

The complaint

Mr and Mrs C complain that Nationwide Building Society (or solicitors instructed by it) made errors with court documents and failed to close the mortgage after Mr C made payments which he said were in full and final settlement of the mortgage. Mr C has dealt with the complaint throughout.

What happened

The term of Mr and Mrs C's interest only mortgage expired in August 2020 with an unpaid balance. Nationwide took legal action to recover the debt and was granted a possession order in October 2024.

Mr C is unhappy about the way Nationwide dealt with his application for a lifetime mortgage. We've told Mr C that we can't look into that complaint as he brought it to us outside our time limits. I won't be revisiting any complaint issues that this service has previously looked into. I can only consider here Mr C's complaints about Nationwide and not any third party.

The complaint issues I'm looking into here are, in summary:

- Mr C says Nationwide didn't follow the mortgage pre-action protocol. He says the information provided to the court for the possession hearing was misleading and incomplete. Mr C says the possession order should be set aside.
- Mr C says Nationwide didn't close his account and remove the charge after he made payments in full and final settlement of the mortgage.

Our investigator didn't uphold the complaint. He said while there were errors in the documents prepared for the court hearing, this didn't affect the outcome of the hearing. Our investigator said Nationwide didn't have to accept a part payment in full and final settlement of the mortgage.

Mr C didn't agree and provided his reasons in detail.

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 offer an informal dispute resolution service. Mr C provided detailed comments and numerous items of correspondence. I've read all Mr C's comments and evidence, and I appreciate how important this matter is to him. I won't be commenting or referring to each comment or each item of correspondence. I'm not required to do so. Nor am I required to respond to each point made by the parties or set out their comments and arguments in full. What I must do is explain my reasons for reaching my decision about what's fair and reasonable in the circumstances.

Mr C asked that my decision is delayed until he can provide further comments. He's waiting

for a hospital procedure. This matter has been with us since mid-2025 and Mr C has been able to provide comments and evidence throughout. Mr C has responded and commented on our investigator's view about his complaint. I have to be fair to both parties, and I must bear in mind that our remit is to resolve disputes quickly and with minimal formality.

Having carefully reviewed the available evidence, information and comments, I'm happy that I can reach a fair decision.

The documents provided to the court for the possession hearing

Nationwide took legal action and there was a court hearing in October 2024. Mr C says it was only after the hearing that he noticed errors in the documents provided to the court on behalf of Nationwide. After looking more closely, he realised information he says is relevant wasn't included in those documents. Mr C says the possession order should be set aside.

Nationwide accepts there were errors in the documents. Its solicitors apologised for the errors, which they said were genuine and not an attempt to mislead the court. Nationwide said the errors made no difference to the outcome of the court hearing.

It's for the court to decide if it's satisfied with the information provided. It seems the court was satisfied as it issued a possession order.

Mr C says the court would not have known if there were errors in the documents provided on behalf of Nationwide, or if there was relevant information that was not provided.

I should make it clear that I don't have the power to set aside a court order. Mr C would have to apply to court for this.

What I can consider is whether Nationwide made errors or treated Mr and Mrs C unfairly so as to make it fair and reasonable to require it to take steps to put matters right. I don't think that's the case. I think it's unlikely the outcome of the court hearing would have been different if the documents provided on behalf of Nationwide were correct in all respects.

Mr C says if the documents provided to the court had been completed correctly the hearing would not have gone ahead as Nationwide were still trying to find a way forward and possession is a last resort. I can't fairly agree with that. I think it was fair for Nationwide to continue to engage with Mr C about his plans to repay the mortgage, even if it was unlikely he'd be able to provide evidence of a credible proposal to repay the mortgage within a reasonable period.

Mr C attended the hearing and was given an opportunity to state his case. Mr C says he provided information to the court which detailed his interactions with Nationwide over four years. The possession order says the court heard an extensive history of complaint from Mr C about how the mortgage account had been handled by Nationwide. I think Mr C was able to provide the information he considered relevant to the court before it issued the possession order.

In a recent email to our investigator, Mr C said: "*[Solicitors] and Nationwide just dismiss the wrong date of the Statement of Truth and the incorrect and missing information would not have made any difference to the court possession ruling. I agree it would not have made any difference since the judge did allow any discussion about what had happened.*"

The court noted on the possession order that "*this case is limited to addressing the reasonable prospect of the balance being repaid within a reasonable term*". Mr C had an opportunity to explain to the court how he intends to repay the mortgage. Mr C said he would

re-mortgage. The court ordered that Mr and Mrs C give Nationwide possession of the security property on or before 15 January 2025.

I think the outcome of the possession hearing would have been the same if the documents provided on behalf of Nationwide were correct in all respects. So Mr C is not in a worse position as a result of any errors. That means there's nothing that I can fairly ask Nationwide to do to matters put right.

Mr C asks that we investigate whether the pre-action protocol was followed and carry out a detailed investigation into the errors in the documents provided to the court, and who was responsible for the errors.

I must be clear that this service is not a regulator. We don't fine or punish businesses. We provide an informal dispute resolution service. I don't need to carry out investigations as suggested by Mr C to reach a fair decision about this complaint. That's because, as I said, the errors in the pre-action protocol had no bearing on the outcome of the court hearing.

I don't think it's fair and reasonable to require Nationwide to take any further steps regarding this part of Mr and Mrs C's complaint.

The payments made by Mr C in late 2024

Mr and Mrs C received a letter dated 8 August 2024 from the solicitors acting for Nationwide. This said the outstanding mortgage balance was about £95,000. This was incorrect. The solicitors sent a letter the following week with the correct balance (about £305,000).

Mr C sent emails to Nationwide offering a part payment to settle the debt due. He made reference to the 8 August 2024 letter. Mr C says Nationwide didn't respond. Mr C says this and the information in the documents provided to the court on behalf of Nationwide means Nationwide implicitly agreed the amount due. Mr C made payments into the mortgage account in late 2024. He says he wrote on his cheques that they were full and final, and Nationwide accepted the cheques.

I don't think it's fair and reasonable to require Nationwide to accept these payments in full and final settlement of the debt. Mr and Mrs C were aware that they owed more than this. Nationwide didn't agree to accept a part payment in settlement of the debt owed, and I don't think it's fair and reasonable in the circumstances to infer that it did so.

It's important to add here that Mr and Mrs C haven't lost out as a result of making the payments. The payments went towards repaying a debt that they owe to Nationwide.

What happens now?

Mr C has health problems and wants to avoid unnecessary stress. That's understandable. I do appreciate that the situation Mr and Mrs C are in is stressful.

The mortgage term expired in 2020 and the balance has been due and unpaid for more than five years. Nationwide has been granted a possession order and can apply for an eviction date. I appreciate that Mr C remains unhappy about how his application for a lifetime mortgage was dealt with and other matters. But I would urge him now to focus on making arrangements to repay the mortgage, if he is able to do so.

In early 2025 Nationwide told Mr C it might be able to offer a term extension. This became possible due to the reduced balance after Mr C made the lump sum payments in late 2024, and interest rates fell. Nationwide said it would hold action for the short term while Mr and

Mrs C consider this. Mr and Mrs C will need to engage positively with Nationwide if they want to proceed with this (assuming Nationwide is still able to offer a term extension).

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 Mrs C and Mr C to accept or reject my decision before 12 February 2026.

Ruth Stevenson
Ombudsman