

## **The complaint**

Mr M and Mrs R complain that Bank of Scotland plc trading as Halifax didn't offer support after the term of their interest only mortgage expired.

Mr M and Mrs R ask for more time to carry out work on the property and sell it.

## **What happened**

Mr M and Mrs R took out a mortgage with Halifax in 2003 on an interest only basis. The term expired in mid-2021 with an unpaid balance. Mr M and Mrs R say they've been trying to sell the property.

Mr M and Mrs R say there's significant equity in the property, so Halifax has nothing to lose. They been offered a grant to carry out work to the property, which they say will make it more energy efficient. They can't give Halifax a time scale for when the work will be completed.

Mr M and Mrs R are unhappy that Halifax instructed solicitors to start legal action when they've been trying to sell the property. They're worried that Halifax would sell the property at a loss if it takes possession. They raised other issues, about the lack of support from Halifax and the way it corresponds with them.

Mr M and Mrs R previously brought a complaint to us about Halifax not agreeing to switch the mortgage to a repayment or offset basis, and not offering a new interest rate product or a term extension, and that it sent letters about their mortgage term expiring that they found threatening and rude. An ombudsman sent a final decision which set out her reasons for not upholding the complaint. As we've already explained, I won't be revisiting those issues here.

I sent a provisional decision to the parties explaining why I didn't intend to uphold this complaint. In summary, I said it was fair for Halifax to start legal action given that the mortgage term expired some years ago and Mr M and Mrs R hadn't put forward a credible plan to repay the mortgage within a reasonable period.

Mr M and Mrs R didn't agree. Mrs R provided detailed comments which I've referred to where relevant below.

## **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 provide an informal dispute resolution service. I don't have to respond to each point or question raised by the parties. What I must do is explain my reasons for reaching my decision about what's fair and reasonable in the circumstances of the complaint.

### *Was it fair for Halifax to instruct solicitors to start legal action?*

Mr M and Mrs R say they're aware of the need to repay the mortgage and have been trying to arrange this for some years. They don't want to refinance as they want to sell the

property. They've been trying to sell the property without success, despite reducing the asking price and accepting offers below the asking price. In late 2024 Mr M was offered a grant for work that will make the property more energy efficient.

Mr M and Mrs R told us they took the property off the market as this is a term of the grant. They had to stop work as they don't have the necessary planning consents. It seems Mr M and Mrs R have only recently (in late 2025) applied for the planning consents required for the work. It's not clear if consents will be granted, given what Mr M and Mrs R have said about the nature of the building, or when they might be in place. Mr M and Mrs R told us they have "no further idea on timescale". In response to my provisional decision, Mrs R said they expect planning consents to be given, but are not in control of the grant procedure and don't have a timescale for planning consents to be in place.

We're an impartial service which means I have to be fair to both parties. When Mr M and Mrs R took out the mortgage they agreed to repay it. As a starting point, it was reasonable for Halifax to expect them to make arrangements to repay the mortgage when the term expired, in 2021.

In April 2025 Halifax wrote to Mr M and Mrs R saying it had instructed solicitors to start the legal process to take possession of the property. By this time, the mortgage balance had been due and unpaid for more than three and a half years. The amount Mr M and Mrs R pay each month is less than the interest accrued, and so the balance is increasing.

In response to my provisional decision, Mrs R said they're overpaying each month and made a couple of lump sum payments from her pension. I can see that lump sum payments were made in late 2023. However, Mr M and Mrs R's monthly payments don't cover the monthly interest. For instance, the annual mortgage statement dated 2 August 2025 shows the amount Mr M and Mrs R paid each month (about £835) is less than the interest applied each month (about £1,000).

Mrs R says Halifax can't lose as there's significant equity in the property. That might give Mr M and Mrs R flexibility to look at other options, such as equity release or a lifetime mortgage. But it doesn't make it fair for me to require Halifax to wait indefinitely for the mortgage to be repaid.

Mrs R says they offered a credible solution to repay the mortgage by selling the property, and the grant work will help with this. But there's no timescale as to when the work to Mr M and Mrs R's property might be carried out. There's no certainty this work would result in a sale of the property within a reasonable time period. In the circumstances, I can't fairly require Halifax to hold legal action while Mr M and Mrs R arrange this work.

Mr M and Mrs R haven't been able to sell the property or provide evidence of a credible plan to repay the mortgage balance within a reasonable period. In the circumstances, I don't think it was unfair or unreasonable for Halifax to instruct solicitors to start action for possession.

#### *Mr M and Mrs R's other complaints*

Mr M and Mrs R raised a number of complaints with Halifax in early 2025, in addition to their complaint that Halifax instructed solicitors to start legal action when they've been trying to sell the property. Mr M and Mrs R attached an email chain which referred to these other complaints. They haven't clearly confirmed that they do – or don't – want us to look into these issues. To avoid Mr M and Mrs R needing to contact us again, I will look into these issues here.

*Halifax didn't reduce the interest rate; offer options under the Mortgage Charter; the options*

*it did offer were inappropriate*

Lenders that signed up to the Mortgage Charter, which took effect from mid-2023, agreed to offer support to customers struggling with the cost of living. The Mortgage Charter doesn't apply if the mortgage term has expired, as is the case here. The term of Mr M and Mrs R's mortgage expired before the mortgage charter took effect.

Halifax's standard variable rate applies to Mr M and Mrs R's mortgage. Halifax says the SVR changes from time to time. It doesn't recalculate Mr M and Mrs R's monthly payments, or change their direct debit, as the term of the mortgage has expired.

Mr M and Mrs R's complaint that Halifax didn't offer them a new interest rate product was addressed as part of their previous complaint.

Mr M and Mrs R say they don't want to refinance as they intend to sell the property. However, they haven't been able to sell the property. Taking possession is a last resort and I think it's fair for Halifax to make Mr M and Mrs R aware of possible options, such as an equity release product or an assisted voluntary sale.

I don't know if there are refinancing options available to Mr M and Mrs R that would give them time (and peace of mind) to complete the work and market the property for sale. Mr M told us they've received an offer for a lifetime mortgage. If they decide to go ahead with this, I'd encourage them to keep Halifax and its solicitors up to date with the progress of the refinance. Mrs R says they are keeping Halifax and its solicitors updated.

*How Halifax corresponds with Mr M and Mrs R*

Mr M and Mrs R find letters about possible recovery action upsetting. While I can understand that, I don't think Halifax sends correspondence with this intention. It's fair for Halifax to keep Mr M and Mrs R updated about their mortgage, stay in contact with them about their plans to repay the loan, and make them aware of the action it might take if the loan is not repaid.

Mr M and Mrs R prefer to use emails. Mrs R says it isn't any more difficult to talk on the phone, but they prefer to use email so they have a record of their correspondence with Halifax.

Mr M and Mrs R say Halifax sends some emails to only one of them. Halifax says emails are sent to the primary email address. It says when Mrs R raised concerns by email it didn't make an error when it responded to her. Halifax said if Mr M and Mrs R raise complaints in future they can ask it to email one or both of them.

Halifax says letters are addressed to both Mr M and Mrs R at their address. It said its end of term team and mortgage servicing teams only send letters.

Mr M and Mrs R said they had difficulty opening emails due to Halifax's two stage verification process. Halifax says it doesn't have a two stage verification process for emails. It said if Mr M and Mrs R have trouble opening an email they can contact it and it will resend it.

Halifax said the reason Mr M and Mrs R were unable to send emails to its solicitors was because they'd made an error in the email address.

I don't think Halifax made errors when sending correspondence to Mr M and Mrs R, or when responding to Mrs R's emails. It gave Mr M and Mrs R options to consider, to make receiving information easier. I don't think Halifax needs to take further steps regarding this part of their complaint.

**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 Mr M and Mrs R to accept or reject my decision before 4 February 2026.

Ruth Stevenson  
**Ombudsman**