

## The complaint

This complaint's about a secured loan Mr S took out in 2007, originally with a lender I'll call W. The loan has been transferred to different lenders from time to time. Since 22 April 2023, the loan has been owned by an unregulated lender I'll refer to as SW, and is administered on SW's behalf by Swift 1<sup>st</sup> Limited (Swift). It is a joint loan, but Mr S has brought the complaint on his own, explaining that he and the joint borrower separated many years ago and are not in contact with each other.

## What happened

There are three broad strands to the complaint, which I summarise below in my own words. they are:

1. The loan, and the linked payment protection insurance (PPI) were unsuitable and therefore mis-sold in 2007;
2. The interest rate being charged is excessively high compared with the rate charged by Mr S' mortgage lender; and
3. Swift's handling of the loan, including the threat of possible legal action for possession of the mortgaged property.

The Investigator thought our remit to look into the complaint was very limited. He began by making a distinction between the various businesses that have had involvement in the loan since it began, and clarified that the business against which the complaint had been made was Swift (the current loan administrator), not W (the original lender) or SW (the current lender). This meant that we couldn't look into point 1 because Swift had only begun administering the loan in April 2023.

On point 2. The Investigator noted that in January 2026, a court had granted a 56-day possession order in SW's favour, and that the order included a money judgement. Insofar as the money judgement meant the court had decided how much Mr S owed on the debt, the Investigator explained that under our rules, we should not consider anything relating to the loan's accounting (including the interest rate) as that would risk interfering with what the court had already decided. For completeness, however, the Investigator noted that no interest had been charged at all since 2011.

On point 3, the Investigator explained that Swift's handling of the loan, including the decision to go to court, had been vindicated by the court's decision to grant the possession order. That being so, the only part of Mr S' complaint that was left for us to look into was Swift's handling of the loan since 19 January 2026. All Swift had done since that date was add the legal fees from the court action to the loan account. The Investigator noted that this was permitted under the terms and conditions of the loan, and concluded that it wasn't unfair of Swift to do so in the circumstances.

Mr S wants to continue with it the complaint (all of it) so it's come to me to review.

By way of a separate decision, I have confirmed that our jurisdiction is confined to point 3 of the complaint as detailed above, albeit only in respect of events since 19 January 2026.

Whilst the case has been with us, the 56-day deadline in the possession order has passed.

Swift has told us that Mr S has made a payment to cover the amount of the money judgement, which leaves outstanding the legal costs that were added to the debt after the order was handed down. It's my understanding that Swift has not yet sought to enforce the possession order.

### **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 Financial Conduct Authority (FCA). We deal with individual disputes between businesses and their customers. In doing that, we work within the rules of the ombudsman service and the remit those rules give us. We don't replicate the work of the courts.

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.

In doing that, we don't replicate the work of the courts. Whilst statutory, our scheme is intended to provide prompt outcomes to disputes between business and the customers, with a minimum of formality. 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, which include our jurisdiction.

We revisit our jurisdiction over a complaint at every stage of our case-handling process. I've done that here, but haven't found any grounds to depart from my decision on what I have jurisdiction to consider.

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

For all the reasons already set out, I'm only able to consider the fairness or otherwise of how Swift managed the loan account in the period since 19 January 2026. In practical terms, there is only one action on Swift's part for me to consider; that is, the adding to the loan balance of the legal costs arising from the possession action.

It's something a lender is allowed to do; it's provided for in the terms of the loan contract. Sometimes, when a case has been to court, the court might make a specific order on costs, thus over-riding the contractual position. If that doesn't happen, and the court order is silent as to costs, as was the case with Mr S, the contractual position prevails.

So I'm satisfied Swift had the right to add the legal costs to the debt. As to whether it was fair of it to do so, I think it was. Aside from being permitted contractually, it's normal industry practice for a lender's costs of recovering a debt to be paid by the borrower, and there's nothing in the circumstances of Mr S's particular case to suggest anything different should happen.

That begs the question of what happens next. I don't know what Swift's intentions are regarding the residual debt, which consists solely of the legal costs now that Mr S has paid the sum in the money judgement. But clearly enforcement of the possession order is something Swift can consider as a next step. A better outcome, which I'm hoping can be

achieved, is that a new dialogue takes place between Swift and Mr S, without recrimination over what has gone before, and that such dialogue results a mutually-acceptable agreement over what happens to the residual debt.

### **My final decision**

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

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 S to accept or reject my decision before 25 May 2026.

Jeff Parrington

**Ombudsman**