

The complaint

This complaint is about an unregulated mortgage that Mr L holds, currently with Rooftop Mortgages Limited (RML). The complaint originates from Mr L's acquisition in 2007 of a buy-to-let (BTL) property. There are several strands to Mr L's complaint, and his dissatisfaction is with several of the parties he has contracted with during the life of the mortgage.

As far as RML is concerned, Mr L's main areas of concern arise from its reaction to his proposals for paying the mortgage since the term expired in 2022. But he also believes the mortgage should never have been lent in the first place.

What happened

The mortgage started in early 2007 with a lender I'll call P. It was one of two BTL mortgages Mr L took out on the advice and recommendation of a firm of mortgage brokers I'll call S. The mortgage was for a little over £111,000, repayable after fifteen years, on an interest-only basis. Mr L says the mortgage has been in negative equity due to falls in property prices during the life of the mortgage. He also says that for much of that time, the mortgage cost him more than he could earn in rental income.

In 2016, the mortgage was transferred from P to RML. When the term expired in 2022, Mr L wasn't in a position to repay the mortgage. RML agreed a number of informal term extensions to give Mr L time to repay. From late 2023 onwards, he had the property on the market, but because the likely selling price was below the mortgage balance, he faced having to find the difference from other sources.

In March 2025, RML issued a formal demand for the mortgage. Mr L has made payment proposals to RML, based on selling the mortgaged property (for a likely selling price of £75,000), making a £5,000 lump sum payment from savings and then repaying some of the residue from the sale of another property, which he forecast would take place sometime in 2026. RML has rejected Mr L's proposals, giving its reasons as:

- the time extensions it has already provided;
- the uncertainty over when he would make the payment from the sale of the second property;
- the fact that this would still leave a shortfall, of around £19,000; and
- his obligation was to pay the debt in full within a reasonable time.

The essence of Mr L's complaint is that he believes his proposals offer the best chance of repaying most of the debt, and that any alternative course that RML might pursue would leave him with a bigger shortfall. Mr L has also complained that the mortgage was mis-sold and irresponsibly lent in 2007, and based on an over-valuation of the mortgaged property, a new-build flat, in 2006.

The case is with me now because our Investigator didn't recommend the complaint be upheld.

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.

That includes Mr L's closing submission received on 8 January 2026.

The sale of the mortgage was carried out by the independent broker firm S; meanwhile, the decision to lend, and the reliance on the valuation when making the decision to lend, were both carried out by the original lender, P. Mr L has brought separate complaints to us against those parties. We've explained to Mr L that we have no power under our rules, to consider those complaints. This decision does not revisit those complaints in any way; I have no power to do that, under our rules. I mention them solely for context.

But there is more to consider; when the mortgage was transferred from P to RML in 2016, responsibility for ensuring the fairness of the ongoing lending relationship was also carried over to RML – which includes responsibility for things that may have happened in the past but which could potentially continue to cause ongoing unfairness. The lending relationship between Mr L and RML is ongoing. As such, and while the valuation and the decision to lend happened in 2006 and 2007 respectively, I can consider whether they resulted in a relationship that's currently unfair or not. I can also consider the fairness or otherwise of RML's dealings with Mr L since the mortgage term expired.

The lending decision

Lenders aren't experts in property; that's why they seek the professional opinion of someone who is. Typically that means commissioning a valuation from a member of the Royal Institution of Chartered Surveyors. The lender did that in Mr L's case, and was therefore reasonably entitled to rely on the opinion of the suitably-qualified professional who conducted the valuation. The purpose of the valuation was solely to advise the lender whether the property was good security for the lending Mr L wanted to take. It wasn't to advise Mr L about what the property was worth or the wisdom of taking out a loan secured on it. That was a decision for him, as someone proposing to run a property rental business, to make. The valuation found that the property was good security and so the lender accepted Mr L's application. I'm satisfied it was reasonable for the lender to have made that decision based on the opinion of its own expert.

I haven't considered whether the valuation was carried out negligently; I have no remit to do that. But I'm satisfied there was nothing that ought to have led the lender to question whether it could reasonably rely on it at the time when deciding whether to lend. I turn next to the other reason for Mr L arguing the mortgage was wrongly lent; that is, affordability.

In considering this element of the complaint, I can't apply the standard and practices that are considered fair and prudent today. My reference points, when assessing the fairness of the lending decision, must be the standards and practices that were the norm for unregulated buy to let lending at the time the mortgage was granted.

The basic premise of a BTL mortgage is that the likely rental income should at least cover the mortgage payments, generally with a buffer on top to cover things like maintenance costs and periods between tenancies. After all, the primary objective for a borrower is to accrue a financial benefit from the venture, whether that be net income or capital growth. In making that decision, the borrower relies on the advice and recommendation of their broker (in Mr L's case that was S) on the suitability of the proposed mortgage. In making that distinction clear, I imply no criticism of S, and none should be inferred. I have not considered a complaint about S. My only finding is that these are not matters P was responsible for at

the time, and therefore not matters that might have resulted in the relationship with RML now being unfair.

From the lender's point of view, the primary objective of a lending decision is not suitability. Its first concern is the likelihood that the borrower can afford to maintain the mortgage payments and, eventually, repay the capital. So, whilst the relationship between mortgage payments and the likely rental income is a factor, the lender's assessment takes account of the borrower's wider financial situation, including their income from other sources.

Mr L has said his existing income was overstated on the application form; he says he was given a blank form to sign, and S filled in the details. I don't know if that is true or not, but I don't need to – and if it was, that would be a matter for S not the lender. This mortgage was self-certified; that is, one where a lender accepts on face value what it has been told about the applicant's income. Such cases are rare now, but were not uncommon when this mortgage was granted. Unless there were strong reasons for the lender to doubt the veracity of what it had been told, it could reasonably make its lending decision without requiring Mr L to verify his income. I've seen nothing in the paperwork from the time that would cause me to conclude that Mr L's application warranted further investigation and verification.

Overall, I don't think there's any reason to find that the lending decision should not have been made as it was, based on the available information about Mr L's wider finances, and the standards prevalent at the time. It follows that I don't find that the lending decision resulted in a relationship between Mr L and RML that is currently unfair.

I've noted what Mr L has told us about his personal situation over the years. I won't disclose any of the detail here, to preserve Mr L's privacy, but it's clear he's faced many difficult challenges from time to time. He's cited these in response to an observation our Investigator made; that when Mr L thought something was wrong soon after taking the mortgage out, even if he considered he was to blame rather than his lender, he ought reasonably to have taken action to limit the damage. I've also noted his challenge to the investigator's observation that any unfairness there might have been in the relationship at the outset would have ended once the profit in the later years outweighed the loss in the early years. But as I've not found that the lending decision led to an unfair relationship, the point is moot.

RML's action since the mortgage term expired

In his closing submission, Mr L has said that he had no issue with RML's actions until he suffered an adverse health event in August 2025. However, RML issued a final response to a complaint about this subject in March 2025, which Mr L immediately referred to this Service. That is what I am addressing here.

On the issue itself, my starting point here is that Mr L borrowed money and was due to repay it in 2022. No one is entitled to borrow money; and even when they've borrowed, they're not automatically entitled to more time to repay the debt after it has fallen due. But a lender must treat customers fairly, including if they are unable to repay in time, and I'll deal with that next.

There's no suggestion Mr L hasn't engaged with RML and tried to reach a solution that both can agree on; he has been proactive in that respect, and so too has RML overall. Other than a rather ill-considered letter in February 2025, for which it already (rightly, in my view) apologised, I think RML's communication with Mr L has been largely productive and supportive, to the extent that circumstances allowed.

At the same time, Mr L has been seeking, and receiving, forbearance for several years, and RML has been very patient with him; it's not obliged to do that indefinitely. As far as Mr L's

repayment proposals are concerned, I understand why he sees them as offering the best chance of an outcome that does the least harm to him.

The difficulty, as RML sees it, is the uncertainty over when Mr L might be able to expedite the sale of the other property, and the shortfall that would still remain afterwards. RML hasn't disregarded Mr L's proposals; rather it seems to me that it lacks confidence in them. Given the open-endedness inherent in the proposals, I understand why RML appears to be unpersuaded by Mr L's capacity to repay a debt that it has already waited a long time to receive. I fully appreciate that Mr L would find that unwelcome, but it's not unfair, which is the test I have to apply.

Putting all of the above together, I can't find that the valuation or the decision to grant the mortgage in 2006 led to a relationship which is currently unfair between Mr L and RML. Nor am I persuaded that RML has treated Mr L unfairly in its dealings with him since 2022 when the mortgage expired and fell due for repayment in full.

That begs the question of what happens next. As I understand it, the current position is that the mortgaged property remains unsold, the mortgage remains open and outstanding, and the deterioration in Mr L's health has hindered his capacity to make interest payments. So it seems to me that there will need to be a fresh dialogue between RML and Mr L, hopefully without recrimination over what has gone before.

I know this isn't the outcome Mr L wanted. He is in poor health and faced with the prospect of having to find a way to deal with the long-overdue mortgage balance, if he's unable to reach agreement with RML on how to do that, RML could potentially enforce its security over his property. That's a horrible situation for Mr L to be faced with, and he has my sympathy. But for all the reasons I've explained, I can't find that an unfair relationship exists between Mr L and RML, or that RML has treated Mr L unfairly.

My final decision

My final decision is that I do not uphold this complaint or make any order or award against Rooftop Mortgages Limited.

My final decision concludes this service's consideration of this complaint, which means I'll not be engaging in any further discussion of the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 23 February 2026.

Jeff Parrington

Ombudsman