

The complaint

Mr C has complained about a buy to let (“BTL”) mortgage he holds with Charter Court Financial Services Limited trading as Precise Mortgages. Mr C is unhappy with the actions of the Law of Property Act Receiver (“Receiver”) that was appointed, and he has also raised concerns about the validity of the mortgage deed.

Whilst Mr C holds five BTL mortgages with Precise, and there are similar issues on all, this complaint has been focused on just one of those properties (and its mortgage) so I will use “mortgage” in the singular in this decision.

What happened

The details of this complaint are well-known to both parties, so I won’t repeat them again here. The facts aren’t in dispute, so I’ll focus on giving the reasons for my decision.

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.

Precise wrote to Mr C in January 2025 to say it would be appointing a Receiver due to arrears on the account, which stood at around £1,240. The Receiver was appointed on 3 March 2025, at which time I understand the last full payment had been made in September 2024. Mr C complained about the actions of the Receiver, and he was also unhappy that they had been appointed at all. He has also questioned the validity of the mortgage deed.

The Investigator didn’t recommend the complaint be upheld. My review has determined the same. This is for the following key reasons:

- Mr C said a solicitor wasn’t present when he signed the mortgage deed but they don’t have to be. The signing of the form must be witnessed, and Mr C – and his witness – signed the form to state that process had been followed correctly. If it wasn’t (and I’m not saying that was the case either way) then I can’t hold Precise liable for that as it wouldn’t have known that Mr C – and his witness – had made a false representation to that effect. This was covered in section 10 of the mortgage offer *“This is a binding offer subject to the General Mortgage Conditions and Offer Conditions in Section 15. You can accept this Mortgage Offer by signing, but not dating, the Mortgage Deed that will be sent to you by your conveyancer in the presence of a witness who should also sign the Mortgage Deed and provide the information requested. You should then send it to your conveyancer confirming to them that you wish to accept the Mortgage Offer.”*
- The General Mortgage Conditions document set out Precise’s right to appoint a Receiver *“after you have broken any terms of the Agreement”* which Mr C did when his account went into arrears. Whilst Mr C wrote to Precise and said he was taking a payment holiday, that isn’t something Precise agreed to and a customer can’t just unilaterally decide they will stop making payments. Precise made it clear it hadn’t

agreed to Mr C stopping his payments and, having considered everything very carefully, I don't think Precise acted unreasonably when it appointed the Receiver.

- The General Mortgage Conditions document also says *“The receiver will act as your agent and only you are responsible for their costs and actions.”* That is also set out in the Law of Property Act 1925, with section 109(2) explaining *“A receiver appointed under the powers conferred by this Act, or any enactment replaced by this Act, shall be deemed to be the agent of the mortgagor; and the mortgagor shall be solely responsible for the receiver’s acts or defaults unless the mortgage deed otherwise provides.”* With ‘mortgagor’ taking its normal meaning of ‘borrower’.
- Under the mortgage terms and conditions, and under the Law of Property Act 1925, Precise could appoint a Receiver to manage the property. And, as I've explained, although appointed by the lender, the Receiver acts as the borrower's agent, managing the property to see whether rent can be collected to pay the mortgage and (if not) considering other options such as selling it to repay the debt.
- I acknowledge Mr C is unhappy about the actions of the Receiver, but that isn't something I can consider in a complaint against Precise. This service doesn't have the power to consider complaints about the activities of the Receiver, and Precise isn't liable for any acts or omissions of the Receiver as the Receiver was acting as Mr C's agent.

Mr C has also raised concerns about the original sale of the mortgage, but that doesn't form part of this complaint and I understand Precise will be writing to him separately about that.

In summary, I don't think Precise acted unreasonably in appointing the Receiver, and any acts or omissions by the Receiver aren't something I can consider in a complaint against Precise as, once appointed, the Receiver was the agent of Mr C, not of Precise. I know this isn't the outcome Mr C hoped for. But for the reasons above, I'm not asking Precise to do anything to put things right.

My final decision

My final decision is that I don't uphold Mr C's complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 13 April 2026.

Julia Meadows
Ombudsman