

complaint

This complaint's about Mr P's mortgage with Platform Home Loans Ltd. He's unhappy that Platform didn't do enough to help him when he got into financial difficulties after losing his job. It refused his request for a temporary switch to interest-only and is now taking possession action.

background

I won't go into a great amount of detail here, not least to preserve Mr P's privacy. Mr P took the mortgage out in 2015 on the recommendation of a third party intermediary. It was for £150,000, repayable over 19 years on a capital repayment basis.

In 2016, Mr P lost his job in controversial circumstances; he started an action for unfair dismissal against his former employer, which is currently ongoing. Since then, however, he's been in severe financial hardship and struggled with his mortgage payments. Platform agreed payment holidays over a period of nine months, and then in late 2017, Mr P asked it to switch his mortgage to interest-only for twelve months. He hoped this would give him breathing space until his employment tribunal case was concluded.

Platform has refused Mr P's request and instead begun legal action for possession of his home. We asked Platform if it would put the action on hold whilst we considered the complaint, but it declined to do so. As I understand it, the case is due to be heard in court this month.

my findings

I trust Mr P won't take it as a discourtesy that I've condensed his complaint in the way that I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint. Our rules allow me to do that.

I assure Mr P that I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I'm afraid what I'm about to say will come as a great disappointment to Mr P. I don't think Platform has treated him unfairly; I'll explain why.

Platform didn't do a very good job of addressing Mr P's complaint when he made it, but it apologised for that and made what I think is a fair offer of compensation for its shortcomings in that respect. As to the underlying complaint itself, the starting point here is that lenders have a duty to treat all customers, but particularly those facing financial hardship, fairly. Mr P has been in difficulties for almost two years now, and the reasons for that are well-documented.

We'd expect a lender to consider offering help to consumers going through a temporary problem, especially in situations where it can be seen their situation is likely to improve. The difficulty in Mr P's case is that all of the available evidence suggests his financial position is unlikely to improve and stabilise unless he wins his employment tribunal case.

Whilst I'm aware Mr P believes there's a good chance of that, it wouldn't be right for me to reach a decision on such a presumption. Nor would it be appropriate for me to say that Platform must do the same or otherwise prejudge what the employment tribunal will decide. The current indication is that an outcome to the employment dispute is still around

six months away; I don't think it would be fair to say Platform must hold Mr P's account in abeyance that long.

In reaching that conclusion, I've taken account of the forbearance Platform has already provided to Mr P since his financial hardship started. Treating someone fairly and making adjustments doesn't mean a lender can't still act commercially. Platform has helped Mr P considerably through the payment holidays it provided in 2016 and 2017. I appreciate how disappointed he is that it wouldn't then agree an interest-only concession. But it's also worth mentioning that treating people fairly doesn't mean a business must agree to everything a consumer asks for.

One of the fundamental principles underpinning the mortgage contract is that a lender has the right to enforce its security to recover money owed to it. It would be entirely inequitable and inappropriate for me to remove that right from Platform in a final decision on Mr P's complaint, regardless of his situation. The imminent court action may be unwelcome to Mr P but in all the circumstances I can't say it's unfair.

When the case comes to court, Platform will have to persuade the court that granting a possession order would be appropriate. Mr P should have the opportunity to make his own representations to the court before it makes a decision on what should happen.

my final decision

I have great sympathy for Mr P, but for the reasons set out above, my final decision is that I don't uphold his complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 14 May 2018.

Jeff Parrington
ombudsman