

The complaint

Mr and Mrs B's complaint is against Topaz Finance Limited trading as Rosinca Mortgages and is that Rosinca failed to pay ground rent and service charges on Mr and Mrs B's two buy-to-let (BTL) properties, which I will refer to as 10OM and 14OM. As a result, County Court Judgements (CCJs) have been issued against Mr and Mrs B for the outstanding sums.

The properties have now been taken into possession by Rosinca, and I understand 10OM has been sold, and 14OM is being marketed for sale.

What happened

The basic background to this complaint is well known to both parties so I won't repeat the details here. Our decisions are published, and it's important that I don't include any information that might result in Mr and Mrs B being identified.

Instead I'll focus on my decision and the reasons for it. No discourtesy or lack of care is intended by that. It's simply a reflection of the informal service we provide, and 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. This approach is consistent with what our enabling legislation requires of me.

It allows me to focus on the issues on which I consider a fair outcome will turn, and not be side-tracked by matters which, although presented as material, are, in my opinion peripheral or, in some instances, have little or no impact on the broader outcome.

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 taken careful note of everything Mr and Mrs B have said about why they believe Rosinca is responsible for paying the ground rent and services charges on their BTL properties. I can see they feel very strongly that Rosinca hasn't acted fairly because it didn't pay these prior to the freeholders obtaining a CCJ.

The general principal is that it is the lessee (in this case, Mr and Mrs B) who bears responsibility for paying ground rent, service charges and other fees or charges specified in the lease.

Where charges remain unpaid, the freeholders (or their agents) can, as a last resort, forfeit the lease pursuant to s.146 Law of Property Act 1925 (LPA). However, prior to doing so, it is the usual practice to contact any mortgagee (in this case, Rosinca) to request payment.

It is not unusual for consumers to complain to our service that their mortgage lender has paid ground rent and service charges and added them to the mortgage debt. The argument is often that the consumer disputes the charges, and so thinks it's unfair for their lender to have paid them whilst there is an ongoing dispute with the freeholder about them.

So for this reason we would generally say that it's unfair for a lender to pay these types of charges unless there has been either a CCJ or a decision from the First Tier Property Tribunal that the consumer is liable to pay the charges. In those circumstances, any dispute about liability for the charges has already been decided by the court or tribunal, and so it's reasonable for the lender to pay them in order to avoid forfeiture of the lease and the loss of its security.

However, unusually in this case the complaint made by Mr and Mrs B is that Rosinca *hasn't* paid outstanding service charges and ground rent, as a result of which Mr and Mrs B have had CCJs made against them.

I can see that, in its final response letter dated 15 May 2025, Rosinca explained that, in relation to 14OM, Mr and Mrs B were unhappy that they'd received notices regarding unpaid ground rent. Rosinca confirmed that it was awaiting confirmation from the freeholders that the amount remained unchanged, and that once this was received, Rosinca would pay the ground rent.

In relation to 10OM, Mr and Mrs B had complained that CCJs totalling £24,000 had been made against them for outstanding ground rent and service charges. Rosinca confirmed that, after it had received the CCJs it had paid the outstanding amounts. Rosinca said that these payments had been made to protect its interests.

I can't see that Rosinca has done anything wrong here. Until there is a CCJ or tribunal decision, I don't think it would be fair or reasonable for Rosinca to pay outstanding ground rent or service charges.

Rosinca has confirmed that it didn't receive any prior notice of the outstanding charges from the freeholders, but there's no requirement for this to happen prior to a CCJ being applied for by the freeholder. If Mr and Mrs B are unhappy with the freeholder's actions, they'll need to take it up with them, or with the court.

Mr B sent Rosinca the outstanding demands, and I understand his assumption was that Rosinca would pay them. However, without express written instructions from Mr and Mrs B to Rosinca that payment should be made, I'm satisfied that Rosinca wasn't under any obligation to make the payments. I've seen nothing to suggest Mr and Mrs B gave Rosinca express instructions to make these payments on their behalf.

These are BTL mortgages taken out for business or investment purposes. It's Mr and Mrs B's responsibility, not Rosinca's to manage their investment, and this includes payment of ground rent and service charges. In the absence of a CCJ or tribunal decision, or specific written instructions from Mr and Mrs B to pay the charges, Rosinca wasn't under any obligation, unilaterally, to pay them.

Ultimately, due to Rosinca's concerns about the way Mr and Mrs B were handling their mortgages, Rosinca appointed LPA Receivers, as it is entitled to do under the mortgage terms and conditions. I note that during the period the properties were with LPA Receivers, additional CCJs have been made against Mr and Mrs B.

As I've said above, responsibility for paying ground rent and service charges lies either with Mr and Mrs B or the LPA Receivers. As the Investigator explained, the LPA Receivers act for Mr and Mrs B, not Rosinca. If Mr and Mrs B are unhappy about any act or omission on the part of the LPA Receivers, they'll need to take it up with them. It's not something that

involves Rosinca, and LPA Receivers do not fall within the remit of the Financial Ombudsman Service.

I know this isn't the outcome Mr and Mrs B were hoping for. I think they may have misunderstood that their responsibility for paying ground rent and service charges didn't automatically pass to Rosinca simply because Mr B forwarded statements to it. Likewise, once LPA Receivers were appointed, this didn't make Rosinca liable for paying these charges either.

If Mr and Mrs B believe the CCJs were wrongfully made against them, that's something they'll need to refer back to the court in which the CCJs were issued. Mr and Mrs B might want to take legal advice before doing so.

My final decision

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

This final decision concludes the Financial Ombudsman Service's review of this complaint. This means that we are unable to consider the complaint any further, nor enter into any discussion about it.

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

Jan O'Leary
Ombudsman