

## **complaint**

Mr and Mrs D complain that National Westminster Bank Plc ('NatWest') unfairly refused to extend the term of their mortgage.

## **background**

In June 2003 Mr and Mrs D (then aged 58 and 63 respectively) took out a repayment mortgage for £87,000 from NatWest. The loan was based on Mr D's income alone. The term was 12 years and would therefore expire in 2015. In September 2006 Mr and Mrs D took out a further interest-only loan of £40,000 over 8 years, expiring in September 2014.

In October 2012 Mr D (then aged 67) – who had been made redundant - and Mrs D (then aged 72) applied to extend the term of their mortgage. NatWest declined their request, as they did not meet their underwriting criteria and it did not lend beyond the age of 70, save in exceptional circumstances. They did not have a suitable repayment vehicle.

As a result Mr and Mrs D had to sell their property in 2014 and redeemed their mortgage in March 2014. They have moved to rented accommodation, where they are paying more rent than the interest payments on their mortgage. They complain that NatWest discriminated against them because of their age. They seek the costs of their move (of about £5,000), including having to sell at a lower price because of a downturn in the property market. They were unable to obtain a lifetime mortgage because NatWest no longer offered that product.

The adjudicator was not satisfied that NatWest had behaved fairly as it failed to provide evidence of their risk assessment – and recommended that it should pay £500 to Mr and Mrs D for trouble and upset.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I accept that NatWest was entitled to decline the application in 2012 to extend the term of the mortgage, because Mr and Mrs D did not meet its underwriting criteria. In 2012 Mr D was aged 67 and Mrs D was 72 – and it was NatWest's policy not to lend beyond the age of 70 save in exceptional circumstances. In any event they did not have a satisfactory repayment vehicle. Therefore NatWest is not obliged to reimburse Mr and Mrs D with the costs of their house sale. As NatWest has not provided any policy document on which their risk assessment was based, I agree with the adjudicator that an award of £500 for trouble and upset is fair and reasonable.

## **my final decision**

My final decision is that National Westminster Bank Plc should pay Mr and Mrs D £500 for trouble and upset.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs D to accept or reject my decision before 10 July 2015.

Charles Sweet

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