

## The complaint

This complaint is brought by Mr and Mrs P and is about their now-expired mortgage account held with National Westminster Bank Public Limited Company (NatWest).

Mr and Mrs P are represented in the complaint by their son. To avoid confusion between the parties, I will refer to the father as Mr P and the son as Mr TP.

## What happened

The background to this complaint is well known to both parties and is set out in the correspondence between the parties and our service, so I won't 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 and Mrs P or Mr TP being identified.

Instead I'll focus on my decision and the reasons for it. No discourtesy is intended by that, and if I don't mention something, it won't be because I've ignored it, but it's because I don't think it is material to the outcome of the complaint. This approach is consistent our enabling legislation and the informal nature of our service.

It allows me to concentrate 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 which have little or no impact on the broader outcome. But I would like to reassure the parties that I've read and considered everything they've said and provided in support of their arguments.

Mr TP says that, when his parents took out the mortgage in 2001, and borrowed further funds in 2002 and 2003, NatWest's surveyors over-valued the property. As a result, Mr TP says the lending by NatWest was irresponsible and unsustainable, resulting in Mr and Mrs P now being in a position of significant negative equity.

The mortgage term ended in 2021, with an outstanding balance due to the bank, which remains unpaid. On 13 June 2023 the court made a possession order in favour of NatWest, along with a money judgement for just over £412,000. A warrant of eviction has been suspended by the court pending the conclusion of this complaint.

Mr TP says that NatWest is treating his parents unfairly in trying to evict them, given their age, health, vulnerabilities, and the fact that they have made repayments of over £400,000 during the lifetime of the mortgage.

Mr and Mrs P want the Financial Ombudsman Service to do the following:

- uphold the complaint in favour of the family;
- tell NatWest to suspend enforcement action, including eviction;
- require NatWest to recalculate the mortgage balance based on "*correct valuations and appropriate capital repayment assumptions*";
- pay compensation for distress, regulatory failings and disproportionate financial harm; and

- recommend changes in NatWest's policies in relation to treatment of vulnerable customers and complaint-handling processes.

In a decision dated 9 April 2026, I concluded that the only issues I can consider are the following points:

- whether there's been unfairness in the relationship between NatWest and Mr and Mrs P arising from them taking out this mortgage and further borrowing; and
- whether NatWest has acted unfairly in seeking to enforce the possession order.

### **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.

Before I can consider the merits of a complaint, I'm required to consider whether all or part of the complaint is within jurisdiction. I've reviewed my decision dated 9 April 2026 and, having done so, I am not minded to change my conclusions about which parts of the complaint we are able to consider, and which parts do not fall within the jurisdiction of our service.

In relation to the issues I *can* consider, I've given careful consideration to everything Mr TP has said. However, I'm unable to uphold the complaint. These are my reasons.

I've looked at the mortgage offers for the main interest-only loan taken out in 2001 and the further advances in 2002 and 2003. I've also reviewed the valuation reports from 2001 and 2003 (all of which documents were provided to Mr and Mrs P at the time). The loans were taken out prior to mortgages becoming regulated (which applies to residential mortgages taken out after 31 October 2004).

No advice was given by NatWest to Mr and Mrs P, and the valuations were solely for NatWest's own purposes. Mr TP says: "*The mortgaged property was hugely overvalued in 2001*". But the bank's valuation for the 2001 mortgage was £50,000 *less* than Mr and Mrs P had told NatWest the property was worth. It's therefore difficult for me to conclude that, because the surveyors valued the property at less than Mr and Mrs P had said it was worth, this resulted in unfairness to Mr and Mrs P when NatWest offered them a mortgage based on that valuation.

Likewise, the 2002 and 2003 further advance applications were based on information provided by Mr and Mrs P about what they thought the property was worth. I don't have a copy of the 2002 valuation, but the 2003 valuation equates with the figure of £570,000 provided to NatWest by Mr and Mrs P on the application form. Because the property was valued by the surveyor at the figure Mr and Mrs P said it was worth, I can't see that there has been any unfairness in NatWest lending on the basis of this valuation.

Indeed, Mr TP has confirmed "*...we regard the valuations as well-judged and fair...*". Mr TP says that the unfairness has resulted from NatWest instructing the surveyors to include in the valuations adjacent properties that weren't included in Mr and Mrs P's title. However, that would be a matter for the surveyors, not NatWest. It was up to the surveyors to assess the extent of the property Mr and Mrs P were offering as security and advise NatWest accordingly. NatWest was entitled to rely on the expert opinion of the surveyors, and if the surveyors got it wrong (and to be clear, I make no finding on this, as I have no remit to do so), that's not something for which I can hold NatWest responsible.

The loan documentation for all three loans is clear, unambiguous and not misleading, with the amounts, interest rates and how long each loan is to run for, and whether it is a capital repayment or interest-only loan set out in the documentation. I'm satisfied, therefore, that no unfairness has been caused to Mr and Mrs P by them taking out these loans on the terms offered by NatWest.

The mortgage term for the interest-only loan expired in July 2021, when the balance was due to be repaid to NatWest. The situation Mr and Mrs P are in is now critical, because the court has ordered them to give possession of the property to NatWest. An application to suspend the warrant of eviction was granted by the court in June 2025 to enable our service to consider the complaint.

Mr TP has asked the Financial Ombudsman Service to order NatWest to suspend any further recovery action. Where a mortgage term has expired, the powers of the court to suspend possession are very limited indeed. The Financial Ombudsman Service has no power to intervene in possession proceedings and, whilst lenders may agree to postpone legal action while we look at a complaint, they're not obliged to do so, and we can't force them to.

If the Financial Ombudsman Service had that power it would undermine our impartiality between the parties to a complaint. It would also create the potential for consumers to use our service to bring complaints with the intention of having any legal action put on hold, thereby obstructing businesses that are exercising their legal rights to take action through the courts to recover money legitimately owed by the consumers. I am not suggesting that this is what Mr and Mrs P have done, but I need to make it clear that raising a complaint with our service would not preclude NatWest from pursuing its legal remedies.

I do not wish to alarm Mr and Mrs P or Mr TP, but I would not want them to be under any misunderstanding that we have any power to tell NatWest that it must adjourn or postpone any legal action in the event of any new complaint being raised about the mortgage. It is a matter for a court to decide whether it is appropriate to adjourn or suspend any enforcement action, not this service.

I know this isn't the outcome Mr and Mrs P were hoping for. I fully understand that they are now in a very difficult position, and face losing the home they've lived in for many years. However, they've been aware since 2001 that they had an interest-only mortgage, and that they'd need to have a repayment strategy in place for when the term ended.

It may help Mr and Mrs P to take some independent advice about their situation, from either one of the free advisory services such as Citizens Advice, StepChange or Shelter (we can provide contact details for these agencies if requested) or from an independent financial adviser.

### **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 P to accept or reject my decision before 14 May 2026.

Jan O'Leary  
**Ombudsman**