

complaint

Miss W complains that BDW Trading Limited, (trading as "David Wilson Homes"), will not accept a reduced amount to redeem its second charge over her property.

background

Miss W purchased her flat in 2008. In addition to a mortgage she also benefitted from a help to buy scheme. This meant that BDW lent her a quarter of the purchase price. This was on the basis that when she eventually sold she had to pay BDW a quarter of the open market sale price at the time of the sale.

Miss W is very keen to sell her flat because it is too small for her family circumstances. However Miss W says that the value of her flat has gone down substantially. She says that this is to such an extent that if she sold the balance of the sale proceeds after paying off her mortgage would be nowhere near enough to pay BDW the amount she had to. She offered to pay BDW a sum which was less than half the amount it had originally lent her. And which was just over half the amount she would have to pay based on what she says is the value of the property. BDW declined to accept this.

Our adjudicator did not think that BDW had done anything wrong.

my findings

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

I am aware that this will come as a disappointment to Miss W but I have decided not to uphold this complaint. I set out my reasons below.

I have seen the agreement Miss W entered into with BDW. I am satisfied that it requires Miss W to pay BDW a quarter of the open market value of the flat. Miss W has to make the payment by June 2018 at the latest. But if she sells the property before that then she has to make the payment at the time of the sale.

I can find no reason to require BDW to accept an amount less than it is due under its agreement at this stage.

BDW has offered to reconsider its decision if Miss W gets a valuation of the property. And it says that if she also provides evidence of financial hardship this *might* include accepting a reduced amount. It has also offered to consider an application from Miss W to let her flat. And BDW has further said that closer to June 2018 it would look at other options such as extending the period over which the payment could be made. I find that BDW has acted in a fair manner to Miss W in making all these suggestions.

Miss W complains that she is being treated unfairly in comparison to some of her neighbours who she says have been allowed to make reduced payments in similar circumstances. Miss W has not supplied us with the details of the arrangements with her neighbours so I cannot comment on how they were treated. In any event the role of this service is to consider individual complaints between a consumer and a financial business. And each case is considered on its own merits. So the fact that other people living nearby had a different experience would not affect my decision.

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 Miss W to accept or reject my decision before 11 April 2016.

Ros Barnett
ombudsman