

## **The complaint**

Mr and Mrs S complain that The Royal Bank of Scotland Plc didn't treat them fairly when they put forward proposals to repay their mortgage balance.

## **What happened**

The term of Mr and Mrs S's mortgage expired in 2018 with an unpaid balance. In early 2025 RBS issued notice it would start legal action.

Mr and Mrs S say RBS failed to respond in writing to the proposals they put forward in early 2025. They say it failed to follow regulations which require it to consider forbearance options and treat possession as a last resort. They say it failed to engage with them or give them the opportunity to resolve matters without legal action. Mr and Mrs S say this caused them distress, uncertainty and financial pressure.

Our investigator said RBS had responded fairly to Mr and Mrs S's proposals. She said given the amount of time since the term ended it was reasonable for RBS to take legal action.

Mr and Mrs S disagreed. They said RBS didn't handle their proposals in a manner consistent with the pre-action protocol and its actions weren't fair or proportionate.

Mr and Mrs S raised a new complaint regarding the legal action taken by RBS. This is being dealt with separately.

## **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.

Mr and Mrs S have previously brought complaints to our service. This includes complaints that RBS didn't extend the term of their mortgage or agree to switch their mortgage to capital and interest repayment with a term extension. I won't revisit those matters here. Since bringing the complaint to us Mr and Mrs S raised further complaints, which will be dealt with separately. I'm only considering here the complaints raised by Mr and Mrs S in early 2025, which RBS responded to in a final response issued in March 2025 and confirmed in April 2025.

In early 2025 Mr and Mrs S put forward proposals to RBS by email, to address the outstanding mortgage balance.

In mid-January 2025 Mr S put forward proposals to sell or remortgage the property or add a party to the mortgage. He asked for information about the criteria, procedure and requirements for each option and what consents would be needed.

RBS tried to call Mr S the next day. It said it couldn't respond by email due to the amount of information Mr S had requested. Mr S didn't want to discuss the proposals by phone.

RBS spoke to Mr S in late January 2025. Mr S said they hadn't started a mortgage

application elsewhere. RBS put a hold on action until 26 February 2025 while it looked into a complaint raised by Mr S.

RBS tried to call Mr S to discuss his proposals without success. It sent an email asking him to call.

Mr S called RBS at the end of February 2025. RBS said there were no restrictions on selling the property or remortgaging with another lender, but it wouldn't hold action without evidence this was in progress. RBS said it couldn't add a borrower to the mortgage as the term had ended.

Mr S raised a complaint that he didn't get a written response to his proposals. I think RBS gave Mr S clear information in response to his proposals. That is, adding a party to the mortgage was not an option. And there was no restriction on them selling the property or remortgaging to clear the mortgage balance. RBS also said it would require evidence that a sale or remortgage was in process to hold action. Mr S found this call upsetting. That's understandable given the nature of the discussion. But based on the available evidence, I think RBS provided the information Mr and Mrs S needed to understand their options.

Mr S also complained that RBS didn't extend a hold on action. He requested this because postal problems meant they received RBS's 15-day notice of legal proceedings late.

Mr and Mrs S received the 15-day notice of legal proceedings on 1 February 2025. RBS had already agreed to hold action until 26 February 2025 while it looked into Mr S's complaint. This was more than 15 days after 1 February 2025. I don't think RBS had fairly to extend the hold of recovery action further.

While lenders often put action on hold while a complaint is with us, they aren't necessarily required to do so. Whether RBS acted fairly when deciding whether or not to hold action while this complaint is with us is part of a separate complaint, and so I won't consider it here.

Mr S told us about their health problems and family circumstances. I'm sorry for the difficulties Mr and Mrs S have to deal with. But I must be fair to both parties. Mr and Mrs S's mortgage term expired in 2018 and RBS could fairly expect them to make arrangements to repay it. Some years have passed and RBS has been clear that it would start action for possession if the mortgage wasn't repaid. Mr and Mrs S didn't put forward a credible proposal to repay the mortgage balance within a reasonable time.

In the circumstances, I don't think it was unfair or unreasonable for RBS to proceed with legal action, to recover the debt.

Whether the litigation process has been managed fairly is the subject of a separate complaint.

### **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 Mrs S and Mr S to accept or reject my decision before 5 December 2025.

Ruth Stevenson  
**Ombudsman**