

complaint

Mr and Mrs J complain that Bank of Scotland plc trading as Halifax ("Halifax") sent threatening letters to them about their mortgage arrears. They want compensation.

background

Mr and Mrs J had a mortgage with Halifax. They got into arrears when Mrs J became unemployed. Because Mrs J was bringing a claim against her old employer in the employment tribunal, the mortgage protection insurance didn't pay the mortgage until she won. Later, Mr and Mrs J moved out of their property and handed over the keys to Halifax. Halifax sold the property.

Mr and Mrs J complained that Halifax kept sending threatening letters about the mortgage arrears when it knew about the employment tribunal case. They said Halifax shouldn't have sent the letters. They thought Halifax should pay compensation for the trouble and upset these letters caused, plus the loss of the equity in their property and refund the arrears and interest caused by its refusal to allow the insurance to pay the mortgage earlier.

Halifax said the terms and conditions of the insurance policy meant it wouldn't pay the mortgage until the employment tribunal decided Mrs J had been unfairly dismissed. It said until the insurance was able to pay, Mr and Mrs J had to pay the monthly payments. As this didn't happen, Mr and Mrs J did get into arrears and those had to be paid. This was why Halifax got a possession order and sold the property. It explained it sent the letters due to the arrears, but didn't agree they were threatening.

Mr and Mrs J complained to us. The adjudicator's view was that Halifax had to tell Mr and Mrs J about the arrears and what would happen if they weren't paid. She didn't think the letters were threatening.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. The complaint about the mortgage protection insurance is being dealt with separately – this decision will only deal with the complaint about Halifax's letters.

I appreciate Mr and Mrs J were upset to receive the letters, but they were in arrears. The monthly mortgage payment wasn't being paid. Bringing an employment tribunal claim doesn't mean the monthly payment isn't due. Lenders have to tell customers when they're in arrears and explain what could happen as the consequence is so serious. I don't think the letters are threatening.

my final decision

My final decision is that I don't uphold the complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs J to accept or reject my decision before 13 November 2015.

Claire Sharp
ombudsman