

## **The complaint**

Mr V complains that OneSavings Bank Plc trading as Kent Reliance didn't treat him fairly when he fell into arrears on his mortgage. He complains that it's taken repossession action, failed to tell him about court hearings, and misled the court.

## **What happened**

Mr V has a mortgage with Kent Reliance. He borrowed around £350,000 on repayment terms, over 19 years from 2022. The mortgage was on a fixed rate of 3.24% for two years, reverting to a variable rate 4.9% above Bank of England base rate from April 2024.

Unfortunately Mr V fell into financial difficulties and the mortgage started to go into arrears in June 2023. Over the next few months Mr V and Kent Reliance were in discussions about his situation and options – though there were also periods when there was no contact. Over this time Mr V made some payments and not others, and when he did make payment often didn't pay the full monthly payment.

By March 2024 the arrears were over £9,000. No payments were made after February 2024. Kent Reliance sent a letter before action in March 2024. In the following months Mr V told Kent Reliance he was having problems with a benefits claim, and also that a friend would help him with the repayments. By October 2024 the arrears were over £27,000. Kent Reliance instructed its solicitors to take repossession action.

In December 2024 Kent Reliance agreed a payment arrangement of £1,500 per month for three months. There was a court hearing in January 2025. The court adjourned proceedings on the basis of Mr V paying £2,000 per month.

There was a further hearing on 10 March. Mr V complains that Kent Reliance misled the court. He had made the required payments of £2,000 per month, with payments on 12 February and 7 March. But Kent Reliance's solicitors told the court he had only made the February payment.

The court listed a further hearing on 28 March. Kent Reliance says its solicitors were only told of the hearing on 26 March – they wrote to Mr V on 27 March. But Mr V says he didn't receive the letter until 29 March, the day after the hearing. He therefore missed the chance to attend the hearing and put his case to the court. The court issued a possession order. Mr V says that the misinformation likely led to the court's decision to make a possession order. But having missed the hearing, he wasn't informed of the outcome until it was too late for him to appeal. He had to apply to set the order aside instead.

Mr V complained. He said that he had experienced significant health issues which had impacted his ability to work. Despite that, he had paid what he could and remained in touch with Kent Reliance. But Kent Reliance significantly increased his mortgage interest rate, making his situation worse. He made payment proposals and requested a reduced interest rate, which Kent Reliance rejected. He complained that he hadn't been told about the hearing on 28 March, and that Kent Reliance wrongly told the court on 10 March that he hadn't been complying with the court order when he had. He said he had been contacted by

third party companies about debt and property sales, leading him to suspect Kent Reliance had shared his information with third parties without his consent.

Kent Reliance said it had considered Mr V's circumstances to see what forbearance could be offered. But the arrears were mounting and the mortgage wasn't affordable for Mr V. Any further reduced payment arrangement would just increase the arrears further. It said its solicitors had told Mr V of the court date as soon as they had been told by the court. It agreed a short term arrangement until July 2025, agreeing for Mr V to pay interest only, to give him time to take advice about his options.

Our investigator said that Kent Reliance had shown reasonable forbearance. But she said it should have done more to notify Mr V of the court hearing and had given incorrect information about payments he had made. She said it should pay him £100 compensation.

Kent Reliance accepted that. But Mr V didn't. He said that Kent Reliance was now taking action to evict him, even though he was back at work and able to afford the mortgage. He said that it should offer him a reduced interest rate and a two year period on interest only to give him time to get back on his feet.

### **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 very sorry to hear about everything Mr V has been through in recent years. He's explained he suffered serious health problems which affected his ability to work and to maintain the mortgage.

Unfortunately, for long periods Mr V was unable to maintain his mortgage payments. He was in touch with Kent Reliance to explain his situation and share information about his finances. And it's clear that for much of 2023 and 2024, the mortgage wasn't affordable for him.

At the same time, the interest rate rose when the initial fixed rate came to an end in April 2024. Although Kent Reliance does offer new interest rates to existing customers, it didn't make one available to Mr V because of the arrears and his financial difficulties. I don't think this was unfair. I appreciate this made the mortgage more expensive on the reversion rate. But a new fixed rate would come with an early repayment charge, and wouldn't have made the mortgage affordable for Mr V. If it had to be brought to an end prematurely, the early repayment charge would risk making his situation worse.

Kent Reliance did agree reduced payment arrangements with Mr V. He wanted a switch to interest only. It allowed some short periods on interest only, but wouldn't agree to a longer term arrangement or a permanent switch. Again, I don't think this was unfair. The rules of mortgage regulation only allow a switch to interest only permanently where there's a plan in place to repay the capital at the end of the term – which there wasn't here. And a longer term temporary switch to interest only means that Mr V would have less time to repay the capital over the remainder of the mortgage, and so his monthly payments would go up at the end of the arrangement. Where there was no evidence that would be affordable for him, or that there was a realistic prospect of getting things back on track over the longer term, I don't think it was unreasonable that Kent Reliance didn't agree to a longer period on interest only.

Given the situation in late 2024 and early 2025, I don't think it was unreasonable that Kent Reliance took possession proceedings. By then the mortgage had been in arrears for almost two years. Mr V still wasn't in a position to resume making payments in full, and it wasn't clear when he would be. Kent Reliance had allowed him considerable time to find a way to

get things back on track, but he still hadn't been able to. And the longer the arrears situation went on, the more interest Mr V would be charged and the more the balance would increase – which isn't in his interests either.

I do think that Kent Reliance made mistakes around the handling of the court hearings. It's clear that its agent – no doubt inadvertently – misled the court at the hearing in early March, by saying that Mr V had made payment in February but not March, notwithstanding the court's order in January that he should pay £2,000 per month. He had in fact made March's payment too, but that information hadn't reached Kent Reliance's representative.

However, I'm not persuaded that this ultimately made any difference to the outcome of that hearing. It's clear from the note of Kent Reliance's representative that Mr V explained he had made the March payment. And the court agreed to adjourn the hearing for between two and three weeks to allow Mr V to provide further evidence about his improved financial position before deciding whether or not to make a possession order.

The court sent both Mr V and Kent Reliance's solicitor a court order with the date for the next hearing, 28 March. I've seen an email from the court in which it confirms that the court order, with the hearing date, was sent on 14 March, two weeks before the hearing.

It therefore seems likely that Mr V would have known of the new hearing date. If the court sent the order with the date on 14 March, he would have received it in good time before 28 March. He also knew from the previous hearing that there would be a new hearing between 14 and 21 days after the last one, and that he was expected to send his financial information to the court before then.

Kent Reliance's solicitor said it only received notification from the court of the hearing on 26 March, two days before. If the court is right and it sent the order to both parties on 14 March, then either that's not correct or the court order was delayed in transit to the solicitors. But even if the solicitors did only receive the notice on 26 March, I don't think just sending a letter to Mr V on 27 March was enough. It wasn't likely he would receive that letter in time to attend court. I agree that the court is responsible for formally notifying parties of a hearing date. But, acting fairly, I would expect Kent Reliance or its solicitors to make sure Mr V was aware too – especially if, as they say, they had only been notified themselves at the last minute. Sending a letter by post wasn't enough, in my view. Kent Reliance or its solicitors ought to have emailed or called Mr V too.

However, for the reasons I've explained, I don't think I can fairly say that this is the only reason Mr V didn't attend the hearing on 28 March. Ultimately, as I say, it was the court's responsibility to notify the parties. It appears the court did notify Mr V, by sending him the order on 14 March. And in any case Mr V was expecting there to be a hearing imminently and if he hadn't been told when it was he could have contacted the court, or Kent Reliance, to check. I'm not therefore persuaded that it was wholly Kent Reliance's fault that Mr V didn't attend the hearing on 28 March.

The court issued a possession order in Mr V's absence on 28 March. I don't have the power to overturn a court order. But in any case I can see from the report of the hearing that the court did take into account the financial information Mr V had sent in before making its decision. I don't think I can fairly say that it's more likely than not that the outcome would have been any different if Mr V had attended.

Taking all that into account, I do think that while it's acted fairly overall in the forbearance it's offered, Kent Reliance did cause Mr V some upset around the mistakes with the court hearings. It's now agreed to pay £100 compensation, which I think is fair.

More recently, since the investigator reached her view of the complaint, Kent Reliance has notified Mr V that it is now going back to court to seek an eviction date. But Mr V also says that he's now back working. And taking into account his own income as well as that of his partner (who, he says, intends to contribute even though she's not a party to the mortgage), he's now in a position to increase the amount he's paying.

This isn't something I can consider here, because it post-dates this complaint and the events I can consider. I simply remind Kent Reliance that repossession must be a last resort, and that it has an obligation to consider any proposals Mr V might make at any stage, and offer forbearance if there appears to be a way of getting things back on track and avoiding the need for repossession. If a court date for an eviction warrant hearing does go ahead, Mr V can also attend court and ask for a warrant to be refused or suspended on the basis that he will make payments to the mortgage and the arrears, avoiding an eviction. He can also bring a further complaint if he's unhappy with how Kent Reliance is treating him. As I say, I can't consider what's happening now because that's outside the scope of this complaint. But I hope a solution can be found.

### **My final decision**

My final decision is that OneSavings Bank Plc trading as Kent Reliance should pay Mr V £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 5 January 2026.

Simon Pugh  
**Ombudsman**