

The complaint

Mr L complains about how Bank of Scotland plc trading as Halifax has managed his mortgage. Mr L is in substantial arrears, and he has told us he now faces legal action from Halifax to repossess his home.

What happened

Our service has previously sent Mr L a decision which explains that we cannot look into all of the issues that he has most recently raised with our service. I don't propose to reopen here, the conclusions set out in that decision. So I will note at the outset that our service is only able to consider the following points for Mr L –

- That he wanted Halifax to make a long-term payment arrangement with him.
- That Halifax should have acted to repossess his property earlier – but not before May 2019.
- That the property this mortgage is secured on, is in a poor condition – but not that Mr L cannot get further lending to fund repairs because of marks on his credit file added before August 2023.
- That he struggled to understand one of the call handlers working for Halifax.

Mr L's mortgage has been in arrears for many years, and Halifax is now seeking to take legal action to repossess the property.

Mr L told us he's been asking Halifax to enter into a payment arrangement with him, but it refused. He said he wanted Halifax to make a change to the mortgage that means he can afford it, for example, writing off the arrears and then restructuring the remaining debt.

Mr L is very distressed that he could be losing his property now, and said he's at risk of homelessness. He says if Halifax is going to repossess his property, then it should have done so many years ago, when he would have been better able to deal with that. (Our service has explained why we can only look at whether Halifax should have repossessed Mr L's property between May 2019 and the date of his complaint.)

Mr L said the property this mortgage is secured on, is in a poor overall condition, and he's previously said he's not able to secure any lending to make repairs because Halifax has marked his credit file with missed payments.

Mr L also raised concerns about not being able to understand one of Halifax's call handlers. He said he'd asked to be put through to a manager or someone senior, but the call handlers routinely refused to do that.

Halifax said that it had explained to Mr L some time ago, that the monthly payment which would be required to clear his total debt to the bank was increasing, as his arrears

increased. Halifax says that Mr L has previously offered to pay less than his contractual monthly payment, and it won't enter into a payment arrangement with him which is less than that, because that won't allow him to pay off what he owes.

Halifax says if Mr L would like it to look again at a payment arrangement for him, then it first needs him to provide up to date information on his income and expenditure. That's so it can see if Mr L can afford a payment which will clear the mortgage, by the end of the term. It won't enter into a payment arrangement with him without knowing that he can afford it. And Halifax said it didn't think it had made mistakes in how it had handled Mr L's mortgage, so it wouldn't waive the arrears for him now.

Halifax said Mr L had been in mortgage arrears for several years, and the last payment he made was some years ago. But each time it had started to take action to address the increasing arrears figure, Mr L had raised complaints and highlighted health issues. Halifax said the responsible decision then had been to place legal action on hold. But it now thought that, given the extent of the arrears, repossession might be the only option going forwards.

Halifax says it isn't responsible for the condition of Mr L's property. It has pointed to the terms of Mr L's mortgage which say it's his responsibility to maintain the property. And Halifax has previously explained that as long as Mr L remains in arrears, this will affect his credit file.

Halifax apologised if Mr L had experienced difficulties in understanding one of its agents. It said that Mr L can ask to be transferred to a different agent, if he has this problem again. But Halifax said its managers don't deal directly with customers, and in any event would only tell Mr L the same as an agent is telling him. So it didn't think its staff had done anything wrong by explaining to Mr L that he wouldn't be transferred to a manager.

Our investigator didn't think Mr L's complaint should be upheld.

Our investigator said Halifax wasn't opposed to discussing Mr L's finances with him, and would be happy to review the situation if he provided up to date income and expenditure information. He wouldn't expect Halifax to enter into a payment arrangement with Mr L, before it had that information.

Our investigator said our service has to bear in mind that Mr L doesn't want the property to be repossessed or sold, and that Halifax has previously put action on hold in response to his complaints or to concerns he has raised. Our investigator didn't think Halifax had done anything unfair by holding action, and he didn't think it would be fair for him to conclude Halifax had allowed the situation to go on for too long.

Our investigator said Halifax isn't responsible for the value of the property, or the condition it is in. He said it's Mr L's responsibility to maintain the property.

Our investigator said that it was reasonable for Halifax to say it would try to arrange for someone else to take the call if Mr L was struggling to understand any of its agents.

Our investigator said he did empathise with Mr L's situation, but the evidence he'd seen didn't suggest Halifax had done anything wrong.

Mr L didn't agree. He said we hadn't helped him at all. He asked us to look into other issues too, which he'd previously raised with Halifax, but our service has explained why we're not able to do so.

Because no agreement was reached, this case came to me for 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've reached the same overall conclusion on this complaint as our investigator. I'll look at each of Mr L's complaint points in turn.

I understand that Halifax remains willing to consider a payment arrangement for Mr L, if he supplies up to date income and expenditure information. I think it's reasonable for Halifax to say it wants to be sure that Mr L can make any payments he agrees to, so I think this is a fair and reasonable way for Halifax to proceed. I haven't seen anything to suggest to me here that Halifax ought to write off all of the arrears on Mr L's mortgage. I understand those arrears are now considerable, and there's no plan in place to clear them at the moment, so I don't think it's unfair or unreasonable for Halifax to say it will now proceed with action to repossess Mr L's property.

Mr L says if Halifax was going to repossess his property, it should have done so much sooner. I can appreciate how, with hindsight, Mr L feels he would have been better able to manage the impact of a repossession action some years ago.

Looking at the period which our service is allowed to consider, going back to May 2019, I would note that this includes an extended period during the pandemic, when Halifax was not permitted to seek possession and evict borrowers from their homes.

I note that Mr L has remained in his property throughout this time, and has discussed with Halifax a number of plans to avoid repossession of the property, which I understand was also paused on health grounds during this time. In the circumstances of this case, I don't think it would be fair and reasonable for me to require Halifax to waive any of the interest it has charged since May 2019.

I don't think Halifax is responsible for maintaining Mr L's property – I can see that the terms of Mr L's mortgage make him responsible for that. Mr L told us he's not able to borrow money to carry out repairs, and I know Mr L has previously complained about marks put on his credit file as a result of the arrears. I would expect that Halifax will continue to note Mr L's credit file, as long as this mortgage remains active and in arrears. Halifax is under a legal obligation to provide information to credit reference agencies which is fair, accurate, consistent, complete and up to date. I can't fairly require Halifax to stop reporting arrears onto Mr L's credit file now.

I think it's fair and reasonable for Halifax to say that if Mr L has difficulties in understanding a particular call handler, then he can ask to be passed to someone else, and Halifax will honour this request whenever it is able to do so. I don't think Halifax needs to do more, on this particular complaint point.

I know that Mr L will be disappointed, but I don't think this complaint should be upheld.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 17 December 2025.
Esther Absalom-Gough
Ombudsman