

The complaint

Miss A's complaint is that National Westminster Bank Public Limited Company (NatWest) has acted unfairly and discriminated against her by paying outstanding service charges and ground rent to the freeholders of her mortgaged property, and adding these to her mortgage account.

What happened

I don't need to set out the full background to the complaint. This is because the history of the matter is set out in the correspondence between the parties and our service, so there is no need for me to repeat the details here. In addition, our decisions are published, so it's important I don't include any information that might lead to Miss A being identified. So for these reasons, I will instead concentrate on giving a brief summary of the complaint, followed by the reasons for my decision.

Miss A owns a leasehold property mortgaged to NatWest. The terms of her lease require her to pay ground rent and service charges to her freeholder, A Ltd. The terms of her mortgage say that Miss A is liable for costs incurred by NatWest.

Over a number of years Miss A has disputed her liability for service charges, and hasn't paid the sums demanded by A Ltd. As a result, A Ltd has instituted forfeiture proceedings, which in turn has resulted in NatWest paying outstanding sums to A Ltd in order to avoid forfeiture of the lease.

Miss A says this is unfair and discriminatory and has resulted in detriment to her. NatWest didn't uphold her complaint so Miss A brought it to our service. An Investigator looked at what had happened but didn't think NatWest had done anything wrong.

Miss A disagreed and asked for an Ombudsman to review the complaint.

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.

Where service charges and ground rent are owed and remain unpaid, a freeholder, in this case A Ltd, can apply to the court for the lease to be forfeited. If a lease is forfeited, it ceases to exist, and the freeholder can then grant a new lease and sell the leasehold interest for a premium to a new lessee. So it is a serious situation for a mortgage lender, because if the lease is forfeited, the security for the mortgage also ceases to exist.

That is why under section 146 of the Law of Property Act 1925 in the event of forfeiture proceedings a mortgage lender can obtain relief from forfeiture by paying the sums owed. In this case, I can see that the court has allowed NatWest to obtain relief from forfeiture by paying the sums the court was satisfied were owed to A Ltd.

I appreciate Miss A believes this to be unfair, but I'm satisfied that it was reasonable for NatWest to do this in order to protect its security. The mortgage terms and conditions provide for this, and NatWest is entitled to apply the sums it's paid out to avoid forfeiture of the lease to Miss A's mortgage account.

I've noted Miss A's points that she believes she's been discriminated against due to her ethnic and religious characteristics. However, I've seen nothing to persuade me that NatWest has acted in a discriminatory fashion, or treated Miss A differently from any other customer in the same position.

Miss A has also raised new points – that she believes she is a victim of modern slavery and financial exploitation, and that, in relation to court proceedings, there has been a breach of a pre-action protocol.

The Financial Ombudsman Service has no power to investigate allegations of criminal behaviour. I am sorry Miss A believes she is a victim of modern slavery and financial exploitation, but these are matters for the police, not our service.

In relation to allegations that there has been a breach of a pre-action protocol, this would be something Miss A will need to raise with the court in which the proceedings took place. It falls outside our remit, because it's not about the provision of a financial service, administration of Miss A's account, financial advice, or debt administration, and so isn't a regulated activity, nor is it ancillary to a regulated activity.

I note that since the complaint was raised with us NatWest's solicitors wrote to Miss A on 22 December 2025 in relation to a court hearing which took place on 26 November 2025 when A Ltd was seeking forfeiture of the lease for non-payment of outstanding service charges. The solicitors noted that Miss A's defence to A Ltd's claim had been rejected by the judge, and that a possession order was made in favour of A Ltd. The judge decided, however, that NatWest could obtain relief from forfeiture by paying the amount the court had decided was owed to A Ltd – just over £40,000. NatWest explained to Miss A that it was intending to pay this in order to protect its security.

I'm satisfied NatWest's actions in paying the amount due to A Ltd are reasonable, and are in line with what NatWest is entitled to do under the mortgage terms and conditions. NatWest is also allowed to add this amount to Miss A's mortgage account, along with its legal costs.

The Financial Ombudsman Service can't get involved in matters that have already been decided by a court. If Miss A disputes she is liable for the £40,000 the court has ordered should be paid to A Ltd, that's something she'll need to take up with the court. Miss A might want to seek legal advice from a solicitor before embarking on any legal action.

I know this isn't the outcome Miss A was hoping for. I can see that she's been in dispute with A Ltd for a number of years, and I am sure this has been a very stressful time for her. But in all the circumstances, I'm not persuaded NatWest has done anything wrong.

My final decision

My final decision is that I don't uphold this complaint.

This final decision concludes the Financial Ombudsman Service's review of this complaint. This means that we are unable to consider the complaint any further, nor enter into any discussion about it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 9 April 2026.

Jan O'Leary
Ombudsman