



## Information for borrowers with payment difficulties

If you ever experience payment difficulties with your mortgage, or if situations arise that might cause you to do so, the more help you can get, the better. After all, you may be in that position through circumstances outside your control. As a building society with an ethical foundation, we look to be as supportive as we can to our members when circumstances change. So, if you do ever have trouble paying your mortgage, we undertake to listen to your problems and we will do our utmost to try to help you. The following information explains how we will treat you fairly, and outlines what steps you should take.

### What you can do to help us...

- Tell us as soon as possible if you are having any problems repaying your mortgage or think that you might experience problems shortly.
- If you would like some help with managing your finances, seek debt advice from agencies such as Citizens Advice Bureau (see [www.citizensadvice.org.uk](http://www.citizensadvice.org.uk) to find your local branch) or the Step Change Debt Charity (FREEPHONE helpline 0800 138 1111 or [www.stepchange.org](http://www.stepchange.org)).
- If we have tried to contact you, it's important you respond to us promptly – the sooner we can talk, the sooner we can try to help find a solution to any problems.
- Make sure you keep any other people paying the mortgage, and anyone else with an interest in the property, up to date with what is happening.
- Keep to any payment plan we agree with you, or tell us if there is a change in your circumstances which may affect the arrangement. If you do not make the agreed payments, we might have to go to court to get back any money you owe us, or to repossess your property.
- Check whether you can get any state benefits or tax credits which could help to increase your income.
- If you have an insurance policy, covering, for example, accident, sickness or unemployment, check whether you are eligible to make a claim to help with your payments.
- Tell us if you move to a new address.

You may want to talk to a professional adviser, such as a debt counsellor or a lawyer, before you change your mortgage arrangements. We would strongly advise that you do seek some independent, free, debt advice.

### We will...

- Always be willing to listen to your circumstances and will respond to any request for us to contact you as quickly as possible. Also, we will contact you as soon as it appears that a payment has not been made.

- Talk to any debt advice agency you are dealing with (for example, Citizens' Advice or Step Change Debt Charity), if you wish us to do so.
- Give you reasonable time to pay back the debt.
- Only start proceedings to repossess your home if we cannot solve the problem with you.

### **We might be able to...**

- Arrange a new payment plan with you, taking your and our interests into account.
- Change the way you make your payments, or the date you make them.
- Allow you to pay back your mortgage over a longer period of time (which would reduce your monthly payments).
- Change the type of mortgage.

If we cannot offer you any of these options, we will tell you why. If we can make one of these arrangements with you, we will explain how it would work and give you time to consider it. If we cannot offer any of these options, we might be able to consider that you remain living at the property while you arrange to sell it, depending on your circumstances.

During the course of your payment difficulties we will continually monitor whether the arrangements in place remain appropriate to the circumstances and we will contact you to discuss any changes or alternatives that may become necessary.

### **Costs and charges**

If you are in arrears, we may charge you for reasonable administrative and legal costs. We will tell you the amount you will have to pay. We will not make any administrative charges whilst payment arrangements are being satisfactorily maintained.

### **If we cannot agree on a solution...**

- We may go to court to start proceedings to repossess your home. If proceedings take place, we strongly recommend that you attend the court and that you seek independent debt advice.
- Starting court proceedings does not necessarily mean that we will repossess your home. We will keep trying to solve the problem with you. Possession is a last resort, something to fall back on if all other alternatives do not provide a satisfactory outcome.
- Before we repossess your home, we will give you advice about getting in touch with your local authority to see if they can find you somewhere else to live.

### **If we repossess your home...**

- We will sell it for the best price we can reasonably get. We will try to sell it as soon as possible.
- We will give you reasonable time to take your possessions from your home.

- We will use the money raised from selling your home to pay your mortgage and any other loans or charges.
- If there is any money left over, we will pay it to you.

### **If selling your home does not raise enough money to pay off the mortgage...**

- If there is not enough money from the sale to pay the whole mortgage, you will still owe us the amount that is left (a shortfall debt). We will tell you what this is as soon as possible.
- If you bought your home with other borrowers, each of you is responsible for all the money borrowed. This is true even if you normally only pay part of the mortgage.
- We will contact you within six years of selling your property (five years in Scotland) to arrange for you to pay back what you still owe.
- We will take account of your income and outgoings when we arrange a payment plan for this shortfall debt with you. But if we cannot arrange a suitable plan, we may go to court to get our money back. You might have to pay additional court costs.
- If a shortfall debt is not paid, it could affect whether you are able to get credit in future.

### **Complaints**

If you do not think we have treated you fairly, you can complain to us by notifying our Compliance Manager – full contact details are given at the foot of this information sheet.

If your complaint is not dealt with to your satisfaction, you may then take it to the Financial Ombudsman. The Financial Ombudsman Service provides a free and independent service for consumers, and can be contacted at:

The Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR.  
Telephone: 0800 023 4567 or 0300 123 9123  
Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

### **Other issues**

Remember, some solutions that may be suggested to you might not fully take account of your circumstances. For example, some companies may offer you new loans or even invite you to sell your property to them and then lease it back as a way of resolving your short-term financial difficulty. Please be careful, as such actions may not be in your long term best interests. We would advise you to seek independent advice before entering into any arrangement of this type.

Equally, you may be thinking about handing your keys over to us. If you do this, you will still owe us any outstanding debt, and we would advise you to take independent financial advice before discussing this option with us.

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