

## **The complaint**

Mr and Mrs J complain that Clydesdale Bank Plc trading as Virgin Money provided an incorrect redemption figure for their mortgage which was considerably less than they owed. Mr and Mrs J said they relied on this figure, and spent money they couldn't really afford.

## **What happened**

Mr and Mrs J told us that in March 2022, Mr J contacted Virgin to ask for a redemption figure for their mortgage. They received a redemption figure of a little over £145,000. They applied to a different lender to remortgage, but then their solicitors contacted them in June to say the redemption figure they had just received was considerably more. Mr and Mrs J owed about £90,000 more than Virgin had told them.

Mr J told us this delayed his remortgage to the different lender, because he and Mrs J had to apply again for a larger lending amount. Fortunately, the lender was able to honour the interest rate he'd previously been offered, on a larger lending amount. But Mr J said he'd spent money on credit cards, gone on holiday, and made commitments to having work done on his home. He now felt this expenditure was much less affordable, because the outstanding mortgage was much more than they'd been told.

Virgin has accepted that it sent Mr and Mrs J an incorrect redemption statement, which had someone else's mortgage account number, and the wrong balance. Virgin said it was sorry this had happened, and it had sent revised statements to Mr and Mrs J's solicitor after this. Virgin said it paid £100 in compensation to Mr and Mrs J. And it said it would reimburse Mr and Mrs J for any higher charge they had needed to pay before they were able to rearrange their remortgage with their new lender. But Mr and Mrs J hadn't sent evidence of that.

Our investigator didn't think this complaint should be upheld. She said Virgin accepted it had made a mistake over the redemption figure it initially sent Mr and Mrs J. It had corrected this, and Mr and Mrs J had been able to amend their mortgage application. Our investigator thought Virgin's offer was fair, and that Mr and Mrs J hadn't experienced any financial loss.

Our investigator said she wasn't persuaded that Mr J's spending choices could fairly be attributed to Virgin's error. She said that Virgin had sent Mr and Mrs J regular annual statements showing their balance, so she didn't think that Mr and Mrs J could reasonably have underestimated the balance by such a degree.

Mr J replied, to say he didn't agree. He said he'd been very shocked that his complaint wasn't upheld. He said he had planned his finances to suit what he thought was his financial situation, and felt he may have been financially compromised by the mistake his bank made. And he said he'd followed this up at the time, the lower redemption figure had been confirmed by his private banking manager. Our investigator asked Virgin about this, but unfortunately it couldn't locate a call where this was discussed.

Because no agreement was reached, this case then came 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 as our investigator.

There's no dispute that Virgin made a mistake in this case, when it issued an incorrect redemption figure to Mr and Mrs J. It corrected this when Mr and Mrs J's solicitors requested an up to date figure for the purposes of remortgaging. With the second figure being so much higher, Mr and Mrs J's remortgage was delayed, but I can see that Virgin offered to cover any immediate and direct costs that this might have caused to Mr and Mrs J. They haven't suggested their payments were higher with Virgin, immediately before their remortgage, than they were after.

I think the payment of £100 which I understand Virgin has made, plus the offer of covering any higher monthly mortgage payments that Mr and Mrs J had to make before their delayed remortgage away from Virgin took effect, does provide a fair and reasonable outcome to this part of this complaint.

But Mr J says that the greatest impact of the mistake Virgin made was in the financial decisions he made, on the basis of the mistaken figure it gave. He said he'd committed to a number of different items of spending, because he thought his financial position was rather better than it was.

I don't think that the financial snapshot that Mr J has supplied to our service would be sufficient for me to say that his expenditure, after he received the mistaken redemption figure at the end of March 2022, was entirely different to his usual expenditure. But I haven't asked Mr J for more information on that. That's because even if it was, I would still say I don't think it would be fair and reasonable to hold Virgin responsible for any financial decisions Mr J made, in reliance on the March figure. I'll explain why I reached that conclusion.

We know Mr and Mrs J were receiving annual statements from Virgin, and the redemption figure it sent in March 2022 was entirely inconsistent with those. And, additionally, what Mr J said on the phone to Virgin when he first complained about this incorrect figure, makes me think that his mortgage balance was also visible to him through an online portal. So the redemption figure he received would not have been consistent with that either.

I know Mr J told us the figure was confirmed by his private banking manager, but unfortunately we haven't been able to confirm this. Virgin says it doesn't have a record of calls during this time. And the recordings Virgin has sent us, also indicate that Mr J was previously referred by his private banking manager to the mortgage team for any mortgage specific enquiries.

So, having considered all the evidence in this case, I don't think that it would be fair and reasonable to hold Virgin responsible for any financial decisions that Mr J may have made, in reliance on its mistaken redemption figure. I know that Mr and Mrs J will be disappointed, but 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 Mrs J and Mr J to

accept or reject my decision before 8 November 2023.

Esther Absalom-Gough  
**Ombudsman**