

The complaint

This complaint's about a mortgage Mrs D holds with Bank of Scotland plc trading as Halifax. There are two broad elements to the complaint – I'll detail them below – which has been brought jointly by Mrs D and Mr R, for reasons that will become clear. All of our dealings have been with Mrs D.

What happened

I don't need to set out the full background to the complaint. This is because the history of the matter is set out in the correspondence between the parties and our service, so there is no need for me to repeat the details here. In addition, our decisions are published, so it's important I don't include any information that might lead to Mrs D and Mr R being identified.

So for these reasons, I will instead concentrate on giving a brief summary of the complaint, followed by the reasons for my decision. If I don't mention something, it won't be because I've ignored it; rather, it'll be because I didn't think it was material to the outcome of the complaint.

The two components to the complaint are, in summary:

- Halifax unduly delayed assessing Mrs D's request to take over the mortgage in her own name (or jointly with her father Mr R) when she and her husband (and former joint borrower) separated; and
- Halifax caused Mr R to incur unnecessary costs to provide evidence of his income when it should have been apparent from the outset that he would not meet Halifax's lending criteria on maximum permitted age.

By way of redress, Mrs D and Mr R are seeking reimbursement of £3,000 in accountancy fees for proving Mr R's income (from self-employment) along with more compensation for distress and inconvenience than the £325 Halifax has paid thus far.

Our investigator agreed that Halifax had delayed matters, but not to the degree claimed. He also concluded that Halifax should have realised from the outset that Mr R would not meet its criteria, and therefore had requested the evidence of his income unnecessarily. But he didn't think that Halifax should reimburse Mr R's accountancy fees, reasoning that Mr R would eventually have incurred these in any event. Overall, the investigator thought the compensation Halifax had already paid (£325 made up of two payments of £125 and £200) was fair.

Mrs D and Mr R asked for the case to be reviewed by an ombudsman.

What I've decided – and why

I'll start with some general observations. We're not the regulator of financial businesses, and we don't "police" their internal processes or how they operate generally. That's the job of the Financial Conduct Authority (FCA). We deal with individual disputes between businesses and their customers. In doing that, we don't replicate the work of the courts. We have to work within the rules of the ombudsman service, and the remit those rules give us.

We're impartial, and we don't take either side's instructions on how we investigate a complaint. We conduct our investigations and reach our conclusions without interference from anyone else. That means I don't have to address every individual question or issue that's been raised if I don't think it affects the outcome.

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

There's no doubt Halifax made very heavy weather of dealing with Mrs D's request to carry on with the mortgage without her estranged husband as joint borrower. That said, it was never likely to be as straightforward and as routine as the initial mortgage advisor apparently led Mrs D to think. All that did was give Mrs D unrealistic expectations and heighten the sense of stress she felt when they weren't met. I'll come back to that shortly.

I share the investigator's view that Halifax should have realised from the outset that adding Mr R to the mortgage was never likely to succeed. Had it done so, Mr R wouldn't have had to submit his income evidence for it to consider. But I also agree with the investigator that this was information Mr R was always going to have to have his accountants prepared at some stage, so it doesn't fall on Halifax to reimburse him the cost of doing so.

To the extent that Mr R's purported involvement in the mortgage going forward was always a non-starter, I agree that it was a distraction that took up his and Mrs D's time and energy needlessly. In the end, however, it isn't what defined the amount of time needed before Halifax could definitely agree to let Mrs D take the mortgage over on her own.

That was more to do with Halifax securing all the information it needed about Mrs D's wider financial situation, rather than Mr R's. Ultimately, it was only in March 2023 that Halifax had everything its underwriters needed in order to agree the mortgage Mrs D wanted in her own name. But what didn't help in the meantime was a systemic problem that caused Halifax to issue a mortgage offer to Mrs D in January 2023 by mistake, only to withdraw it and then eventually re-offer the mortgage successfully in March 2023.

Assessing compensation for people's time, trouble and upset isn't an exact science; everyone feels and perceives things differently. I can see how strongly Mrs D in particular feels. That's a natural, subjective reaction, and entirely understandable. Be that as it may, I have to take a different approach. I'm impartial and I have to look at things objectively, sometimes taking a step back from the minutiae, focussing on the broader picture.

That's what I've done. Having done so, I consider the compensation Halifax has already paid to be fair and reasonable. The demotion Mrs D experienced at her place of work must have been a horrible experience for her; of that I am sure. What I am less sure about is how likely it is that this was solely a consequence of Halifax's actions, and that other pressures in Mrs D's life weren't even more impactful and contributory.

Overall, if Halifax had not already paid £325, I would not have ordered it to pay more.

My final decision

My final decision is that I don't uphold this complaint.

My final decision concludes this service's consideration of this complaint, which means I'll not be engaging in any further consideration or discussion of the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D and Mr R to accept or reject my decision before 21 February 2024.

Jeff Parrington

Ombudsman