

The complaint

Mr M and Ms M complain that Bank of Scotland plc trading as Halifax hasn't kept full and detailed records of a mortgage application they made in 2015, so that Halifax can't confirm now why their request for additional lending didn't go ahead at that time.

What happened

Mr M and Ms M said they had applied for additional mortgage lending in late 2015. But they said Halifax turned down their application, because it thought they couldn't afford any more lending. Mr M and Ms M felt that was unfair, and they said the fact they hadn't missed any payments since then, even though their payments had gone up, showed that Halifax's decision in 2015 was wrong.

Mr M and Ms M's complaint was made in January 2023, when they were applying again for extra lending, and recognised the same advisor from their previous application. Our service has already written to Mr M and Ms M to say that we cannot look at what happened with the mortgage application they made in 2015, so I won't discuss that further here. But when Halifax said that it had few details of what happened back in late 2015, Mr M and Ms M said Halifax should have all the details of what happened in 2015, so it should be able to look into their complaint now. And they said if Halifax hadn't kept full details of their 2015 mortgage application, including why they were turned down at that time, then Mr M and Ms M also wanted to complain about Halifax's record-keeping.

Our investigator thought it was reasonable for Halifax not to have full records of the 2015 additional mortgage lending application, particularly as the application didn't go ahead. He said Halifax shouldn't hold more records than necessary. Our investigator said Mr M and Ms M weren't prevented from applying for further lending again now, just because Halifax didn't have the old records. And he noted Halifax had said they could apply over the phone if they didn't want to deal with this advisor again. So he didn't think Halifax had to do any more.

Mr M and Ms M didn't agree. They wanted an ombudsman to look at why Halifax didn't have a copy of the decision on their 2015 application now. So this case was then passed to me.

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. Like him, I don't think it's unreasonable for Halifax to say it doesn't have full details now, of an application which was made in 2015.

As our investigator said, Halifax shouldn't just keep hold of all the information Mr M and Ms M have ever given it. Under the laws governing data protection, Halifax has to be able to justify how long it keeps personal data for. And I think, particularly because this 2015 application didn't go ahead, it's reasonable for Halifax to say it hasn't kept absolutely all the information that it had at the time, about that application.

Halifax's decision not to keep all that information hasn't stopped Mr M and Ms M from complaining about what happened in 2015. Our service has already explained that we unfortunately aren't able to consider a complaint about that now, for reasons which aren't related to the information Halifax now holds. And I don't think this affects Halifax's consideration of any mortgage application for extra lending that Mr M and Ms M would like to make now.

I understand that Mr M and Ms M didn't want to deal with the same advisor they spoke to in 2015, so I'm pleased to see that Halifax has identified an alternative way for their application to be considered, if they would like.

I understand that Mr M and Ms M will be disappointed, but I've looked at the parts of their complaint which our service is able to consider, and I don't think Halifax has done anything wrong here. And that means their complaint won't 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 M and Ms M to accept or reject my decision before 25 December 2023.

Esther Absalom-Gough
Ombudsman