

complaint

Mr D complains that National Westminster Home Loans Limited wrongly accepted payment to redeem his mortgage following the compulsory purchase of his property. He asks for compensation of about £64,000 for his financial loss.

background

In 2001 Mr D's property was damaged by fire. Mr D did not have insurance and was not able to restore the property. The local council issued a compulsory purchase order (CPO) in 2007.

Mr D had ongoing discussions with NatWest about payment of the mortgage. NatWest accepted reduced payments for a period. It started possession proceedings when agreed payments were not made.

The local council enforced the CPO in 2009. The council paid the outstanding mortgage debt. Mr D says:

- NatWest communicated with the council and allowed the council to redeem the mortgage without his consent.
- Had he been able to sell the property, there would have been sufficient money to repay his other debts. Instead, NatWest left him in negative equity and without his home.
- NatWest did not act in his best interests and breached its duty of care to him.

The adjudicator did not recommend that the complaint should be upheld. She said Mr D was aware of the terms of the CPO, which gave the council power to purchase the property and repay the mortgage. She said if it had been possible to sell the property, Mr D could have done so before 2009. The settlement offers Mr D had given to NatWest had been less than the outstanding debt. As the council was offering to repay the outstanding debt in full, the adjudicator said it was not unreasonable for it to decline Mr D's offers of part settlement. The adjudicator said that as NatWest had acted in accordance with the CPO she did not consider it reasonable that NatWest should be required to pay compensation to Mr D.

Mr D did not agree. He said NatWest pursued its own interests in breach of its duty of care to him. He said had it communicated better he could have sold the property and protected his finances.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Where the evidence is incomplete, inconclusive or contradictory, I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

While I know Mr D will be disappointed, I am not persuaded that NatWest treated him unfairly. I say this because:

- NatWest agreed a reduced payment plan with Mr D. It agreed not to enforce a possession order so long as Mr D made agreed repayments. Before the CPO was enforced, NatWest had discussed settlement options with Mr D, including a settlement of part of the debt in certain circumstances.
- There were a number of years during which Mr D could have sold the property before the council enforced the CPO.
- I do not consider it unreasonable for NatWest to want to recover the debt. NatWest was aware that the council's offer of compensation for the compulsory purchase was enough to repay the outstanding debt. I do not consider NatWest acted unreasonably in declining Mr D's offers of part payment of the outstanding debt. I am not persuaded it acted unreasonably in accepting the council's payment to redeem the mortgage.

Mr D made other allegations – that NatWest left him in negative equity and without a home – that I do not find supported by the evidence.

my final decision

My decision is that I do not uphold this complaint.

Ruth Stevenson
ombudsman