

## **The complaint**

Ms W complains that Lenvi Servicing Limited didn't give consent for her to let her property. She says it misled her about this and took too long to make a decision. She said Lenvi hadn't contacted her about paying off her arrears in instalments.

## **What happened**

When Ms W bought her property in 2008 she took out a Government funded loan under a scheme set up to help people buy their first home. The scheme is now administered by Lenvi. Lenvi says Ms W's loan was part of the First Time Buyers' Initiative (FTBI) scheme.

Ms W says the property isn't fit for her and her child to live in due to damp and other issues and she needs to be closer to a parent who is unwell. Ms W says she can't afford to pay the mortgage as well as rent on the property they are living in. She asked Lenvi for consent to let the property while she arranges for it to be sold.

Ms W contacted Lenvi about consent to let the property in October 2024. Lenvi suggested this was possible and then declined, saying letting isn't permitted under the FTBI scheme. It paid £500 compensation for delays, poor service and incorrectly suggesting Ms W might be able to let the property.

Ms W says she feels bullied and suffers mental anguish and distress, which requires therapy and affects her sleep. She said she'd been given consent to let previously (in 2017, 2019 and 2022).

I sent a provisional decision explaining why I didn't intend to uphold the complaint.

Ms W didn't agree. She said she and her child can't move back into the property. She says they are neurodivergent and the property isn't suitable for them. She hadn't made Lenvi aware of this as the diagnosis is recent. Ms W said she also has asthma. Ms W provided correspondence from Homes England. This said the administrator had referred her account to it, and she should no longer contact the administrator (Lenvi).

## **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.

Ms W previously brought a complaint to us about how Lenvi dealt with her arrears. My colleague said Ms W should be allowed to repay the arrears in instalments. I won't be revisiting that matter. Ms W will need to contact Lenvi and provide the information it needs to agree a plan to repay the arrears in instalments.

When Ms W bought the property she signed an agreement with Urban Regeneration Agency trading as English Partnerships. English Partnerships was replaced by the Homes and Communities Agency, which was then replaced by Homes England.

Over the years, UK Governments have brought in different schemes intended to help people

buy a home. Each scheme has its own set of rules. Lenvi says Ms W bought the property under the First Time Buyers' Initiative (FTBI) scheme. Lettings are not allowed under the FTBI scheme rules (regardless of the borrower's circumstances). The scheme information says a borrower that wants to let the property would have to first repay the loan.

Lenvi says it's not party to the loan agreement and has no power to amend it or agree to act in breach of its terms. It said Homes England confirmed it has no intention of changing the terms of the scheme. It said it doesn't know why the previous administrator agreed that the property could be let when this is in breach of the scheme rules.

Although Lenvi can't amend the terms of the loan or scheme, it does have to act fairly as the administrator of the loan account and when exercising the rights of the lender.

The agreement Ms W signed says (in section 5.1) that Ms W won't use the property other than as her own principal residence. The agreement says Ms W will not let the property without written consent. It says the lender will not consider such consent unless Ms W agrees to pay a reasonable commercial rate of interest on the Secured Amounts (essentially the amount Ms W owes Homes England under the loan) for the period that the property is to be let.

In summary, the loan agreement says Ms W would need written consent from (or on behalf of) Homes England to let the property and she'd have to pay rent to Homes England. As this is different from what the FTBI scheme rules say (that lettings are never allowed), we asked Lenvi for clarification. It didn't provide evidence that Ms W's loan was part of the FTBI scheme when she took it out, or explain why the loan terms appear to be at odds with the scheme rules, or why it's taken the view that the scheme rules prevail.

I have no conclusive evidence that Ms W's loan was part of the FTBI scheme. Equally I have no evidence that it wasn't or that it was part of another scheme that does allow letting. It's unlikely to be part of a scheme that was set up after the loan was taken out (such as the help to buy scheme). But even if the loan was part of a scheme where letting is possible, that doesn't mean I'd find it fair and reasonable to require Lenvi to consent to Ms W letting the property.

Lenvi says where letting is permitted under a help to buy scheme (which it says is not the case here), this is on a short-term basis to support customers with exceptional circumstances. There's a maximum amount of time that it consents to a property being let.

Ms W said she and her child have health conditions and disabilities, meaning the property isn't suitable for them, and she needs to live closer to a parent who is unwell. Ms W says she didn't know the building would become unsafe when she bought the property in 2008. Ms W said she can't continue to pay the mortgage and rent until the building is fixed, and wants to let the property to help her financial situation while she arranges a valuation and sale of the property. Ms W says she was given consent to let in 2017, 2019 and 2022.

Ms W has made it clear that she isn't living in the property and that the property isn't suitable for her and her child. Presumably this has been the case for some time since Ms W first let the property in 2017. From what Ms W has said, she doesn't intend to move back into the property in the near future if at all. In the circumstances, I don't think I can fairly find that this is a request to let the property on a short term basis to assist with exceptional circumstances. And it seems likely the property has already been let for more than the maximum period.

Either Ms W's loan is part of a scheme that doesn't allow letting. Or it's part of a scheme that allows letting in limited circumstances – which Ms W's request doesn't meet. I must fairly

take into account that Ms W has been letting the property either continuously or intermittently since 2017. I can't fairly find that Lenvi should have consented to Ms W continuing to let the property when the evidence suggests this would be in breach of the relevant scheme.

Ms W says the condition of the property is such that Lenvi are in breach of laws requiring landlords to maintain properties to a suitable standard. However, Ms W owns the property. That means Ms W is responsible for maintaining it and (if she were to let it out) ensuring the property is in a suitable condition to be tenanted. Ms W is required to maintain the property under the terms of her loan agreement. I can't fairly find that Lenvi is responsible for the condition of Ms W's property.

It took too long for Lenvi to give Ms W a decision as to whether it would consent to her letting the property. There were delays in Lenvi responding to Ms W. There's been confusion as to which scheme rules apply and whether it's possible for Ms W to let the property without breaching her agreement with Homes England. I think it's right that Lenvi paid compensation for this.

I don't agree that Lenvi bullied Ms W, or that trying to contact her to discuss her request to let the property or her complaint amounted to harassment. I'd add here that there was nothing to stop Ms W from starting the process to sell the property in October 2024 (or earlier) if that was her intention.

Lenvi paid £500 to Ms W for delays, poor service and confusion in dealing with her request for consent to let the property. I think, in the circumstances, that's fair and reasonable.

This complaint is about the Lenvi, the scheme administrator. The correspondence Ms W recently provided was from Homes England. While Ms W found the correspondence upsetting, that's not something I can look into here.

### **My final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 29 January 2026.

Ruth Stevenson  
**Ombudsman**