

## **complaint**

Mr and Mrs V complain that National Westminster Home Loans Limited gave confusing and inappropriate advice about how they should prioritise their payments on their mortgage and other unsecured loans.

## **background**

Mr and Mrs V had a mortgage with NatWest which fell into arrears from August 2011. In March 2013 NatWest obtained a possession order which was suspended on the condition that they made monthly payments of over £1,300. They didn't do this so in September 2013 NatWest obtained the court's permission to enforce the possession order. Mr V started a new job on a basic salary of £60,000 around the same time. But he still wasn't making the full payments due under the suspended order. When he phoned NatWest in January 2014 he was advised to seek independent advice from a debt management company. But when he did so he said the advice he was given didn't suit his needs. The mortgage account continued to be in arrears until July 2014 when Mr V made a lump sum payment.

Mr and Mrs V's original complaint was that having said that the mortgage was a priority debt, NatWest took money from their bank account to pay an unsecured personal loan. However Mr V has more recently complained that he was expressly advised by NatWest to give priority to paying unsecured debts.

The adjudicator was satisfied that NatWest had acted fairly. She said there was no evidence that NatWest had given Mr and Mrs V inappropriate advice. She recommended that the complaint shouldn't be upheld. Mr V disagreed and asked for the complaint to be referred to me.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I agree with the adjudicator and for much the same reasons.

NatWest has provided us with its contact notes for Mr and Mrs V. They are detailed and clear. I am satisfied that they provide an accurate record of how this mortgage was managed.

Since NatWest had obtained a suspended possession order in March 2013, it seems to me that from that time onwards, Mr and Mrs V should have been under no illusion about the seriousness of the situation relating to their mortgage. In September 2013 they were visited at home and an income and expenditure form was completed. Mr V had just started a new well-paid job so there was some reason to expect that their financial situation would improve sufficiently to make the full payments required under the suspended possession order. I am satisfied that at this stage, at a time when NatWest had recently obtained permission to enforce the possession order, Mr and Mrs V should have realised that there was a real risk of losing their home if they didn't keep up the full payments. In fact they issued the October payment and then made a number of payments of £1,200 and £1,300 falling just short of the agreed figure.

This was the situation when Mr V phoned NatWest on 31 January 2014. I have listened to a recording of that call. I consider that the adviser Mr V spoke to was exemplary in the advice and information she gave to Mr V. She asked him why, given his salary, he wasn't able to keep up the mortgage payments. He said it was because he had fallen behind with a lot of other payments. She advised him to go to an independent debt management company which would be able to come to an arrangement with his unsecured creditors. She gave him contact details and recommended several organisations that provided a free debt counselling service. She explained that he was at real risk of eviction. Throughout the call she was sympathetic and supportive to Mr V. At no stage during this conversation did Mr V suggest he had previously been advised by someone else in NatWest to give priority to his unsecured debts which I think he would have done, had that been the situation.

When Mr V phoned NatWest again a week later, he told a different adviser that he had consulted a debt management company but that the advice he had received "didn't suit" his circumstances. It was only when NatWest had passed the matter to its solicitors in July 2014 that Mr and Mrs V cleared the arrears of over £4,000.

It may be that payments were taken from Mr and Mrs V's NatWest bank accounts towards the two unsecured personal loans at a time when they were also having problems paying their mortgage, but that is not the same as advising them that unsecured debts should be given priority over mortgage payments. I consider that the advice and information Mr V was given in September 2013, January and February 2014 was entirely appropriate. There is no evidence that misleading advice was given to Mr and Mrs V before that.

As I have indicated above, I consider that from March 2013 onwards Mr and Mrs V could have been in no doubt that failure to keep up the mortgage payments was likely to lead to the possession order being enforced. I can find no error on the part of National Westminster Home Loans Limited. Indeed I agree with the adjudicator that the bank exercised considerable forbearance in dealing with the arrears that accrued on their mortgage.

### **my final decision**

My decision is that I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs V to accept or reject my decision before 24 April 2015.

Melanie McDonald  
**ombudsman**