

The complaint

Mr E's complaint is about a buy-to-let mortgage he has with Topaz Finance Limited trading as Rosinca Mortgages. He is unhappy with the decisions Topaz made following the term of the mortgage ending, including the appointment of Law of Property Act Receivers, and which ultimately resulted in a default being recorded on his credit file.

What happened

The term of Mr E's buy-to-let (BTL) mortgage ended in July 2022. The mortgage had been arranged on an interest-only basis, and he was required to repay the capital borrowed at that time. He had planned to refinance the property to repay the mortgage, but he was unable to do so due to financial difficulties relating to another property he owned.

Following the term ending, Mr E interacted with Topaz. It allowed him until August 2023 to find a way of repaying the mortgage, but he was unable to do so. Mr E asked for another year to be able to repay the mortgage, but Topaz said no. In October 2023, Topaz issued a formal payment demand letter to Mr E.

Mr E had not repaid the mortgage or put forward definitive plans for that happening, Topaz appointed Law of Property Act Receivers ("Receivers") in June 2024 to manage the property and decide a way forward. The Receivers decided that the property needed to be sold and handed it to Topaz to do so in September 2024.

Topaz then had the property valued by the Receivers (in its capacity as a property management company), and a Royal Institution of Chartered Surveyors (RICS) surveyor in preparation to market the property for sale. These valuations recommended an asking price of between £150,000 and £175,000 due to the poor condition of the property.

Mr E raised three complaints with Topaz and received final response letters to each. Dissatisfied with the responses he received, Mr E contacted us on 3 February 2025 to ask us to consider his complaint.

One of our Investigators initially looked at whether we could consider Mr E's complaint. She concluded that we could only consider part of the complaint, and she didn't recommend that the points that fell within our jurisdiction should be upheld.

Mr E didn't accept the Investigator's conclusions and asked that it be referred to an Ombudsman for consideration. He did not explain why he didn't agree with the Investigator's conclusions.

I issued a decision relating to our jurisdiction to consider the different concerns Mr E has about his mortgage. I concluded that we could only consider the following complaint points:

- The valuation completed for Topaz's marketing of the property was incorrect.
- Topaz had reported the mortgage as defaulted to credit reference agencies (CRAs).

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.

Lenders are not property experts and so, when a lender intends to sell a property that is in possession, it is standard practice that it obtains at least two valuations. Usually, one will be produced by a RICS qualified surveyor and another by an estate agent or similar property related business. I can see that in this case that is what Topaz did. Both businesses reached the same conclusions about the value of the property, due to its poor condition.

While Mr E doesn't agree with the valuations, Topaz commissioned valuations from appropriately experienced and qualified professionals, and so it was entitled to rely on their opinions. In addition, Topaz also gave Mr E the option of providing his own report from a suitably qualified business to support his belief that the valuations were wrong, which it didn't need to do. I am satisfied that Topaz did what I would have expected of it and that it treated Mr E fairly.

Mr E has explained the impact on him of Topaz reporting a default on the mortgage to CRAs. Where a lender reports to CRAs it is obliged to report accurate information about the conduct of a mortgage. In this case, Mr E failed to repay the mortgage at the end of the term, or at any time during the significant forbearance period Topaz gave him, which ultimately meant that the property had to be taken into possession. It was not unreasonable that Topaz recorded a default at that point, as he had not fulfilled his obligations under the mortgage contract.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr E to accept or reject my decision before 23 March 2026.

Derry Baxter
Ombudsman