

The complaint

Mr and Mrs M complain that the terms of their help to buy shared equity loan are unfair.

What happened

Mr and Mrs M bought a property using the help to buy scheme in 2016. They borrowed around £120,000 on their help to buy loan, which was 20% of the purchase price of their property. They also took a standard mortgage.

Mr and Mrs M complain that the purpose of the help to buy scheme was to help people get on the property ladder. When they took the loan out, it wasn't explained to them that they would have to repay a share of the property's value rather than a fixed sum, that there was a minimum repayment amount, and that they would have to pay an admin fee and instruct a valuer if they did want to repay. And it wasn't explained to them that they would have to pay interest on the amount they borrowed. They complain that they're not allowed to pay the capital off as and when they want like a normal loan, and without paying fees to do so, and they have to pay interest in the meantime. They want to be offered a payment plan so they can pay the amount they borrowed off over time.

Our investigator didn't think the complaint should be upheld, so Mr and Mrs M asked for it to be reviewed by an ombudsman.

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 sorry to disappoint Mr and Mrs M. I can see they feel very strongly about things. But I'm afraid I agree that their complaint shouldn't be upheld.

Mr and Mrs M took their loan out in 2016. Help to buy loans are unregulated. The lender is a government agency and is also unregulated. But the lender has appointed a regulated firm, Lenvi, to administer the loan on its behalf.

Because the lender is a government agency, not a firm regulated by the Financial Conduct Authority, the lender does not fall into the jurisdiction of the Financial Ombudsman Service. But the administrator, Lenvi, does.

That means I can consider a complaint about Lenvi. But I can only consider what it's doing in administering the loan – whether it's acting fairly and reasonably in carrying out the lender's obligations and exercising the lender's rights. In other words, whether what Lenvi is doing – or not doing – is fair and in line with the terms and conditions of the loan or not.

I can't consider whether the loan terms themselves are fair or not; that's a matter for the lender. And I can't consider whether the loan was mis-sold, or whether it was inadequately explained to Mr and Mrs M when they took it out; that would be a matter for the firm which sold them the loan, or their solicitors at the time. Lenvi has only been involved since it took

over administration of the loan in 2023 from the previous administrator – it's not responsible for anything which happened before that.

The terms and conditions of the loan, which Mr and Mrs M agreed to at the time, are clear. They're the same as for all help to buy loans. As this is a shared equity loan, Mr and Mrs M didn't borrow a fixed sum. They borrowed a percentage of the value of the property. It follows that when they choose to repay, they will have to pay back the same percentage, based on the value at the time of the repayment.

Mr and Mrs M don't have to repay in full. They don't have to repay at all until the end of the term in 2041 (or later if extended). They're also able to make partial repayments – as long as any repayment is at least 10% of the property's value at the time, and as long as (assuming the loan is not paid off in full), at least 5% is left outstanding.

Because any repayment amount is related to the value of the property at the time, not the amount Mr and Mrs M originally borrowed, a professional valuation to decide what the property is worth would be necessary. The terms and conditions say that this is for Mr and Mrs M to arrange – subject to the lender or administrator agreeing to their choice of valuer – and for them to pay for.

Finally, unless and until Mr and Mrs M do repay, they're required to pay interest from the sixth year of the loan onwards at the interest rate set out in the contract. Interest is to be paid monthly as the loan continues, not rolled up and paid at the end. Interest is charged on the amount they borrowed.

All of this is in the terms and conditions that Mr and Mrs M agreed to when they took their loan out. As I say, if that's not something they understood at the time, they'll need to take that up with the firm that sold it or that advised them about it. That wasn't Lenvi.

I appreciate Mr and Mrs M don't think those terms are fair. They want to be able to repay the capital gradually over time – and without having to pay for a valuation or other fees – like they do with their main mortgage. But this isn't a mortgage loan, and it doesn't operate in the same way.

Lenvi has explained to Mr and Mrs M that what they want isn't possible under the terms of the loan. It's explained how they can repay part of the borrowing if they want to. And it's explained that interest is chargeable, and they'll need to repay it, in the meantime.

In explaining all that and in seeking to collect the interest that's due, I'm satisfied that Lenvi has administered the loan agreement in line with the terms and conditions and the lender's rights and obligations under the terms and conditions. It's therefore acted fairly and reasonably in all the circumstances, and so I don't uphold this complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Mr M to accept or reject my decision before 9 March 2026.

Simon Pugh
Ombudsman