

The complaint

Mr W complains about how he was treated by Accord Mortgages Limited when his mortgage went into arrears.

What happened

Mr W had a mortgage with Accord. The property and the mortgage was in his sole name, but his then wife, who I'll call Ms E, was living in the property. She signed an occupier's waiver form when the mortgage was taken out in 2018.

Mr W and Ms E later separated. Ms E was granted an occupation order by the Family Court entitling her to live in the property and excluding Mr W from it.

In October 2024 the Family Court made a financial order finalising the divorce. Among other things, the court ordered that the property be sold for a minimum of £310,000, that Ms E should have conduct of the sale, and made orders for the distribution of the equity once the mortgage and costs of sale had been paid.

The court ordered that in the meantime Ms E should "discharge as and when each payment becomes due, be solely responsible for and in any event indemnify [Mr W] against all interest and capital repayments due in respect of the mortgage", as well as being responsible for utility and council tax bills. The court said that any amounts due that Ms E failed to pay are to be deducted from her share of the equity.

On 30 April 2025 Accord obtained a possession order. The court said that Ms E would be given time to sell the property, but that the possession order could be enforced after 25 July 2025. The court made a money judgment against Mr W for £199,534.19 in respect of the then outstanding mortgage balance.

The property was not sold, and so Accord took it into possession on 22 September 2025.

Mr W complained. He said that:

- In August 2023, he had asked for a new fixed interest rate to reduce the monthly payments, as the mortgage was by then on the standard variable rate (SVR). Accord refused a new rate because he was not living in the property.
- Despite that, Mr W managed to keep up with the monthly payments – but doing so was very difficult for him, especially after he lost his job in June 2024. He had to borrow money from friends and family.
- Once the financial order was made in October 2024, he told Accord that Ms E had been ordered to pay the mortgage from now on, and that the property was to be sold.
- Accord told him that he was still liable for the mortgage payments. And that if more than three monthly payments were missed, the property could be repossessed.

- Ms E didn't make the monthly payments despite the court order. Mr W asked Accord to repossess the property in early 2025 but it didn't do so. It took until September for it to take the property into possession.
- Accord will not hand the property back to Mr W if he agrees to repay the arrears and resume making the mortgage payments – it insists on the mortgage being repaid in full.
- Accord reported missed payments and arrears to Mr W's credit file, ruining his credit score and stopping him taking out another mortgage to regain the property. As a result he is exploring taking out a very expensive bridging loan to repay the mortgage. If he has to repay in full, Accord should waive the £10,000 early repayment charge (ERC).
- Accord would not allow him to retrieve his belongings from the property.

Accord said that Mr W wasn't eligible for a new interest rate while not living at the property, but it nevertheless agreed to a new rate in May 2024 to support him. But the mortgage went into arrears from October 2024.

Accord said that while the court had ordered Ms E to pay the mortgage, this remained Mr W's mortgage and he was contractually liable for all the payments. It had correctly reported the operation of the mortgage to his credit file. It said that because of the arrears which had built up, it began legal action and obtained a possession order.

Our investigator didn't think the complaint should be upheld, so Mr W asked for an ombudsman to review his 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'm sorry to hear of everything Mr W has been through and the difficulties he's facing. I've thought very carefully about everything he's said, but I'm afraid I don't think Accord has acted unfairly. I'll explain why.

This mortgage was in Mr W's sole name, and it's a term of the mortgage that he has to live in the property and use it as his main residence. I can therefore understand why Accord initially refused a new interest rate, because by not living in the property Mr W is in breach of the mortgage terms and conditions.

However, when it understood more about the circumstances – including that Mr W was not living in the property as a result of an occupation order obtained by Ms E – and when he cleared the arrears that had built up in early 2024, Accord then offered a new interest rate. I think that was fair.

Mr W then kept up with the mortgage payments until October 2024, when the financial order said that the property should be sold and that Ms E should take over the mortgage payments until it was sold.

I appreciate that Mr W believes this means he is no longer responsible for the mortgage payments. But I'm afraid that's not correct. This was his mortgage and only his mortgage, and it remained his mortgage after the court order. Accord was not party to the divorce proceedings between Mr W and Ms E, and the court couldn't order Accord to transfer the

mortgage to Ms E. It remained Mr W's mortgage.

That means that the contract between Mr W and Accord remained in place. Under that contract, the mortgage payments were due, and it was – and remained – Mr W's responsibility to pay them.

What the court ordered was that Ms E should actually make the payments, and that if she didn't make them she would need to indemnify Mr W against them, with any missed payments taken from her share of the equity. This doesn't change the fact that Mr W, as the named borrower, was the party responsible for the mortgage and who Accord was entitled to expect to pay – it just means that Ms E should make the payments for him. But if she didn't make the payments, Accord would have the normal contractual rights against Mr W as its customer, and Mr W in turn could recover the missed payments from Ms E.

Ms E was not the borrower, and was not Accord's customer. When she didn't make the payments, the mortgage fell into arrears. Accord got in touch with Mr W expecting him to repay the arrears and make the monthly payments.

Mr W wasn't able to afford the payments. I appreciate this put him in a very difficult situation. But the court order didn't prevent Accord expecting Mr W to make the payments the mortgage contract said he had to make. Accord couldn't chase Ms E or make her pay. If Mr W couldn't make the payments himself, his only option – other than letting the mortgage go into arrears – would be to go back to court and ask the court to take action against Ms E for breaching the order requiring her to make the payments. But I do understand why that was difficult for him to do.

The fact is that the mortgage wasn't being paid. It was reasonable in those circumstances for Accord to say that it would take legal action – and then to instruct solicitors to take possession action. I think it did so within a reasonable timescale. Mr W had said that he wasn't in a position to make the payments and didn't think it was his responsibility. Ms E wasn't making the payments and Accord couldn't require her to or discuss the mortgage with her. In the circumstances, I think taking legal action so that a possession order was obtained around six months after the mortgage fell back into arrears was fair and reasonable.

Accord obtained a possession order in April. The court said that Accord couldn't enforce the possession order before the end of July. And once that date passed, it would then need to go back to court to obtain a warrant, appoint bailiffs, and set a repossession date. The property was repossessed in September.

In all the circumstances, I think Accord acted fairly and reasonably. Ms E wasn't its customer and it wasn't bound by the court order. The mortgage wasn't being paid, there was no sign of payments resuming, and the arrears were mounting. At the same time, the rules of mortgage regulation say that repossession should be a last resort. I think Accord acted fairly in taking the action it took, and in the time it took to do so.

Accord wasn't responsible for Mr W's belongings or what happened to them before it took possession of the property. The court order did say that he would be entitled to collect them from the property, and what happened about that is a matter between him and Ms E. Accord didn't prevent Mr W attending the property to collect items after it had taken possession.

I don't think it was unreasonable that Accord refused to hand the property back to Mr W unless the whole mortgage – not just the arrears – was paid back. Mr W had said several times before the repossession that he wasn't able to make the monthly payments himself, so if Accord handed the property back with the mortgage still in place, there was a risk he wouldn't be able to resume making the payments.

There was also the complication of the financial order. Regardless of the repossession, the family court had said that the property should be sold and that Ms E – not Mr W – should live in it pending the sale. As I say, Accord wasn't party to and wasn't bound by the court order. But if it handed the property back to Mr W that might complicate matters between him and Ms E further. There was a risk that could impact on Accord's position as mortgage lender.

In all the circumstances, I don't think it was unreasonable for Accord to conclude that there was a real risk that the mortgage wasn't sustainable any more and that if it handed the property back without it being repaid in full a similar situation could arise again, requiring repossession proceedings to resume at further cost to all parties. It was reasonable for Accord to say that it would only consider handing the property back if the mortgage was repaid in full.

I also don't think that Accord has acted unfairly in reporting the conduct of the mortgage to Mr W's credit file. As I explained above, notwithstanding the financial order, this is Mr W's mortgage and he has the contract with Accord requiring him to repay it. Accord is required to report the conduct of the mortgage accurately. It's reported that the mortgage hasn't been paid since October 2024. That's an accurate record of the conduct of the mortgage, and so reporting that is not unfair.

Mr W has also complained about how things have been handled by Accord and by its solicitors. I'm sure that this was a very difficult and stressful time for Mr W, and therefore having to deal with Accord and the solicitors was difficult for him. But I don't think things were handled unfairly or unreasonably in all the circumstances, or that Accord unnecessarily made things more difficult than they were always going to be.

As I say, I'm very sorry to hear of everything that Mr W has experienced. I've thought carefully about everything he's said. The breakdown of a relationship is always very difficult, and this one particularly so. But I don't think Accord acted unfairly in all the circumstances, and so I can't uphold this complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 13 April 2026.

Simon Pugh
Ombudsman