

The complaint

Ms H complains that The Mortgage Works (UK) Plc didn't treat her fairly at the end of the term of her mortgage.

What happened

Ms H took out a mortgage with TMW in 2009. The mortgage was on an interest only basis over a 15 year term. TMW says that it was a buy to let mortgage, though Ms H disputes that she agreed to lending on that basis. At any rate, Ms H was living in the property and had been for many years at the time of the events which gave rise to this complaint.

The term of the mortgage was due to end in October 2024. In February of that year, Ms H contacted TMW to ask for a six month extension. TMW initially declined her request because she was living in the property, which it said was a breach of the mortgage terms and conditions. However, it later agreed to a six month extension – to April 2025.

In January 2025 Ms H asked for a further six month extension to give her more time to sell the property. TMW refused. However, when Ms H found a buyer in March, TMW agreed to an extension to October 2025 to allow the sale to complete.

Unfortunately the sale couldn't go ahead in July 2025. The buyer's chain had fallen apart. The buyer still wanted the property but the sale was delayed. Ms H asked TMW for more time to try again to sell it, either with the same buyer or by re-marketing. She said that she wanted until December – on the basis that she would put the property up for auction if she hadn't confirmed a sale by October. Unfortunately the sale broke down again in September 2025. Ms H said she then needed six months to get the property ready for auction – it wouldn't be sensible to put it up for auction just before Christmas, so asked for an extension to March 2026, which TMW declined.

Ms H complained. She said she had never been made aware she couldn't live in the property. She had originally bought it for her parents, then moved in to care for them and has remained living there since they passed away some years ago. More recently, she has experienced serious health concerns of her own. She had thought the mortgage term ended in October 2026, not October 2024. She had been carrying out some repairs and maintenance preparing to sell the property, and was always intending to do so – in part because the mortgage payments were no longer affordable for her once her interest rate ended in April 2024.

Ms H says she explained her circumstances to TMW when it told her the mortgage actually ended in 2024 not 2026 and asked for more time. She said she wanted to complete work on the property before she sold it. She was in the process of putting right problems caused by previous poor workmanship, which had also been very stressful for her. TMW refused to allow her any more time because she was living in the property – this was the first time Ms H knew that was an issue even though TMW had known her address for many years. It did eventually agree to an extension and she put the property on the market. But it refused further extensions when she needed more time to complete the sale.

Ms H also says that TMW delayed responding to her and was unsympathetic to her situation. She was trying to resolve things, but it was obstructive and unhelpful and risked leaving her homeless if she couldn't sell the property herself. If it would consider allowing more time if she wasn't living in the property, it ought to do so here too.

Since she first brought the complaint TMW has allowed more time, as I've set out above. However Ms H remains unhappy about how she was treated over that period – as well as how the mortgage came to be taken out in the first place, and that TMW is not now willing to allow a further extension for her to re-market the property following the collapse of the sale.

Our investigator didn't think TMW had acted unfairly, so Ms H asked for an ombudsman to review her complaint.

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 sorry to hear about the problems Ms H has experienced with her property. She's explained that she employed contractors to carry out some work before putting it on the market, but they did a poor job and caused further problems, which delayed her marketing it for sale. And when she did market it, she found a buyer – only for the buyer to pull out just before exchange when their sale collapsed.

Ms H says that she instructed the mortgage broker who sold her this mortgage that she wanted two mortgages – a buy to let mortgage on another property, and a mortgage over this property which she was buying for her parents to move into. That's not something I can consider, I'm afraid, because TMW wasn't responsible for the broker or the sale of the mortgage.

The fact is that this was arranged as a buy to let mortgage. That means that Ms H was not permitted to live in the property, and was required to let it out commercially (so not allow family members to live there either, even if they were contributing to the costs of running the property). As I say, I can't look at the circumstances in which it was sold to her. I have seen that the mortgage documents make clear that this is a buy to let mortgage, including the requirement to let the property out and not live in it, and that her solicitor at the time of the purchase confirmed to TMW that it was intended to be buy to let. If that wasn't correct, or if the solicitor didn't explain the implications of that to her at the time, that's something to take up with the solicitor.

Ms H was aware that the term would be ending, and contacted TMW to explain her situation and ask for some further time. Even though this is an unregulated buy to let mortgage, I would still expect TMW to treat Ms H fairly and show appropriate forbearance. I've borne in mind that while she may have been in breach of contract by doing so, the fact is that she was living in the property as her home – which is relevant to the amount of forbearance I would expect TMW, acting fairly, to have shown.

Overall, I'm satisfied that TMW did act fairly and reasonably. It was entitled to expect the mortgage to be repaid at the end of the term, so I wouldn't expect it to agree to term extensions automatically. But I would expect it to take Ms H's particular circumstances into account and allow her reasonable extra time to bring the mortgage to an end when she couldn't do so at the end of the term. Ms H recognised from the start that she would have no option but to sell the property. She put it on the market, marketing it in the way and at the level advised by estate agents, and managed to secure a buyer. TMW allowed further time for that to happen, which I think was fair.

Unfortunately there have been problems with the sale. Ms H has had the same buyer throughout. But the sale has fallen through several times due to problems with the buyer's chain. Ms H kept TMW updated and it agreed to allow further time. Again, I think this was reasonable. But by October 2025, when there was still no indication of when the sale would complete and it wasn't clear whether the buyer would be in a position to go ahead, TMW wasn't willing to consider a further six month extension.

More recently, Ms H has told our investigator that the sale is back on again. The buyer has managed to reinstate their chain and still wants to go ahead with the purchase. As this is a very recent development she doesn't have an agreed completion date yet. But in this new situation, I would expect TMW to review matters again. Ms H will need to keep it updated and provide evidence of the progress of the sale – TMW might need her permission to confirm details with the estate agent and her solicitor – but if there is a realistic prospect of an imminent sale I would expect TMW, acting fairly, to show further forbearance and allow that to proceed rather than taking possession action to sell the property itself. But equally things can't be allowed to go on indefinitely, so Ms H might want to have a backup plan in place in case the sale falls through again.

Overall, therefore, I'm satisfied that TMW has shown reasonable forbearance to date. It's allowed Ms H a year beyond the end of the term so far to find a way to repay.

I've also thought about the process Ms H has been put through, and the customer service she's experienced. I'm satisfied that the questions TMW has asked her at various times were reasonable, because it needed to know more about her situation before deciding what to do. There were times when TMW didn't respond to her as quickly as it could. And I understand Ms H's frustration about that. But much of the stress and worry she experienced was due to her wider situation and the risk of losing her home. I don't think TMW unfairly made things more difficult for her than they would always have been.

I appreciate Ms H was upset by TMW's email suggesting it wouldn't agree a further term extension because it believed the property was over-priced. I haven't seen any evidence supporting that view. But it didn't affect the overall outcome, because a few days later Ms H did find a buyer (at the price she was marketing it for rather than the price TMW thought more realistic) and as a result TMW did agree a six month extension to allow the sale to go through.

Ms H also complains about the interest rate applied to the mortgage – in particular that TMW won't offer her a more affordable interest rate now the mortgage term has ended and so she's being charged the higher standard variable rate, which she can't afford even with benefits payments. She's described the efforts she's having to make to try and keep up with the payments and the impact of that on her. That's another reason to bring the mortgage to an end as soon as possible, and I hope Ms H is now able to complete her sale in the coming months. But I'm afraid I don't think TMW has treated her unfairly here. The mortgage would always revert to the variable rate when the last fixed rate ended. Ms H isn't eligible for a new fixed rate now the mortgage is out of term. And even though a new rate would reduce her payments, it might not be the best thing for her overall, because when she does sell the property she would have to pay an early repayment charge of perhaps 2% to 5% of the balance if there was a fixed rate in place. But while TMW is not required to offer a new fixed rate, it should show forbearance and treat Ms H fairly if she's struggling to make her payments.

Overall, then, I do think TMW has acted fairly here in allowing Ms H more time. But I remind it that now this complaint is over its obligation to act fairly and show reasonable forbearance hasn't come to an end. Ms H will need to update TMW on the progress of her sale, and TMW will need to continue to treat her fairly, including allowing a sale to proceed if it's clear

it will complete in a reasonable time. Repossession of a property should always be a last resort, whether the mortgage is regulated or unregulated. At the same time, Ms H will need to do everything she can to bring the mortgage to an end herself, including by having a backup plan in place in case there are further problems with the sale. I hope a solution can be found.

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 Ms H to accept or reject my decision before 13 January 2026.

Simon Pugh
Ombudsman