

complaint

Miss S complains about the way that The Co-operative Bank Plc trading as Platform has dealt with her account whilst she has been in financial difficulties. Miss S wants Platform to agree a payment arrangement with her.

background

Miss S took out an interest only mortgage with Platform in 2005 for a 25 year term. Miss S's account fell into arrears as she was caring for her parents which affected her ability to work and earn money. In May 2019 Miss S understood that she had come to an arrangement to make her monthly payment of £745 and £45.22 towards the arrears then standing at £4,550. Miss S made these payments in April and May but then got a letter from Platform saying that it hadn't agreed to this arrangement. Platform took legal action leading to a hearing which was to be held on 18 June 2019 and has been put on hold pending this complaint.

Our investigator didn't recommend that this complaint should be upheld as she didn't believe that Miss S had come to an arrangement with Platform nor was she of the view that Platform should agree that payment arrangement plan as she didn't believe it was affordable. But our investigator did ask Platform to agree a six month breathing space subject to the contractual monthly payments being made. Miss S disagreed and asked for a review.

my findings

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

Miss S believes that she agreed an arrangement in May 2019 to repay the arrears on her mortgage which she wants Platform to accept. There is a substantial amount of evidence on this file which I've considered carefully to decide whether Platform has treated Miss S fairly. From 2017 Miss S agreed a number of arrangements, some involving payment only of the monthly instalment and some involving payment of the monthly instalment together with a contribution towards the arrears. But on five occasions during this period the arrangements failed.

Like our investigator I listened to the phone call Miss S had with a Platform adviser on 3 May 2019 and like the investigator I came to the view that although a possible arrangement was proposed as described above, that proposal was subject to review and on review Platform didn't agree to it. Against the background of the previous broken arrangements, I understand why Platform would be reluctant to accept Miss S's offer of a further arrangement

The reason Miss S was hopeful of her prospects at that time was that her personal circumstances had changed and her time would be freed up so she hoped her income would increase. To be fair to Miss S I've looked at the pattern of the payments she made since May 2019 to see if Platform was mistaken in refusing the arrangement. In July 2019, the arrears were £4,507.75 and the contractual monthly payments £745.51. Since then the full contractual monthly payment was only paid in August, September and October although I don't have a full monthly statement for the month of February. As a result the arrears increased to £6,559.79. I would have thought that the evidence suggests that the arrangement Miss S proposed in May 2019 was unworkable and it was reasonable for Platform to refuse it.

Miss S makes the point that there is sufficient equity in the property for Platform's security. But Platform is a commercial business and entitled to expect the payments it agreed with Miss S to be paid. It should of course be positive and sympathetic to Miss S in her financial difficulties. But the number of previous arrangements suggest that it has been so to date. Furthermore, if Platform simply continued to agree with arrangements that were unworkable, it could be said to be assisting in making Miss S's financial situation worse as the increased arrears are clearly eating into Miss S's equity in her property. Her equity has fallen by about £2,000 since Miss S started this complaint and any arrangement made that is unaffordable will worsen her situation.

My view is that Platform has acted fairly and reasonably to date. I note that Miss S has spoken to a number of advisers and has forwarded to me further proposals that she wants Platform to consider. It's not for me to consider those proposals but Platform. Miss S tells me that Platform has requested an income/expenditure form from her. Our investigator in her view of the 16 October thought that it would be useful to ask Platform to give Miss S a six month breathing space provided she paid the contractual monthly payments. Unfortunately those payments weren't made but it seems that Miss S has met and got advice from a number of sources and is looking to engage with Platform. I would urge both parties to see if they can agree an affordable arrangement and would ask Platform to extend the breathing space to 16 April 2020 as suggested by our investigator. But for the reasons set out above I can't fairly uphold this complaint.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 6 April 2020.

Gerard McManus
ombudsman