

The complaint

Mr S complains that U C B HOME LOANS CORPORATION LIMITED (“UCB”) is seeking to appoint a receiver to manage the Buy To Let (“BTL”) property he jointly owns. The mortgage has ended, but Mr S says the joint owner won’t cooperate with a sale.

What happened

Mr S is one of two parties named on this mortgage. In the circumstances of this complaint, our service has agreed to consider a complaint brought by Mr S alone.

Mr S told us that he jointly owns a BTL property, and has a joint BTL mortgage with UCB. That mortgage was taken out on an interest-only basis, so the money borrowed at the start of the term needs to be repaid at the end of the term. This term has now ended, but Mr S says the joint owner won’t cooperate with a sale.

Mr S sought the help of solicitors in resolving this, but he said those solicitors didn’t apply for the court date when he thought they had. So he had been waiting patiently, but it turned out he wasn’t getting any closer to a solution. Mr S says he has now uncovered this mistake, and a court date has been set in May.

UCB wants to appoint receivers to manage the property. It says this would mean the need for court action can be avoided, and the house can be sold by its property team, much faster than if all parties were to wait until the courts can resolve things. Mr S wants UCB to wait until the court process is concluded, when he hopes a sale will be ordered.

Mr S has pointed out that, although the mortgage term has ended, he has continued to make all the payments asked of him. And he says the appointment of receivers now would add costs, and interfere with the court’s scheduled assessment of his case. He’s also worried this will adversely affect his credit file.

Mr S wants UCB to pause all enforcement or receivership action until his court proceedings are finished, he wants UCB to refrain from applying any adverse credit entries or judgments against him while the dispute is outstanding, and he also said it wasn’t fair for UCB to only be pursuing one party to the mortgage.

UCB said the term of this mortgage ended in May 2024, and the capital it had lent was due to be repaid then. UCB had granted extensions after this, running up until 30 June 2025. UCB wrote to both borrowers then, asking what their intentions were for the property and how they were planning to clear the balance. The money wasn’t repaid, so UCB wrote again in July 2025, saying it needed to hear from them within 14 days, or it might take legal action.

UCB said, given there didn’t appear to be a resolution in sight, it felt it would be best to appoint a receiver to manage the property for the borrowers. It said that would allow the property to be sold by its property sales team sooner than if UCB waited for legal action to be finalised. And it would reduce the amount of interest which will be charged on the debt.

Our investigator didn’t think this complaint should be upheld. She said we couldn’t comment

on what the other borrower had or hadn't done here, as we didn't have that person's permission to look into things. She understood Mr S had kept up payments on the mortgage, but said it was still unfortunately overdue, because the term had ended and the underlying loan balance is now outstanding.

Our investigator said we aren't able to resolve any dispute between joint borrowers, we can just look at whether UCB has acted fairly and reasonably, in line with the mortgage terms and conditions and its obligations. Here, UCB has allowed a couple of extensions to the mortgage term, in the hope matters could be resolved.

Our investigator said she knew Mr S had been trying to get things resolved, and the delays with court proceedings were outside of his control. But from UCB's perspective, there was still no date when it could be sure things would be sorted out, and the debt paid off. Although Mr S has a court date set for May, proceedings like this often take some time to reach a resolution. So it wasn't unreasonable for UCB to have taken steps.

Our investigator said UCB has the power to appoint a receiver, under the terms of this mortgage. It is acting in line with those terms when making the decision to appoint receivers. And UCB had told us appointing receivers will allow the sale process to move forward much quicker than waiting for the court proceedings to run their full course. Our investigator didn't think that was unfair.

Mr S didn't agree. He said we hadn't given enough weight to the fact that court proceedings were now progressing, with a listed hearing in May. He repeated that UCB's steps would add costs, and interfere with that court process. Mr S wanted this complaint to be considered by an ombudsman, so it was passed to me for a final decision.

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've reached the same overall conclusion on this complaint as our investigator.

I should start by saying that I can see UCB wrote to Mr S saying it had appointed receivers, but it doesn't appear to have gone further than deciding to do so, and it has since given a commitment not to press ahead with this appointment while our service has been considering this complaint.

I also note that UCB has told us it is writing to both borrowers. Although I understand Mr S will feel there is unfairness, as he's told us he's the only one who is responding to these letters or making payments to the mortgage, I haven't been able to see that UCB is treating him more harshly than the other borrower.

I know Mr S wants to allow time for the court proceedings which he has started to run their course. He has pointed out that although there has been some delay in starting these proceedings, that isn't his fault. And he is continuing to cover the interest payments on the debt due. But UCB says that if it appoints a receiver, the matter can be concluded much more quickly.

It appears, from what UCB has said, that it envisages a receiver is likely to hand the property back to it, for a sale. UCB isn't able to guarantee that's what will happen, because it doesn't get to tell a receiver what to do. The receiver will act on behalf of the borrowers, and doesn't take instructions from the bank. But UCB does appear to think a receiver is likely to surrender the property for sale. I also think that's likely. And that could avoid possession

proceedings, with all their associated costs and legal impacts.

I understand Mr S would like to see his court case through, and I also understand that he would be concerned to have lost ground in those proceedings because they weren't initially pursued by his solicitors. But our service cannot prioritise the wishes or interests of one borrower over another.

I have to look at the issues here in the round. And having done so, I do think the steps UCB is proposing here are reasonable. It is suggesting the appointment of a third party, who has powers which can allow them to bring things to a close more rapidly than appears likely through the proceedings Mr S is pursuing. Given that this debt fell due around twenty-two months ago, I don't think that I can fairly and reasonably require UCB not to take those steps.

I know Mr S will be disappointed, but I don't think this complaint should be upheld.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 14 April 2026.

Esther Absalom-Gough

Ombudsman