

The complaint

Ms K complains that Pepper (UK) Limited trading as Engage Credit didn't accept payments towards her mortgage by a third party, leading to an ongoing incorrect balance and charges.

What happened

Ms K took out a mortgage some years ago. The mortgage was later transferred to a different lender, and then transferred again in 2022 to Engage, the current lender.

Ms K's son, Mr K, had a standing order set up intended as repayments towards Ms K's mortgage. However, Engage didn't always accept these payments.

Ms K has made several complaints to Engage about this over the years. She believes her mortgage balance is incorrect, and she has been overcharged additional interest and arrears charges as a result.

Engage didn't agree with Ms K's complaints. Mr K referred the complaint to our Service on behalf of Ms K in 2025.

Our Investigator thought much of Ms K's complaint had been brought to our Service too late. And for the parts of the complaint she thought we could consider, she didn't think it should be upheld. Mr K didn't agree, so the complaint was passed to me for a decision.

I've already issued a decision on which parts of Ms K's complaint our Service can and can't consider. I found that a large part of the complaint has been brought to our Service too late, and we can only consider changes to the mortgage balance from 11 October 2023 to 12 November 2024. I've now gone on to consider the merits of this part of 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.

I understand that Mr K remains unhappy that I will not be reviewing what happened with the mortgage balance historically. While I appreciate Mr K's stance that the starting balance for the period I can consider is incorrect, I've already set out in my decision why I don't have jurisdiction to consider the balance of the mortgage before 11 October 2023.

Engage has responded to this complaint previously and it wasn't brought to our Service within the relevant time limits. As I explained in my decision, I'm satisfied that this also included any implicit complaint about an unfair relationship. So, I'm not able to consider whether the mortgage balance was correct prior to this response.

I appreciate the heart of the complaint is that Mr K thinks there shouldn't be an outstanding balance any longer, so any interest charged following that is unfair. But as explained, I can't consider if the balance before October 2023 is correct – the only part left for me to consider is what has happened to the balance following that.

I haven't seen any evidence that any mortgage repayments were made, or attempted, over the period I can consider. The mortgage balance has continued as payments have been missed and interest has been added to the account.

I'm satisfied that it is reasonable for the account to continue to accrue interest as outlined in the Terms and Conditions of the mortgage while there is an outstanding balance. I've not seen anything to suggest the way interest has been applied to Ms K's account differs from what was agreed in the terms and conditions of the mortgage.

I recognise Mr K's strength of feeling on this, and that it will be very disappointing to him that I'm unable to consider more of his mother's complaint than I can. But for what I can consider, Engage is entitled to continue to charge interest until the balance is cleared. The mortgage term has now ended and Engage is entitled to expect the balance be repaid in full.

Part of Ms K's recent complaint was that Engage instructed field agents to visit the property when the outstanding balance was in dispute. I'm not persuaded this was unreasonable of Engage. The mortgage had been in arrears for some time, with no payments made to the account since early 2023. It's reasonable that Engage wanted to discuss a plan for the balance to be repaid.

Engage wrote to Ms K beforehand to explain what would happen and outlined the costs involved. So, I'm satisfied it clearly warned Ms K before field agents were instructed. Engage had given its response to the disputed balance previously, and that hadn't been referred to our Service in time. As a way forward hadn't been agreed, I don't think it was unreasonable that Engage instructed field agents to visit the property to agree a suitable arrangement.

I'm very sorry to hear of Ms K's health concerns, and I empathise with how distressing this will have been for her. I'd encourage Ms K and Mr K to discuss their options with Engage to move the situation forward, and I'd expect Engage to treat Ms K with sensitivity and forbearance while a way forward is agreed.

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 Ms K to accept or reject my decision before 10 March 2026.



Emma Taskas
Ombudsman