

The complaint

Mr A complains about how Bank of Scotland plc trading as Birmingham Midshires (BM) has handled arranging a repayment plan for arrears on his mortgage.

What happened

Mr A has a mortgage with BM. In recent years the mortgage has been in arrears. A payment plan was agreed for two months in September 2024, covering October and November. The property was on the market at the time.

At the end of the plan, in December 2024, Mr A contacted BM to discuss a further arrangement. Based on Mr A's income and expenditure, BM was satisfied he could afford to make the monthly payment and a contribution to the arrears.

What was then agreed in this call is in dispute. Mr A wanted the new arrangement to start from January 2025, and says this was agreed. BM says an arrangement wasn't finally agreed and put in place, because Mr A would need to make December's payment first, and then call back at the start of January to confirm the arrangement, because it would only agree to an arrangement where the previous month's payment had been made. BM says that because of the level of arrears, it would resume legal action if Mr A didn't keep to what was discussed.

BM says that Mr A didn't go on to make the December payment, and didn't get back in touch at the start of January as discussed. So it instructed its solicitors to resume legal action to repossess the property.

Mr A says he agreed a new payment arrangement to start in January. By instructing solicitors, BM went against what was agreed.

Our investigator didn't think the complaint should be upheld. Mr A didn't agree, so it comes to me for a final decision. I can see Mr A says he has further information to send. But it's now been several months since the investigator issued his assessment. I have to be fair to all parties, which includes not leaving complaints unresolved for long periods. I'm satisfied Mr A has had a reasonable time to provide any further evidence, and that I have enough evidence to be able to make a decision. So that's what I will do.

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.

In the call in December Mr A asked to set up a payment arrangement for January, February and March, by which time he expected the property sale to be completed. BM confirmed his income and expenditure. BM said that the next payment was due at the end of December, so the arrangement could start from December. Mr A said he wanted it to start from January. BM said that the payment before would need to be made, so for it to start from January Mr A would need to make the December payment and then call back at the start of January. BM

then agreed that the arrangement could start from January, provided the payment was made at the end of December. The agent said that she would check in January and once the December payment had gone through she would write out to confirm the arrangement was in place. It warned Mr A that if that didn't happen legal proceedings could re-start at any time.

A couple of hours later, the agent called Mr A back. She said that Mr A would have to call back in January to start the plan, once the December payment had been made, after all. He would have to call on 2 January to finalise the arrangement, and then BM would write to him to confirm. She apologised for the confusion. Mr A agreed to call back at the beginning of January. But he didn't do so.

I've looked at the payment history. Mr A didn't make any payments in 2024 until September. In September and October he made the monthly payment plus around £600 towards the arrears.

On 28 November BM attempted to collect the monthly payment by direct debit, but the payment bounced. The same thing happened when it tried again on 12 December. The December, January and February payments also could not be collected. Mr A made a manual payment in March, paying the monthly payment plus around £700 towards the arrears.

I don't think BM acted unfairly here. It made clear in the calls I've listened to that it would be prepared to agree an arrangement for January, February and March – but that was conditional on December's monthly payment being made, and on Mr A calling back at the start of January to confirm. Neither of those things happened. Mr A also didn't make payments in January or February.

I've also looked at the letters BM sent around this time. I've not seen anything that confirms an arrangement would definitely go ahead from January, or that Mr A didn't need to make December's payment first.

I think BM was clear about what it was agreeing to. When Mr A didn't make the December payment, or get back in touch at the beginning of January, it wasn't unreasonable that BM referred things back to its solicitors. I understand a further arrangement was agreed in March. But I don't think it acted unreasonably in the period covered by 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 A to accept or reject my decision before 13 January 2026.

Simon Pugh
Ombudsman