is disabled and vulnerable with no means to repay the mortgage other than by selling his home. I understand that he has spoken to an independent adviser about equity release, but no lenders will lend because of the condition the property is in. I also understand that he had agreed a sale but felt unable to proceed because he was worried about where he would move to.

I've looked carefully at what's happened and everything both Mr C and YBS have told us and, for the reasons I'll go on to explain, I think YBS has taken reasonable steps to try to support Mr C and it has treated him fairly.

Mr C's monthly mortgage payments have been paid by the Department for Work and Pensions (DWP) for many years, most recently through Support for Mortgage Interest (SMI). In the years leading up to March 2024, when the most recent fixed interest rate on the mortgage ended, the SMI payments were covering the monthly interest-only mortgage payments – so Mr C didn't need to pay anything towards the mortgage. That changed in April 2024 when the fixed interest rate on the mortgage came to an end.

Mr C had taken a fixed interest rate of 2.21% in December 2018. The terms of the product said that rate ended on 31 March 2024, after which the interest rate would revert to YBS's standard variable rate (SVR). As a result in April 2024 Mr C's monthly mortgage payments increased from just over £100 to just under £400. I'm satisfied that YBS gave Mr C notice of the fixed rate ending and what that would mean for his monthly payments – I've seen a copy of a letter it sent him about this in January 2024.

YBS couldn't have offered Mr C another fixed interest rate product because there was less than a year left on the mortgage term and it had no products available for such a short period. Arrears have built up on the mortgage since it has been on the SVR, but I don't find that that's because YBS did anything wrong. The interest rate changed in line with the terms of the rate switch agreed in 2018, and the mortgage has operated in line with the contract. It's unfortunate that the SMI payments Mr C has received haven't been enough to cover the full mortgage payments since the SVR has applied, but that's a matter for Mr C to take up with the DWP if he thinks he should have received more towards the mortgage – I understand that payments can be backdated should that be the case.

Mr C has said that he had agreed a sale of his property but couldn't go ahead because he had no suitable alternative accommodation. I'm satisfied that YBS has taken account of this and it's aware that Mr C is disabled and vulnerable. It has made a safeguarding referral to Mr C's local council and it has put action to recover the mortgage debt on hold to give Mr C time to explore his options and while the complaint has been under consideration by the Financial Ombudsman Service. It has also given Mr C details of organisations that can support him.

However, the arrears on the mortgage have been increasing, it wouldn't be in Mr C's best interests to continue with an unaffordable mortgage and the equity in the property is eroding. YBS has explored a term extension and changing the mortgage to a repayment basis, but neither is affordable for Mr C, and in the circumstances I wouldn't expect it to suspend debt recovery action indefinitely. Possession should be a last resort but, ultimately, a lender is entitled to seek possession of a property if no agreement for repayment is reached. I don't consider that it would be fair or reasonable for me to require YBS to suspend action for a further period of time, although it may decide to do so depending on Mr C's current situation. I encourage Mr C to keep in touch with YBS about the mortgage and any progress with the property sale or repayment of the mortgage by other means. But in all the circumstances and for the reasons I've explained, I don't consider that YBS has treated him unfairly, and so I don't uphold this complaint.

### **My final decision**

My final decision is that I don't uphold this complaint. I make no order or award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 19 December 2025.

Janet Millington  
Ombudsman