

complaint

Mr and Mrs G complain that National Westminster Bank Plc mis-sold them a re-mortgage. To resolve their complaint they want the bank to extend the term of the mortgage.

background

Mr and Mrs G took a mortgage with NatWest, to repay their existing mortgage with another lender and other debts. In their letter accompanying the complaint form they say that in discussion with the NatWest adviser, Mr G mentioned that there were rumours of redundancies at his place of work, but nothing official.

I gather from NatWest's response that Mr and Mrs G's complaint is that in the light of the rumours, NatWest should not have continued with their application. NatWest's response was that the rumours did not obligate the adviser to stop the application. Had Mr G been at immediate risk of redundancy, or in the process of being made redundant, that might have been different. But it was not until three years after the mortgage that Mr and Mrs G started to miss payments.

The adjudicator did not recommend that the complaint be upheld. She thought that had Mr G been under actual threat of redundancy, NatWest would not have proceeded with the application. As this was discussed it gave Mr and Mrs G the option at the time to take out mortgage repayment protection insurance, which they did. She had not seen anything to suggest that NatWest mis-sold the mortgage.

Mr and Mrs G requested review by an ombudsman. They felt they had been pressurised into taking the mortgage and were told not to worry about any problems in the future because if Mr G was made redundant they could extend the term to make the payments more affordable.

The adjudicator put this to NatWest who said that the application to extend the term came almost two years after the account entered collections. By this time NatWest had already commenced legal proceedings. It agreed to adjourn the court date pending receipt of documentation to support the term extension. However a term extension could not proceed because of Mr G's age, affordability, adverse data entries on the credit file and registration of charging orders.

The adjudicator could not say NatWest had acted unreasonably by not agreeing to the term extension request.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Like the adjudicator, I do not think NatWest has done anything wrong. I have seen no evidence to suggest the mortgage was not suitable for Mr and Mrs G. NatWest considered the application, noted the reasons for further borrowing and assessed affordability based on the information provided to it.

I do not accept Mr and Mrs G's accusation that NatWest lured and enticed them with lies and false promises. Had they not taken the re-mortgage with NatWest they would still have had their previous mortgage and a NatWest personal loan. The NatWest re-mortgage is not the reason for their financial difficulties.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs G to accept or reject my decision before 30 January 2015.

Edward Callaghan
ombudsman