

The complaint

Mr A complains about the way TSB Bank plc has treated him, culminating in it taking possession of his property while he was abroad and leaving him homeless.

What happened

Mr A's interest-only mortgage with TSB came to the end of its 25-year term in 2014. Mr A says he took out an endowment policy to repay the mortgage, but the policy has since disappeared.

The last payment to the mortgage was made in March 2017, and the mortgage balance has increased since then. TSB took legal action and, in July 2018, it was granted an Order for possession in the County Court. Mr A was ordered either to leave the property by 6 August 2018 or pay the outstanding mortgage balance. If he didn't do so, the Order said TSB could ask the Court to authorise Mr A's eviction, without a further hearing.

Mr A subsequently complained about the missing endowment policy and the way TSB was treating him. Complaints were dealt with by TSB, the endowment policy provider, and the Financial Ombudsman Service, but Mr A felt he hadn't had satisfactory answers.

In April 2023, the County Court issued a notice entitling TSB to take Mr A's property into possession. Possession went ahead on 8 June 2023.

Mr A complained. He said he had gone abroad for medical treatment, and he had told TSB in April 2023 that he was going and that he wouldn't be contactable for three months. He was unhappy that TSB had gone ahead with repossession and he wanted the property back.

TSB said it hadn't been able to come to an agreement with Mr A for repayment of the mortgage, so it had continued with legal action and it had told Mr A it was doing so. It had begun the process to take possession well before Mr A went away, and it hadn't received any medical evidence in order to consider whether to put action on hold. Its next step would be to arrange the sale of the property.

Mr A referred his complaint to us. He said he had been left homeless as a result of TSB repossession of his home while he was abroad getting medical help. He was also still unhappy about his missing endowment policy and that TSB has his date of birth wrong on its records. He felt he had been treated very unfairly.

Our Investigator said we couldn't look at Mr A's complaints about the endowment policy and date of birth, as they had already been dealt with. She didn't think Mr A's complaint about TSB taking possession of the property should be upheld.

Mr A didn't accept that and asked for a review. He still felt TSB had let him down and treated him very unfairly.

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.

Mr A has said that, besides his complaint about TSB having taken possession of his property, he remains unhappy about how his date of birth came to be wrong on TSB's records and that no-one has been able to find the endowment policy he says he took out to repay the mortgage.

Mr A has complained before about the endowment policy, including to the Financial Ombudsman Service, so it's not appropriate for me to make a decision about that here. If he has a complaint about the endowment policy which he hasn't made before he may wish to raise that separately with TSB. Mr A has also complained to TSB before about its record of his date of birth, and TSB sent him its final response about that in January 2022. Mr A didn't refer that complaint to us within the six-month deadline TSB set out in its letter, and TSB hasn't consented to our considering that matter now. I also don't find that exceptional circumstances meant Mr A couldn't refer that complaint to us in time – so I can't consider it here.

I've noted what Mr A has told us about his poor health, and I was sorry to read about his situation. I also recognise that losing his home will have been very difficult for him. However, having considered everything both he and TSB have said and provided, I don't find that I can fairly uphold this complaint.

Possession should be a last resort, and mortgage lenders should only take this step where all other reasonable attempts to resolve the situation have failed. That's set out in the rules of mortgage regulation. Lenders should offer forbearance where appropriate. However, forbearance can't fairly continue indefinitely – that wouldn't generally be in the borrower's interests, since interest on the mortgage continues to build up the longer it remains outstanding.

Mr A's mortgage came to the end of its term nine years ago, and the last payment was made more than six years ago. Mr A says TSB should have offered him a payment plan. Lenders should work with borrowers to come to an arrangement for repayment of a mortgage, but it wouldn't be appropriate for them simply to set a payment plan without first establishing, through discussions with the borrower, that such a plan would be affordable. After six years of no payments having been made to Mr A's mortgage, I think it's clear that no affordable plan could be agreed. Besides that, Mr A's mortgage was already well past the end of its term when payments stopped in 2017, and TSB was entitled to expect it to have been repaid in full by then.

TSB has said it gave Mr A details of where he can get free financial advice and guidance, and suggested he contact the Department for Work and Pensions to see what help he may have been able to get with his mortgage. I've seen copies of letters where it has set this out for Mr A – and I don't think I can fairly conclude it did nothing to direct him towards appropriate sources of help or try to support him.

Mr A says that TSB repossessed his home while he was abroad having medical treatment, leaving him homeless when he returned. He says he told TSB he was going and he would be uncontactable for three months, but it nevertheless went ahead and took his property without telling him.

I've listened to recordings of Mr A's phone calls with TSB in April 2023. I'm satisfied that Mr A told TSB in early April that he would be away having treatment and couldn't be contacted for three months. I'm also satisfied that, on 6 April, TSB:

- told Mr A that the Order for possession issued in 2018 was still valid and TSB was looking at going back to Court to get an eviction date;
- asked Mr A whether he had contacted the free advice agency they had discussed previously as he had said he would;
- told Mr A it wasn't going to stop action to take possession of his property because it had been trying to resolve the issue of non-payment with him since 2017;
- told Mr A that if he was planning to try to sell the property himself he should put it on the market as soon as possible and let it know he had done so;
- told Mr A that a doctor's letter would be helpful to say that he would be away for an extended period getting medical treatment, as his case was with TSB's solicitors and there was a risk of eviction which Mr A may not be around to deal with.

In a call on 11 April, I'm satisfied that:

- TSB told Mr A that his case was with its solicitors to arrange a court date for eviction, and if it was to stop proceedings, it needed evidence that Mr A was going away for treatment;
- Mr A said he didn't want to discuss the matter and ended the call.

I've also seen a copy of a handwritten, undated letter from Mr A, which TSB says it received from Mr A in March 2023. The letter said:

"I have noticed your action to repossession [...] I do have a plan to resolve the matter this will only happen when I have come to the end of the road because the company who have no [sic] provided my endowment policy we may have to look at taking them to court".

There is no mention in the letter of Mr A needing to travel abroad soon afterwards for medical treatment.

It's clear from the calls and correspondence that Mr A understood TSB was planning to take possession and he had received letters about this. It's also clear that he was unhappy about the situation – but I find nothing to indicate that TSB said it would stop action or that it received any doctors' letters or medical evidence.

Mr A was able to contact TSB, and us, a number of times during his three-month period abroad, when he found that possession had gone ahead. TSB said it would hold off from taking further action – that is, selling the property – if it received evidence of an offer of an equity release mortgage, which Mr A had mentioned he was looking into. It also said it would arrange access to the property so that a valuation could be carried out.

In all the circumstances of this complaint, I don't consider that TSB acted unfairly in going ahead with possession action. I find that it made clear to Mr A what it was doing and what it needed from Mr A to stop proceedings. I realise that Mr A is in a very difficult position and wants his property back, but there is no reasonable basis on which I might fairly require TSB to arrange that – given that there's nothing to indicate Mr A has taken steps to look at his options for repayment of the mortgage. He has had a considerable amount of time in which

to do that since the mortgage term ended in 2014 and since the Order for possession was issued in 2018.

For these reasons, while I realise Mr A will be very disappointed, I make no order or award.

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 Mr A to accept or reject my decision before 21 September 2023.

Janet Millington
Ombudsman