

## **The complaint**

Mr O complains that Mortgages Plc sent him a letter saying he was in breach of his mortgage, which he found bullying and abusive. He asks for compensation of £2,000.

## **What happened**

Mr O took out a mortgage with Mortgages Plc in 2005, secured on his leasehold property. Mr O is in dispute with the freeholder.

Mortgages Plc received a letter from the freeholder in May 2025. This said Mr O had failed to pay the service charge and insurance premiums and, due to the poor state of repair of his property, it was having difficulty finding insurance.

Mortgages Plc wrote to Mr O enclosing the letter from the freeholder. Mr O says the allegations made by the freeholder are untrue and it was unfair for Mortgages Plc to accept what it said. He says the letter from Mortgages Plc added to the considerable distress caused by his dispute with the freeholder.

Mortgages Plc said it wrote to Mr O to clarify the situation. It offered £25 for inconvenience caused when a call disconnected.

Our investigator said Mortgages Plc has to assess information that might affect its security, including making Mr O aware of any claims. Our investigator didn't consider the letter sent by Mortgages Plc to be threatening or inappropriate.

Mr O didn't agree and asked that an ombudsman reconsider the matter.

## **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.

We offer an informal dispute resolution service. I'm not required to respond to each point made by the parties. What I do need to do is explain my reasons for reaching my decision about what's fair and reasonable in the circumstances of the complaint.

Mortgages Plc received a letter from the freeholder in May 2025 saying Mr O was in breach of his lease. In summary, the freeholder said Mr O hadn't paid his service charge or his share of insurance costs for six years and hadn't maintained his property in good order. The freeholder said it was struggling to find insurance due to the risk posed by Mr O's property.

Mr O disputes all of this. He says the freeholder started and then withdrew applications to the property tribunal on several occasions, including in early 2025. Mr O says Mortgages Plc had no right to reach conclusions based on the letter from the freeholder.

I've read the letter that Mortgages Plc sent to Mr O in May 2025. The letter enclosed the letter Mortgages Plc had received from the freeholder. It asked Mr O to call immediately to discuss the matter and his intentions to rectify the issues mentioned. It said it was imperative

that Mr O get in touch as he was in breach of his mortgage terms and conditions.

The wording of the letter does suggest that Mortgages Plc thought there was a breach of the mortgage terms and conditions based on what the freeholder had said. Mortgages Plc could have worded the letter in more neutral terms to avoid this, until it knew more about the situation. However, I don't think the letter was – or was intended to be – harassing or bullying. I think it was fair for Mortgages Plc to write to Mr O, to make him aware that it had received the letter from the freeholder. Mortgages Plc's letter asked Mr O to get in touch to discuss the matter – this gave him an opportunity to put forward his own version of events.

I think it was fair for Mortgages Plc to say in the letter that it considered the matter to be urgent. I think it's reasonable for Mortgages Plc to be concerned when told that the security property is in a poor state of repair and might not be insured. This would put its security at risk. It's a term of Mr O's mortgage with Mortgages Plc that the property is insured and kept in good repair. This is to protect Mortgage Plc's security interest in the property.

Mortgages Plc says it had no connection with the freeholder other than receiving the letter. While Mr O says Mortgages plc is acting for or in concert with the freeholder I find that unlikely.

Contacting Mortgages Plc to explain his version of events would have involved some time, inconvenience and upset. But that's not because of any error or unfairness by Mortgages Plc. I think it was fair for Mortgages Plc to give Mr O an opportunity to explain what had happened with the property and provide any relevant evidence.

Mr O says the freeholder caused damage to the property. He disputes the suggestion that any difficulty putting insurance in place is due to the condition of his property. These matters relate to Mr O's dispute with the freeholder. They don't change Mr O's obligations under the mortgage contract to maintain and insure the property.

Ultimately, Mortgages Plc might consider taking action to protect its security. I don't need to comment on that further here as it seems Mortgages Plc hasn't yet taken any action, other than to write to Mr O to ask him to get in contact to discuss the matter.

Mr O found the letter from Mortgages Plc upsetting. But I think that's mostly because it relates to his dispute with the freeholder – which Mortgages Plc isn't responsible for. I think it was fair for Mortgages Plc to write to Mr O after receiving the letter from the freeholder. I don't think it's fair and reasonable to require Mortgages Plc to pay compensation for any upset or inconvenience this caused Mr O. I don't think Mr O suffered any financial loss due to an error by Mortgages Plc.

Mortgages Plc apologised and offered £25 for the inconvenience caused to Mr O when a call was cut off. It didn't know the cause of this, and couldn't call Mr O back as it didn't have a number for him. In the circumstances I think £25 is fair.

I don't think it's fair and reasonable in the circumstances to require Mortgages Plc to pay further compensation or take further steps regarding this complaint.

### **My final decision**

My decision is that Mortgages Plc should pay £25 to Mr O, as it offered to do.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 28 December 2025.

Ruth Stevenson  
**Ombudsman**