

The complaint

Mr and Ms D complain about the way Kensington Mortgage Company Limited (trading as Acenden) ("Kensington") administered their mortgage.

What happened

Mr and Ms D took an unregulated mortgage agreement with Southern Pacific Personal Loans Limited ("SPPL") in 2006. SPPL went into liquidation and the account was transferred to "EUROSAIL-UK 2007-4BL PLC". Kensington says it is now responsible for administering the mortgage in-line with the terms and conditions Mr and Ms D agreed to.

In January 2018 a final response was sent to a complaint from Mr and Ms D about:

- fees and charges applied to the account.
- a field agent being instructed to visit the property.

In August 2020 a final response was sent to a complaint from Mr D about:

- not applying a payment holiday to the account.
- fees and charges applied to the account since 2014.

Both letters gave Mr and Ms D/Mr D the right to refer the complaints to the Financial Ombudsman Service. It said they had to do so within six months of the final response letters. But no complaint was made to the Financial Ombudsman Service until 2023.

In February 2023 Mr D asked the Financial Ombudsman Service to complain to Kensington about the following issues:

- Kensington's delays issuing redemption statements to his solicitor between September 2021 and December 2021.
- fees and charges that had been applied to his mortgage.
- the interest rate Kensington had applied to his mortgage. Mr D felt it was unfair, and that Kensington didn't offer a reasonable level of support when he was facing financial difficulties.

In March 2023 Kensington said it wouldn't investigate a complaint about fees and charges applied to the account before August 2020, and about him not getting a payment holiday in 2020. That was because it had already done so and told Mr D the time limits for complaining to our service. It said it didn't think there were any fees that should be removed between August 2020 and December 2021 when the mortgage redeemed. It also said that the interest rate of the mortgage was applied correctly in-line with the terms and conditions of the mortgage.

Our investigator looked into the complaint. He said he could only consider Mr D's 2023 complaint as he was out of time to complain about the issues raised before that. So he only investigated Mr D's complaint in relation to what happened between August 2020 and December 2021 when the mortgage was redeemed. He considered all the issues raised in the relevant period but didn't think Kensington had done anything wrong.

Mr D seemed to accept what our investigator had said about the time period we could consider in this complaint. But he remained unhappy, so this complaint has been passed on to me for a final decision. Mr D made some further points that I've considered below.

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.

Having done so, I've reached the same conclusion as our investigator. I'll explain why.

Fees and charges

In the August 2020 and December 2021 period the only fees applied to the mortgage account were in relation to a field agent visit to the mortgaged property in July 2021. I appreciate that due to Mr D's circumstances, he couldn't correspond freely with Kensington about the mortgage. But the mortgage in question was a joint mortgage with Ms D. I can see that Kensington tried to contact Ms D several times in early 2021 to discuss the mortgage account with her, and that it wrote to her in June 2021 to say that a field agent would be sent to the property unless she contacted it. That letter set out how much would be charged to the mortgage if a field agent was sent. But Ms D didn't respond to that.

In the circumstances I don't think it's fair and reasonable to say that the field agent fees were charged incorrectly.

Support with financial difficulties

Mr D has told us that he wrote to Kensington several times to say that he and Ms D were struggling with their mortgage repayments and that they felt the interest rate on their mortgage was outrageous.

I've looked at Kensington's account notes since August 2020 and couldn't see any instance of Mr or Ms D telling it they were struggling to make repayments and needed assistance. Nor have I seen copies of the letters Mr D has referred to. I can see that they'd told Kensington about their difficulties before that – in the period I can't consider in this complaint. In any event, I don't think it's fair to say that Kensington should have done more in relation to this point. Mr and Ms D needed to engage with Kensington in the relevant period so that it could understand their circumstances and consider the best way of supporting them. But there was minimal engagement with them during the period covered by this complaint (see above). So, I'm not persuaded that Kensington was able to do more to help – even if Mr and Ms D had specifically asked for help in this period (which they didn't).

Redemption statements

Mr D told our service that Kensington caused delays when his solicitor asked for redemption statements in 2021.

The available evidence shows that Mr D's solicitor asked for a redemption statement in September, November and December 2021. On each occasion Kensington responded to the

request within five working days. Kensington said those were its standard timeframes for issuing a redemption statement.

In the circumstances I don't think Kensington made a mistake in relation to this point.

The interest rate of Mr and Ms D's mortgage

I appreciate that Mr D feels that the interest rate on the mortgage was too high, and he has told us about how he struggled to pay it. However, having considered the mortgage agreement, I'm satisfied the interest rate applied to the mortgage was in line with what the mortgage agreement Mr and Mrs D had agreed to said it would be.

The mortgage agreement said the interest rate on the mortgage would be 6.75% above Kensington's base rate.

Mr D has said he was only able to pay off a small amount of the money he borrowed despite making repayments of £400-£600 per month. I understand Mr D's strength of feeling about this point. But the interest rate on the mortgage meant that Mr and Ms D were always going to be required to repay significantly more money than they borrowed. It was open to them to try to refinance the mortgage with another provider if they were unhappy with the interest rate they were being charged on this mortgage.

Other points

For completeness I will respond to the other points Mr D made after our investigator sent him his view on the complaint.

Mr D thinks the mortgage at the centre of this complaint would have been regulated. I've seen a copy of the agreement and it says (at the top of the first page) that the agreement is unregulated. So, I think its regulatory status was clear.

Mr D says he wasn't told that SPPL had gone into liquidation. I appreciate Mr D's frustration about that, but I can't see that it has an impact on the outcome of this complaint.

Mr D has told us Kensington didn't respond to his complaint before he complained to the Financial Ombudsman Service in 2023. It's not clear what complaint (in particular) he is referring to here, but I've seen copies of the final responses Mr and Ms D were sent in 2018, and Mr D was sent in 2020 and 2023. I think that if Mr D didn't receive those letters, he (and Mrs D in relation to the 2018 complaint) were able to contact Kensington to ask for an update about the complaints. But I can't see that he did that. I think Kensington could reasonably expect Mr D to chase it for its response if they felt his concerns hadn't been addressed.

Conclusion

I appreciate that Mr and Ms D are likely to be unhappy with my decision. However, for the reasons set out above I don't uphold this complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D and Mr D to accept or reject my decision before 9 February 2024.

Laura Forster
Ombudsman