

The complaint

Miss R complains that Mortgage Express hasn't treated her fairly in respect of a buy-to-let mortgage she held jointly with her now ex-husband.

What happened

In 2008, a buy-to-let mortgage with Mortgage Express was taken out in Miss R's name. Her husband was later convicted of fraud in relation to the property, amongst other things. Miss R said she had no knowledge of debts taken out in her name – including this mortgage. Despite that, Miss R maintained the mortgage payments for some time.

Miss R later discovered the property was in very poor condition. The tenants were also evicted as they weren't paying rent. Miss R wanted to sell the property and spoke to Mortgage Express for help. But she said it didn't treat her fairly:

- It didn't take properly take into account her husband has been convicted of fraud in relation to this matter or the circumstances in which the mortgage was taken out.
- It agreed to accept a reduced payment arrangement, but it recorded adverse information on her credit file.
- It acted prematurely in appointing receivers.
- It made her pay a significant amount of money leaving her in debt and causing extreme stress and anxiety.

The investigator didn't think the complaint should be upheld. Miss R did not accept what the investigator said.

What I've decided – and why

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

the mortgage

I note what Miss R has said about how the mortgage came to be in her name. But she has told us that she signed the application form and she maintained the payments to the mortgage for a significant period. The rest of the evidence we have is unclear about her involvement in the purchase of the property – and certainly not sufficient for me to say that she is not liable for the mortgage or that it was wrong for Mortgage Express to hold her liable.

While I was sorry to hear what Miss R told us she's been through, we do not have any independent evidence to support what she said.

Overall, I consider it is reasonable for Mortgage Express to hold Miss R liable for the

mortgage. Miss R should seek legal advice about the options open to her if she wishes, including whether this matter can be taken into account in the financial settlement of her divorce, which she said had not concluded.

adverse credit information

The evidence I have does not support that Mortgage Express ever told Miss R that she had any payment arrangement that would not impact her credit file.

I can see that Mortgage Express told Miss R that as long as the amount of arrears was less than one month's mortgage payment, it would not record any missed payments on her credit file. This is correct information. It was fair and reasonable for Mortgage Express to record a missed payment when the arrears added up to more than one month's payment.

Mortgage Express is obliged to record true and accurate information on its customers' credit files. I am satisfied it has done so here.

receivers

One of the condition of the mortgage was to keep the property clean, well decorated and in good repair and condition. So it was reasonable for Mortgage Express to understand that Miss R was in breach of the terms and conditions when she told it the property was uninhabitable. As Miss R was in breach of the terms and conditions of the mortgage it was reasonable for Mortgage Express to issue a final demand and then to appoint receivers.

Mortgage Express acted fairly by agreeing to stand down the received and to give Miss R a period of grace. That was to postpone the appointment of receivers for two months to give Miss R time to arrange a remortgage or raise the money needed to repay the debt to Mortgage Express. That was subject to various conditions, including payment of £13,000, all arrears cleared and all payments made on time.

There was no requirement for Mortgage Express to agree the grace period. It was entitled to set its own conditions for it. And it was for Miss R to decide whether to agree to those conditions or not. I think it would be difficult for me to criticise Mortgage Express for agreeing the period of grace.

Miss R appears to have misunderstood the requirements of the period of grace as she did not maintain payments to the mortgage. As a result, Mortgage Express issued a formal demand for full repayment of the mortgage. I understand that Miss R then sold the property and redeemed the full amount due.

It was reasonable for Mortgage Express to issue another formal demand when Miss R breached the conditions of the period of grace. It set out clearly this would happen if any of the conditions were not met.

It was Miss R's decision how to raise the funds to comply with the period of grace and then to repay the mortgage. I appreciate that may have caused her some financial difficulty along with a lot of stress. But I don't consider that was due to any unfair or unreasonable treatment or undue pressure from Mortgage Express. I say that as I've already found that it was reasonable for it to hold Miss R liable for the mortgage and that Mortgage Express has acted fairly. It reflected that Miss R was in breach of the mortgage conditions.

other points

Miss R has raised concerns that the property was over-valued to begin with. It is not clear

that it actually forms part of the complaint Miss R referred to us.

In any event, as the investigator said, if Miss R did choose to raise this complaint with us it is very unlikely we would be able to consider it as it's about event more than six years ago and Miss R knew there was a problem more than three years ago.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 4 August 2023.

Ken Rose
Ombudsman