

The complaint

Mrs W's complaint is that Cumberland Building Society (CBS) was unreasonable in refusing her request for a payment holiday on her mortgage. Mrs W is also unhappy that CBS asked for information about her personal and financial circumstances that she considered to be intrusive and unnecessary, and that her credit file has been impacted due to missed mortgage payments.

The mortgage is in the joint names of Mrs W and her husband, Mr W, who has consented to the complaint being raised with us. Mrs W has dealt with the complaint throughout.

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 Mr and Mrs W 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.

Mr and Mrs W have a mortgage with CBS taken out in 2020 on a repayment basis. It was switched to interest-only in 2024. In July 2025 Mrs W asked CBS to grant her a payment holiday. She explained that she was expecting a large inheritance, which she was intending to use to pay off the mortgage, but until that came through, she had no way of paying the mortgage.

CBS said that it didn't offer payment holidays but asked Mrs W to provide information about her personal and financial circumstances. After considering the information Mrs W provided, CBS said it wasn't able to accept that Mrs W couldn't afford the mortgage. CBS noted that Mrs W had substantial unsecured debts, and that, rather than not pay the mortgage, which was a priority debt, it was more appropriate for her to request reduced payments to those creditors instead.

Mrs W complained to our service. An Investigator looked at what had happened, but didn't think CBS had acted unreasonably. She noted CBS had said it would remove any personal data from Mrs W's account file and the Investigator provided Mrs W with the details of how to do this. However, the Investigator explained that CBS wasn't required to amend Mrs W's credit file in relation to a missed payment in August 2025.

Mrs W didn't accept the Investigator's findings and asked for an Ombudsman to review the complaint. Mrs W said that vulnerable families should be supported and protected by companies that make billions but have no compassion. Mrs W explained that her daughter had been impacted by the stress CBS had caused, resulting in unnecessary harm. Mrs W said there was £700,000 equity in her property, so there was no risk to CBS.

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.

I note that, as of October 2025, Mrs W had paid off a substantial part of the mortgage. I've had no updated account information since then, so I don't know if the mortgage has been repaid in full. However, that doesn't affect this decision, which is about events that arose before October 2025.

I've looked at what CBS was required to do to see if it could assist Mrs W. The starting point is that lenders have a duty to treat all customers, but particularly those facing financial hardship, fairly. Balanced against that, one of the fundamental principles underpinning the mortgage contract is that a lender has the right to receive payment of the money owed to it. So whilst customers can request concessions that are outside the terms of the mortgage contract, this doesn't mean that a lender is required to agree to them or give a customer what they want if there are other steps the customer can take to mitigate their position.

The Mortgages and Home Finance: Conduct of Business Sourcebook (known as MCOB) sets out at MCOB 13 what lenders are required to do to help borrowers in arrears. A lender is required to explore ways to resolve an arrears situation, especially if the problem that created the arrears to begin with is one that looks to be short-term and capable of being resolved.

For long-term difficulties, a lender must also look at other ways to help, such as transferring a mortgage from capital and interest repayment to interest-only, deferring interest for a period of time or capitalisation of arrears. Balanced against that is the lender's obligation to ensure that any arrangement is affordable and sustainable.

In this case, the mortgage had already been transferred from capital and interest repayment to interest-only, so that wasn't an available option. After considering Mrs W's Income and Expenditure (I&E), CBS concluded that the mortgage was affordable. I don't think this was unreasonable. The mortgage is a priority debt and unsecured creditors are required to consider suspension of interest where a customer is in financial hardship. I note that, when Mrs W said she was too busy to speak to other creditors, CBS referred her to StepChange who could help her with this. That is what I would expect CBS to do.

I also don't think it was unreasonable for CBS to ask Mrs W to provide evidence of the inheritance she was expecting. This was Mrs W's repayment strategy for the mortgage, and as it is outside the scope of acceptable repayment vehicles, CBS needed to be sure that this was a credible proposal to repay the mortgage.

Overall, I don't think CBS acted unfairly or unreasonably, either in declining Mrs W's request for a payment holiday or asking for information about her circumstances. Whilst I've taken account of what Mrs W has said about the impact of the refusal of the payment holiday on her daughter, CBS has never had any contact with Mrs W's daughter. I'm therefore unable to find that CBS could be held responsible for any upset Mrs W's daughter has been caused.

CBS has explained that Mrs W can ask for the personal information she provided about her circumstances to be removed from its records, and I can see that the Investigator has provided the email address Mrs W should contact about this. In the circumstances, I don't require CBS to do anything further.

Mrs W missed the August 2025 payment and I can see from CBS's records that the direct debit was cancelled. The arrears were repaid in October 2025. I'm satisfied CBS was correct in reporting the missed payment on Mr and Mrs W's credit files. CBS is under an obligation to provide credit reference agencies with accurate information about the payment history on an account, and so the missed payment has been correctly recorded. I appreciate Mrs W thinks this is unfair, but I'm unable to find CBS has done anything wrong in this regard.

I know this isn't the outcome Mrs W was hoping for. I can appreciate this was a stressful time for her, as she was dealing with the administration of her late father's estate, as well as all her other family responsibilities. But I have to put aside my natural feelings of empathy and consider the case on the basis of the evidence. Having done so, I'm unable to find CBS has acted unfairly or unreasonably.

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 Mr and Mrs W to accept or reject my decision before 19 March 2026.

Jan O'Leary
Ombudsman