

The complaint

Mr D complains that The Co-operative Bank Plc trading as Platform refused to extend his consent to let (“CTL”) term on his mortgage.

What happened

Mr D took out a residential mortgage in 2018 with Platform and a five year fixed rate product which was to last until December 2023. Mr D’s circumstances changed and in late 2020 he moved into his partner’s property and got a CTL agreement from Platform for 12 months from November 2020 which he wanted to extend as he didn’t intend returning to the property and had tenants in place. Platform’s view was that this was a temporary 12-month concession to Mr D and if he wanted a longer letting he should apply for a buy to let mortgage. This would cause a problem for Mr D as if he paid off this mortgage early - before December 2023 - he would have to meet an early repayment charge (“ERC”). Mr D also complained that although Platform was aware of his change of address it sent an annual mortgage statement to his old address and that was opened by the tenants causing him distress.

Our investigator didn’t think that Platform had done anything wrong and didn’t recommend that this complaint should be upheld. Mr D disagreed saying in summary that all the complaint points weren’t covered specifically the data breach issue.

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 D had a residential mortgage and in simple terms as long as he had that mortgage, the property should be used as his residence. Mr D’s circumstances changed and he was no longer living in the property and whilst living elsewhere wanted to let it out. Platform agreed to that for a year by way of a CTL. Typically, CTLs are used when the borrower has to go away for a limited period such as working abroad but intends to return and use his property as a residence again. But that was not Mr D’s intention and Platform refused the extension and suggested that Mr D get a buy to let mortgage or resume residence. As the property was no longer Mr D’s residence that is understandable so I don’t find Platform at fault as the CLT is only intended as a temporary concession.

My understanding is that the passage of time may now have eased Mr D’s difficulties but in any case I don’t find Platform at fault. Mr D had taken out a residential mortgage and if he wanted to let out the property on a more permanent basis Platform would require Mr D to take out a buy to let mortgage – I find nothing wrong with that.

The other issue I investigated is that Mr D says Platform sent an annual mortgage statement to his old address which was now tenanted and this was opened by his tenants who now knew the financial situation on his mortgage. Mr D can’t tell me when he told Platform of the change of address but points me to the consent documentation from Platform which has his new correspondence address on it. Mr D believes that his tenants opened the annual

mortgage statement in early 2021. Platform says that when informed about the change of address it amended its record. I believe that only one piece of correspondence is in issue and that the new address was used thereafter. So there appears to be a gap between Mr D moving out and the address being amended.

Mr D submitted his formal application for the CTL with the tenancy agreement in mid-November together with the address he would be moving to if the CTL was accepted. Platform then got round to approving the documents and amending the correspondence address but before it had done so, the annual mortgage statement was issued to the address that it held for Mr D which was the address of the mortgage.

In the ordinary course of events if a borrower moves property he or she would inform the lender to where they were moving and when. In that case the lender should amend the system to reflect this. In this case my understanding is that although the new address was contained in the CTL application, it wasn't until the CTL documentation was considered and approved that the address was then amended on the system. I've seen no evidence that Mr D told Platform separately that his correspondence address had changed. Mr D in his email to us refers to the address being contained in the CTL offer letter. So, Platform appears to have considered the CTL and when it approved it, then changed the address on its system although Mr D had moved before the CLT documentation was considered and finally approved.

It's unfortunate that the change to the system was after the annual statement went out. Should Platform be held at fault if it didn't amend the address before it considered and approved the CLT? I don't think so. As the change of address was presented to Platform as part of the CLT application, I wouldn't expect it to act on that information until those documents were considered by Platform and that was sometime later than when they were presented. I've seen no evidence of Mr D separately advising Platform of the address change. So, I can't fairly fault Platform for using the address on its system until it changed it with the CTL approval, and I don't uphold that part of the complaint.

My final decision

My decision is that I do not uphold this complaint.

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

Gerard McManus
Ombudsman