

The complaint

Mrs S complains that Landmark Mortgages Limited isn't treating her fairly during financial difficulties with her mortgage.

What happened

Mrs S has a mortgage with Landmark. It was originally taken out with Northern Rock and is now with Landmark. She borrowed around £280,000 on interest only terms, with an initial fixed rate of 5.29% until September 2008, followed by the standard variable rate (SVR) with a discount of up to 0.25%. The term of the mortgage ends in June 2027.

Unfortunately, the mortgage has been in arrears for many years. By May 2025 the arrears were over £70,000. Landmark says it has made efforts to resolve things with Mrs A but there appeared to be no prospect of getting the mortgage back on track. It instructed solicitors to take possession proceedings. It said it would still consider any proposals Mrs A made. The court issued a possession order in September 2025.

Mrs S says she has another property which was let out. She recovered it from the tenant in 2024 but it was badly damaged and she's trying to get it repaired through her insurer. She says she'll then sell that property and use the funds to repay Landmark. Alternatively, her son would apply for a mortgage to take over the property subject to Landmark's mortgage. She wanted Landmark to freeze interest or give her a payment holiday on the mortgage in the meantime or accept a payment arrangement of £200 per month. And she wanted it to stop the legal action.

Mrs S brought her complaint to us. She said the interest rate was too high and Landmark hadn't agreed to her proposals. She said the stress of the situation was having a serious impact on her health.

Our investigator didn't think Landmark had acted unfairly, so Mrs S asked for an ombudsman to review the 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 of Mrs S's health difficulties, and I'm sure this situation is very stressful for her. But I'm afraid I don't think Landmark has acted unfairly.

The mortgage has been in arrears for many years. The last payment was made in August 2023. It's clear that the mortgage isn't affordable for Mrs A.

I don't think the interest rate is unfair. The mortgage is on the SVR, less discount. That's what the mortgage offer says the interest rate should be. Landmark doesn't offer new fixed rates to existing customers. And in any case, since Mrs A hasn't been able to make any payments at all, reducing the interest rate wouldn't make the mortgage more affordable for

her.

I've also thought about whether Landmark should stop charging interest as a form of forbearance. But I don't think I can fairly expect it to do that. Interest is chargeable under the terms and conditions of the mortgage. I don't think it would be fair to expect Landmark to stop charging interest.

I also don't think it was unfair that Landmark didn't agree to Mrs A's other proposals. The current monthly payment is over £2,000, so a payment of £200 per month wouldn't resolve either the current payments due or the large historic arrears. Mrs A has promised to repay the arrears or the mortgage in one way or another several times – by selling a property abroad, by selling the buy to let property, or by family members taking out other loans – but none of those plans have come to pass, and Landmark hasn't been given any evidence they will do.

The mortgage balance is now over £360,000, including the arrears, and is growing by £2,000 per month. Taking repossession action should always be a last resort. But given the size of the arrears and how long they've been going on for; given the way the balance is growing; and given there's no sign of Mrs A being able to resolve the situation soon, I don't think it was unreasonable for Landmark to go to court. The longer things go on, the worse the position Mrs A is in. I know this isn't easy for her, and I'm sorry for everything she's going through. But I don't think it was unfair for Landmark to want to bring the mortgage to an end, in everyone's interest.

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 Mrs S to accept or reject my decision before 13 January 2026.

Simon Pugh
Ombudsman