

## The complaint

This complaint's about a mortgage Mr C holds with NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY (NatWest). The essence of the complaint is that Mr C says NatWest took possession of the mortgaged property without prior warning, believing it to be abandoned, and is now insisting that the mortgage be repaid in full, as a condition of returning the property to him.

## What happened

The broad circumstances of this complaint are known to both parties. I'm also aware that the Investigator issued a detailed response to the complaint, a copy of which has been sent to both parties, and so I don't need to repeat all the details here. Our decisions are published, and it's important that I don't include any information that might result in Mr C being identified.

Instead I'll give a brief summary of the key events, rounding figures where necessary, and then focus on giving the reasons for my decision. If I don't mention something, it won't be because I've ignored it. It'll be because I didn't think it was material to the outcome of the complaint.

The mortgage started in 2023; during 2024, Mr C was granted a six-month interest-only concession under the Cost of Living Support provision in the Mortgage Charter. In January 2025, Mr C stopped making the monthly payment, and arrears began to grow. NatWest tried contacting Mr C about the arrears but didn't hear back. In March 2025, it wrote to Mr C at the mortgaged property, demanding full repayment of the mortgage; not just arrears but the entire balance, which at that time was a little under £204,000.

NatWest didn't hear from Mr C, so it arranged a visit to the mortgaged property by a field agent. This was in July 2025, by which time seven months had passed with no payment and no contact. The field agent reported back that the property was in an uninhabitable condition and, according to a neighbour, had not been occupied for about two years. NatWest took this to mean the property had been abandoned, and in August 2025, it took possession summarily.

Mr C complained almost immediately. Although not in occupation, he said that he was living nearby, and was in the process of a major renovation following a water leak. He asked NatWest if it would return the property if he cleared the arrears (at that point, around £8,000). He said he'd lost his job at the beginning of 2025, but since then, he'd started his own business which was beginning to succeed. NatWest refused, insisting that the mortgage be repaid in full. Other than paying Mr C £100 for having an incorrect phone number in its records, NatWest rejected the complaint.

When the case came to us, our Investigator thought NatWest's action in taking possession in the prevailing circumstances was reasonable. Mr C had breached his mortgage conditions by not telling NatWest the house was unoccupied and uninhabitable. He also thought the £100 paid was reasonable compensation for the phone number error.

But he thought NatWest could have given a bit more consideration to the possibility of Mr C having the property restored to him if he repaid the arrears. He recommended NatWest pay Mr C a further £100 for that omission, and that it should give fresh consideration to the viability of Mr C's proposal for clearing the arrears.

Neither party agreed; NatWest kept to its position that only full repayment of the mortgage was enough for the property to be returned to Mr C. Meanwhile, Mr C maintained his firm belief that the bank's actions in taking possession in the first place were unjustified.

### **What I've decided – and why**

I'll start with some general observations. We're not the regulator of financial businesses, and we don't "police" their internal processes or how they operate generally. That's the job of the FCA. We deal with individual disputes between businesses and their customers.

We're impartial, and we don't take either side's instructions on how we investigate a complaint. We conduct our investigations and reach our conclusions without interference from anyone else. But in doing so, we have to work within the rules of the ombudsman service, and the remit those rules give us.

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

That includes Mr C's detailed submission, with enclosures, dated 15 February 2026.

When assessing the fairness or otherwise of the action of taking possession, I can't take account of what has come to light about Mr C's wider circumstances since. I can only consider what NatWest knew and reasonably believed when the decision was taken. What it knew was that the mortgage was in heavy arrears, and its efforts to contact Mr C had come to nothing. It also knew, from the report of the field agent, that the property was unoccupied and not in a habitable condition.

Meanwhile, It also believed, reasonably in my view notwithstanding Mr C's rebuttal, that the property had been abandoned. I've looked at the photographs Mr C has sent us, showing various parked cars. In isolation, they might point to occupation. However, when considered alongside the evidence of the property's condition and the information from nearby residents, the vehicles' presence could equally be interpreted as pointing to the property having been abandoned and being used as an unofficial carpark.

Overall then, I'm not persuaded NatWest acted unfairly when it took possession. That said, when I move onto what Mr C has told it, and us, after that had happened, like the Investigator I think NatWest could have given a little more consideration to Mr C's expressed desire to clear the arrears and have his property restored to him. Moreover, I think it should give some thought to this proposal now.

I understand why NatWest is reluctant to do so. It's not just about whether Mr C has managed to raise enough money to clear the arrears and stop the enforcement. NatWest will also need to be convinced that Mr C is in a position to resume making monthly payments to the mortgage regularly and consistently, *and* fund the ongoing cost of the work needed to return the mortgaged property to a habitable state. This is especially relevant if Mr C's proposal for clearing the arrears and restoring the property is dependent on borrowing elsewhere. If Mr C wasn't able to pay the mortgage payments consistently going forward, the greater likelihood is that very soon NatWest would have to consider resuming possession action due to new arrears.

Nonetheless, taking all of the above into account, I agree with the Investigator, that NatWest should give Mr C an opportunity to present whatever evidence about his current financial circumstances it judges necessary, in order to assess the viability of returning the property to him on clearance of the arrears. To be clear, this does not mean that NatWest must agree to Mr C's proposal; it merely means that NatWest should assess it afresh, based on the evidence Mr C can show it about his situation as it stands. I also agree that £100 is fair compensation for NatWest having not already shown willingness to do this.

I know this isn't the outcome Mr C wanted. He is faced with the potential risk of losing his home if he can't persuade NatWest to return the property on clearance of the arrears. If he's unable to reach agreement with NatWest on that, NatWest could potentially enforce its security over his home.

That's a horrible situation for Mr C to be faced with, and he has my sympathy. But for all the reasons I've explained, I can't find that NatWest's action are unfair, however unwelcome they might be.

### **My final decision**

My final decision is that I uphold this complaint in part. In full and final settlement, I direct NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY to do the following:

- On receipt of such evidence it considers necessary, give fair consideration to the viability of returning the mortgaged property to Mr C on clearance of the current arrears in full; and
- Pay Mr C a further £100, making £200 in total.

My final decision concludes this service's consideration of this complaint, which means I'll not be engaging in any further discussion of the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 30 March 2026.

Jeff Parrington

**Ombudsman**