

## **The complaint**

Mr and Mrs O's complaint is about a second charge mortgage (secured loan) they have with Tandem Home Loans Ltd. They believe the loan was sold irresponsibly in 2014 and so they are struggling to afford it. In addition, they are unhappy that Tandem didn't help them when they tried to talk to it about their financial difficulties and it was unsympathetic, threatening them with repossession if they didn't make their payments.

## **What happened**

One of my Ombudsman colleagues considered our jurisdiction as it related to this complaint. He concluded we couldn't consider the lending decision as the complaint about that issue had been made too late. However, the complaint about how Mr and Mrs O were treated when they were in financial difficulties, from 10 February 2016, does fall within our jurisdiction. As such, I have only detailed information below that relates to that matter or gives context to the complaint.

Mr and Mrs O took out their secured loan with another lender in December 2014. The loan was for approximately £8,600 over a six-year term. The loan was transferred to Tandem (Oplo at the time) in July 2017.

Mr and Mrs O started having difficulty making payments in the middle of 2015 and arrears built on the account for a few months. As at February 2016 Mr and Mrs O were paying the contractual monthly payment (CMP) and from August 2016 they agreed a payment arrangement with Tandem of slightly more to start repaying the arrears. However, those payments were only maintained until March 2017. Thereafter, further payment arrangements for less than the CMP were agreed, but were not maintained by Mr and Mrs O, although they continued to make payments whenever they were able to.

Tandem has confirmed that the interest payable over the entire term was calculated when the loan was granted and added to the balance of the loan. No further interest has been added due to late or missed payments, and no charges have been added because of these occurrences. Each payment made is used in full to reduce the outstanding balance.

Mr and Mrs O have said that since they started having difficulties paying the loan, during phone calls and on a visit from a field agent, they were threatened with their home being taken away from them. This frightened them and they complained to Tandem in 2021, shortly after the term of the loan expired.

Tandem responded to the complaint about its decision to lend to Mr and Mrs O. It didn't uphold the complaint and commented that the difficulties they were having were as the result of a change in circumstances. In addition, Tandem was also of the opinion that the complaint had been raised too late under our rules and so we might not be able to consider it.

Following my colleague determining our jurisdiction, the merits of the part of the complaint that fell within our jurisdiction was considered by one of our Investigators. Having listened to multiple telephone calls between Tandem and Mr and Mrs O since June 2019, he considered the calls were good-natured in tone and Tandem expressed sympathy with their

circumstances. The Investigator was also of the view the contact notes covering the relevant period also didn't indicate threatening or aggressive behaviour. He didn't recommend the complaint was upheld.

Mr and Mrs O didn't accept the investigator's conclusions. They alleged Tandem would have been selective with the information it provided to us in relation to how they had been treated and reiterated that the treatment had been 'terrible'. They asked that their complaint be moved on to the next stage of our process.

### **What I've decided – and why**

We review our jurisdiction at every stage of a complaint. Having done so, I am in agreement with my Ombudsman colleague that we can only consider the complaint about how Mr and Mrs O were treated from February 2016.

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

Initially I will comment on Mr and Mrs O's allegation that Tandem will have been selective in the information it had provided this service. I can't say for certain that Tandem has provided every piece of information it could have, but I have seen nothing that indicates it has omitted evidence in order to mislead this service. I will review the complaint on this basis.

A lender is required to explore ways to resolve an arrears situation. For long-term difficulties, a lender must look at ways to help, such as transferring a mortgage from capital and interest repayment to interest-only, altering the interest rate or deferring interest for a period of time. Balanced against that is the lender's obligation to ensure that any arrangement is affordable and sustainable.

Mr and Mrs O's financial difficulties have predominantly been since the spring of 2017, and those problems have not stabilised, meaning they have been unable to make the contractual payment to the account since. The fact that Mr and Mrs O's difficulties have not been resolved means that Tandem had limited options available to it to help them. However, Tandem has been in communication with them throughout as would be expected and effectively allowed them to pay what they believed they could afford. I can only conclude it has been sympathetic toward Mr and Mrs O and provided what forbearance measures it could in the circumstances.

I have listened to calls from the last four years and, as our Investigator has said, the tone of the conversations was perfectly amicable, and the evidence doesn't indicate Tandem was aggressive or threatening toward Mr and Mrs O when they spoke to it. Indeed, it confirmed at times that it had no intention of taking action to repossess their property. The notes of the conversations that took place before that period again don't indicate any different an approach from Tandem toward Mr and Mrs O. That said, with a mortgage or secured loan it would be expected for a borrower to be reminded of the potential for repossession in the event of arrears and no agreement being reached with the lender. It is unfortunate if Mr and Mrs O took any such reminders as threats, but I am satisfied from the communications I have seen evidence of, that would not have been Tandem's intention.

Overall, I am not persuaded that Tandem treated Mr and Mrs O unfairly or was unsympathetic in its dealings with them during their financial difficulties.

**My final decision**

My decision is that I do not uphold this complaint. Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs O to accept or reject my decision before 15 August 2023.

Derry Baxter  
**Ombudsman**