

complaint

Mr and Mrs L complain that Landmark Mortgages Limited has changed their mortgage to a different type of account. They want it to stay the same as before.

background

Mr and Mrs L say Landmark took over their mortgage from Northern Rock. They complain that Landmark hasn't explained why their account, which had £1.00 outstanding, has been changed to a different type of account. They would like to keep to the same type of account which was £1.00 balance with no charges, plus a redemption fee of £250 if they decide to obtain their title deeds. Landmark has sent them a cheque for £100.21 which they haven't paid in as they would like to keep to the same arrangement.

On their complaint to Landmark it said they'd contacted it on 19 October 2016, as they'd received a letter dated 13 October 2016, telling them it had arranged for £100.21 to be sent to them. They'd said they had a "Safe and Sure" account, where they had a balance of £1.00 outstanding, in order for Landmark to retain their title deeds.

Landmark said it had reviewed Mr and Mrs L's offer of loan dated 18 July 2005 and could confirm they didn't have a Safe and Sure account. The product they had was a 5 Year Flexi Fixed, which went on to the Northern Rock Standard Variable Rate when the five-year fixed rate expired.

Landmark said it wasn't able to keep the balance at £1.00, the minimum was £100. The payment of £100.21 was in order to keep their account open until the end of the mortgage term. However, if they wished to redeem the account a discharge of mortgage fee of £250.00 was applicable to redeem before the end of the mortgage term. This was also stated in their offer of loan.

Mr and Mrs L then brought their complaint to this service, but our adjudicator didn't recommend it be upheld. She said the 2005 mortgage agreement was for a five-year fixed rate mortgage. There was nothing to suggest the type of account had ever been different.

Mr and Mrs L replied that they wanted Landmark to keep to the same terms and conditions as agreed. This meant Landmark keeping their mortgage balance at £1 to keep their deeds with Landmark.

my findings

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

There's a letter dated 16 April 2009 from Northern Rock (or NRAM plc) to Mr and Mrs L. It records that they'd made an overpayment which reduced their mortgage loan to £1.00. Mr and Mrs L's statement that Landmark took over their mortgage from Northern Rock isn't quite correct. All that happened was that NRAM plc changed its name to Landmark Mortgages Limited. The mortgage didn't transfer to a different company, and the terms and conditions didn't change.

I understand Northern Rock did once offer a scheme called "Safe and Sure" which enabled a borrower to do what Mr and Mrs L want to do. But it's clear that when they reduced the

balance of their mortgage, it wasn't converted to that type of account. There's nothing in the terms and conditions, or in the mortgage offer, of their actual account which says Mr and Mrs L are entitled to keep the account at £1 in order to keep their deeds with Landmark. It's simply an interest-only mortgage over a term of 15 years, with the interest rate fixed for the first five years. What it does say is:

"... a discharge of mortgage fee of £250.00 will ... apply if your loan is repaid early."

To all intents and purposes this mortgage loan has been repaid. It's not fair or reasonable for Mr and Mrs L to expect Landmark to maintain it in the books in order to keep their title deeds there or to avoid the redemption fee. And in any case the title to the property has long been registered at HM Land Registry so it's unlikely there'll be any title deeds. There might be some pre-registration title documents but they're unlikely to have any practical purpose.

my final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs L to accept or reject my decision before 13 April 2017.

Edward Callaghan
ombudsman