

## The complaint

Mr K complains about what happened when he asked Platform Funding Limited to extend the term of his interest only Buy To Let (“BTL”) mortgage for a short period, to allow him to sell the property. He said he was paying each month, but Platform marked his credit file.

## What happened

Mr K said the term of his BTL mortgage with Platform had ended. He said he’d agreed with Platform that it would extend the mortgage for around six months, to enable him to sell the property. Mr K told Platform that he had a buyer lined up, in a private sale, but the buyer needed a little longer to make arrangements to buy.

Mr K said he then received a letter from Platform, which said it had agreed to put an informal term extension in place. Mr K said the letter told him how much he needed to pay, and what would happen if he didn’t pay.

Mr K said Platform then recorded an “*arrangement to pay*” on his credit file, a negative mark which is now stopping him from obtaining further credit elsewhere. But he told us he was paying the agreed amount each month, so didn’t think he should be penalised for entering into this arrangement. He said the extension agreement he’d reached with Platform was never referred to as an “*arrangement to pay*” and he wasn’t told how such an arrangement would affect his credit rating.

Mr K said he had a number of other mortgages coming to the end of their terms, and this was stopping him from remortgaging elsewhere. Mr K wanted Platform to remove the arrangement to pay from his credit report, confirming that in writing, and pay compensation for the time and money he had lost during the months that this had affected him.

Platform didn’t think it had done anything wrong. It said that Mr K’s mortgage term expired at the start of September 2023, and it had written to Mr K several times before the end of the term, to alert him that he needed to repay all the outstanding borrowing on that date.

Platform said it spoke to Mr K at the start of October 2023, to agree an informal extension. It said it told Mr K the informal term extension would be reported as an arrangement, with an arrangement flag reported to credit reference agencies. Platform said it told Mr K this on the phone, then confirmed it in writing.

Platform said it was sorry it hadn’t been able to ring Mr K back when his call dropped, and it was sorry it hadn’t responded to his complaint more quickly. It paid £50 in compensation. But it didn’t think it had to amend his credit file.

Our investigator didn’t think this complaint should be upheld. He thought Platform gave Mr K enough information to be aware that the informal term extension was an arrangement and would impact his credit file. Our investigator said Platform had explained to Mr K on the phone that this extension was an arrangement to pay, and would be reported to credit reference agencies, when the extension was set up. Then it wrote to Mr K, and this letter

said *“Your credit file at the credit reference agencies may be updated to reflect that you have entered into an arrangement with us.”*

Mr K disagreed. He said he has some hearing loss on one side, and he said he'd had trouble hearing the full conversation with Platform on the phone. Mr K produced evidence to show he wears one hearing aid. Mr K said he had not understood from the call with Platform that his credit file would be affected by the extension of his mortgage, and he didn't feel this was made clear in the letter which followed. Mr K said that letter only said his credit file *“may be”* updated to reflect an arrangement. And Mr K said he didn't think he was in an arrangement, he thought he had just agreed an extension to the mortgage term.

Mr K said if Platform had made all of this clear, he would have paid off the mortgage instead. He said he had sufficient funds to do that, and showed us bank statements with a balance sufficient to clear the mortgage.

Mr K also sent our service a copy of his credit file, which shows an arrangement to pay on this mortgage for the months of October and November 2023 only.

Our investigator asked Platform if it was aware of Mr K's hearing impairment, and it said it had been told Mr K had hearing problems in both ears. But Platform said it wasn't told this until after Mr K's complaint had been recorded. Platform said Mr K didn't want any adjustments made to the service it provides to him, and would still wish to take calls from Platform.

Platform told us Mr K had asked it to cancel the arrangement in November 2023, and it did. Platform also said Mr K had yet to redeem the mortgage. Although he'd originally sought an extension to the start of April 2024, this date had passed and the mortgage hadn't been repaid.

Our investigator wrote to Mr K again, and noted Mr K had told us about his hearing loss and that he hadn't heard the October 2023 call clearly, as well as explaining he felt the letter was unclear.

Our investigator said that rules for BTL mortgages are different for those for residential mortgages. He'd applied the BTL mortgage rules here.

Our investigator noted Mr K hadn't told the agent on the call in October, that he couldn't hear her, and hadn't asked her to repeat herself at all. Our investigator said Mr K confirmed his understanding throughout the call, and importantly, he did so after the agent had explained the arrangement would be reported to credit reference agencies. Our investigator didn't think Platform should have known to do anything differently. And Platform wasn't aware that Mr K had any problems with hearing loss until after our investigator had issued his initial findings.

Our investigator considered the content of the letter Mr K received and the call Mr K had with Platform, and said he thought Platform had done enough to make Mr K aware of the arrangement he was entering into. He didn't think Platform had been unfair.

Mr K asked for a recording of the call he'd had with Platform. He listened to this, and wrote again. He said he felt the focus had been put on him, and that he needed to raise his disability with Platform. He said this was a sensitive issue for him, and he relied on the follow up letters from the bank to confirm what had been said on the phone. Here, Mr K said the content of the call and the letter were not the same.

Mr K also said he felt the sound quality on the call was poor, so it should not be relied on. He said he wasn't offered any other alternatives to litigation, and repeated that he had enough money to clear the mortgage.

Because no agreement was reached, this case was passed to me for a final decision.

### **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.

I've reached the same overall conclusion on this complaint to our investigator.

Mr K says he didn't understand what was said to him on the call he had with Platform. He told us he has a hearing impairment, which is a sensitive issue for him, and he doesn't think he should have to tell Platform about that. He said he should be able to rely on the letter Platform sent after the call, to make clear what had been said.

I understand that Mr K feels strongly that we, and Platform, should take account of his hearing difficulties. But here, I don't think Mr K's hearing impairment, or whether he should have told Platform on the call that he couldn't hear what was being said, are the key issues in this decision. That's because I think it's not uncommon for people to miss important details on a phone call, whether or not their hearing is impaired. And I think that's why Platform wrote out to Mr K, to confirm the details of the arrangement he had entered into.

Mr K said the letter he got just wasn't clear, and didn't tell him he'd entered into an arrangement with Platform. But I think that the letter as a whole did make this clear.

The first section of the letter is headed "*IMPORTANT: REPAYMENT PLAN CONFIRMATION*". And it says "*... we have agreed to provide an informal term extension until 05/04/2024 to allow for the private sale to go through, complete and redeem.*"

The second section goes on to explain that "*...the agreed repayment plan is for you to pay your contractual interest only payment*" and it says, "*Please take the time to review the terms of this arrangement.*" So I think it's clear that Platform regards the repayment plan that it has reached with Mr K, as an arrangement.

The letter then goes on to say, in the same paragraph, "*Your credit file at the credit reference agencies may be updated to reflect that you have entered into this arrangement with us.*" So, importantly, I do think Mr K wasn't just warned on the phone about potential credit file impact from the agreement he'd entered into with Platform. He was also warned in the letter that followed.

That letter asked Mr K to consider what he'd agreed to – "*Please take time to review the terms of this arrangement.*" And it said that if he didn't want to go ahead, he could call to cancel – "*If you no longer wish to proceed with this plan or you feel that the terms are not appropriate to your circumstances please contact us ... within 10 days of the date of this letter.*" So Mr K wasn't committed to this arrangement after his call with Platform. He could still have cancelled the arrangement after receiving the letter.

I also think viewing this agreement as an arrangement to pay is a reasonable position for Platform to have taken in the circumstances of this particular case. The term of Mr K's mortgage was up, and he owed Platform almost £300,000. I have seen a number of letters that Platform sent in advance of the term expiry, telling Mr K he would need to pay this debt.

But Mr K didn't contact Platform at all until around a month after the term had expired, and then he simply said he needed more time to pay.

Mr K told us he had enough funds to simply repay the mortgage, and he's shown us evidence this was the case. But I can't see that he took any steps to do so, either before or after this arrangement was in place.

In these circumstances, I think it was reasonable for Platform to say that allowing Mr K to just continue paying the same amount he'd been paying each month, not clearing any of the large capital debt which Platform was due, did constitute an arrangement.

Platform has told us that if it hadn't entered into this arrangement with Mr K, it may not have marked his credit file each month. But it also said that it would have considered whether it needed to commence legal action, to secure repayment of the debt. The costs of any legal action would usually be added to Mr Ks' debt, so this arrangement avoided that for him.

Bearing in mind all of the above, including that I do think Mr K was warned about the effect of the arrangement he had entered into with Platform in writing, and given an option to cancel that arrangement before his credit file was affected; that Mr K did have the funds to pay off this mortgage but chose not to do so; and that the arrangement here avoided other potentially negative consequences for Mr K, I don't think in the particular circumstances of this case that Platform has been unfair or unreasonable.

I know Mr K is very concerned by the effect this arrangement has had on his other mortgages, but Platform isn't responsible for the decisions that other lenders make. I appreciate Mr K will be very disappointed by my decision, but having carefully weighed up all the points raised by both sides, on balance, I don't think this complaint should be upheld.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 2 October 2024.

Esther Absalom-Gough  
**Ombudsman**