



Financial
Ombudsman
Service

Sheldon Mills
Executive Director, Consumers and Competition
Financial Conduct Authority
12 Endeavour Square
London
E20 1JN

from **James Dipple-Johnstone**
Deputy Chief Ombudsman

write to **Financial Ombudsman Service**
Exchange Tower
London
E14 9SR

By email

14 July 2023

Dear Sheldon,

RE: Mortgage Charter related complaints

Thank you for your letter of 14 July 2023 referencing the present economic environment and the measures agreed between the Chancellor of the Exchequer and UK Mortgage Lenders; and highlighting the changes you have made to the FCA Handbook as a result. I am replying on behalf of our CEO/Chief Ombudsman as she is currently on holiday — but she is aware of and agrees with the content of this letter.

We welcome the steps being taken to ease any impacts on mortgage borrowers who may be in difficulty. We see many complainants each year about such sad circumstances. We therefore appreciate the potential positive contribution these commitments could make for those consumers who find themselves in difficulties as a result of the present economic environment and risk losing their home.

As discussed when we met last week, we have already updated our information for complainants and firms to reference the Mortgage Charter. We have explained that we will consider the commitments made in the Charter when reaching a fair and reasonable view in any relevant complaints we receive following the coming into force of the Charter commitments.

You have asked about the operational challenges in implementing the new commitments and rules, and how we will reflect them in any complaints we see. I would like to reassure you, consumers and industry that we will continue to take a fair and reasonable approach to each complaint, considering it on its merits and in light of the situation prevailing at the time the event complained about occurred. This means that the scale and pace at which changes are being implemented will be factors we will consider in reaching a conclusion about what is fair and reasonable in all the circumstances. We recognise that UK Mortgage lenders will be working at pace and scale to implement the commitments.

As ever, we will not interpret any commitments retrospectively; and, in reaching a view, we will consider carefully what steps the respondent firm has taken to try to resolve any complaints locally first.

We will reiterate this position at our upcoming Industry Steering Groups later this month; and, as with other changes to the Handbook and industry codes, we will maintain an open communication with both industry and consumer groups about implementation of the changes. This will include our role drawing out any learning from complaints quickly to prevent further complaints arising. I have asked my mortgage complaints team to be particularly alert to any initial complaints we receive about the Charter's implementation, so we can feed back quickly on these and so that insight is also available for the 12-month review.

I thank you and your team for your engagement at pace on this important issue for complainants. I am hopeful that the new commitments and measures could assist consumers at a time of difficulty, and prevent complaints being escalated to our service unnecessarily.

Yours sincerely,



James Dipple-Johnstone
Deputy Chief Ombudsman