

The complaint

Miss C's complaint is about a mortgage she has with Topaz Finance Limited trading as Heliodor Mortgages. She is unhappy that an offer she made to settle the mortgage debt for less than the outstanding balance was not dealt with in a timely manner and was ultimately rejected. In addition, she's dissatisfied that when she asked for a redemption statement, it had to be sent to her and was dated for the day it was received. As the name of the accountholder was not included in the information on the redemption statement, Miss C has told us clearing the mortgage was delayed. Overall, Miss C thinks Topaz caused 53 days of delays in the process and this resulted in her paying an additional £1,460 of interest.

What happened

In early 2023 Miss C had a mortgage with Topaz. On 27 April 2023 Topaz received a letter from Miss C setting out her situation and asking Topaz to accept £90,000 to clear the mortgage.

On 12 May 2023 Miss C complained to Topaz that her settlement offer had not been responded to. During the conversation the complaint was raised in, Miss C was warned shortfall offers were not usually accepted. She was also given the timescale for the review to happen – within ten working days.

The offer was reviewed three days later, but Topaz was not willing to accept it based on the information available at the time. Topaz tried to call Miss C on 17 May 2023 to tell her this and ask for the additional information it wanted. Miss C didn't answer the call and so Topaz left a message asking her to call back. It also wrote to her asking her to call it. When Miss C didn't call, Topaz tried calling her again on 24 May 2023 and left another message for her.

It was not until 7 June 2023 that Miss C called Topaz. The questions Topaz had were answered and the offer was passed back for further consideration. The offer was then declined. Topaz tried to call Miss C on 9 June 2023 and left a message for her to call it back.

It was 21 June 2023 before Miss C was told her offer had been rejected. Miss C was not happy about the decision and there were misunderstandings between Topaz and Miss C during that call. Miss C expressed dissatisfaction that Topaz had not responded with alternatives and discussed with her how she could source the additional funds to pay off the mortgage. She was also concerned that as she had told it she had £90,000 available to her, Topaz had not attempted to speak to her about what she could do with that money. It was confirmed that Miss C's concerns about how her proposal had been handled would be added to the existing complaint. Miss C was transferred to another department, and it was confirmed that Topaz couldn't give her advice, and it was suggested that she seek independent financial advice. However, it was confirmed that Miss C could make lump sum overpayments to the mortgage. Redemption administration fees were explained as was the possibility of the interest rate increasing on the sub-accounts if she repaid the original mortgage advance first. It was confirmed that further information about what the mortgage would cost if certain accounts were repaid would be sent to her.

A redemption statement was also requested on 21 June 2023. This was sent to Miss C on 26 June 2023 with an assumed redemption date of 30 June 2023.

On 4 July 2023 Miss C asked for the issues with the redemption statement to be added to the complaint. She said she believed Topaz was purposely slowing down the process of the mortgage being repaid in order to make more money out of it. The mortgage was repaid on the same day.

Topaz responded to the complaint in its letter of 5 July 2023. It apologised for the delay in it reviewing the settlement offer and offered her £50 for the inconvenience that had caused her. Topaz, however, said that the redemption statement had been issued within its usual service standard. As for the payment being delayed because of the incorrect name for the accountholder being used, it said that this was a decision by the paying bank, as some did accept its trading name, rather than Topaz. It again apologised for any inconvenience Miss C was caused.

Miss C was not satisfied with the response and asked the Financial Ombudsman Service to consider her complaint.

One of our Investigators considered the complaint and ultimately, she partially upheld it. She concluded the settlement offer process was beset with delays initially, but Topaz attempted to progress the matter in a reasonable manner thereafter, but Miss C had not contacted it when asked to. However, she concluded that Miss C could have paid the funds she had toward the mortgage even before she received a response to the shortfall offer and could have reduced the amount of interest she had needed to pay. That said, the Investigator considered the compensation payment should be increased to £100 in recognition of the upset and inconvenience Miss C had been caused.

Miss C didn't accept the Investigator's conclusion. She reiterated that every day of delay had cost her £22 in interest and the only reason she'd had a response to her settlement offer was because she had constantly chased Topaz. In addition, she didn't think it was acceptable for Topaz to have not responded to her request in writing and there had been such a delay in the process simply because she had missed a phone call, which she was not aware she had missed. Miss C also denied having received any voicemails from Topaz. Miss C went on to reiterate her points about the redemption statement and being told at the end of June she would need to wait for a new statement to be issued, with the associated timescale, before she could pay the mortgage off. Miss C also said that she wasn't told at until the end of June that she could pay the £90,000 she had access to as a down payment.

Topaz didn't accept the Investigator's conclusions either. It acknowledged that there had been a slight delay at the beginning of the process for the settlement offer being considered, but it thought its offer of £50 was sufficient for that error.

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.

Topaz has acknowledged there was a delay in the settlement offer being dealt with initially. Based on the service standards Topaz had in place at the time the offer should have been dealt with by 11 May 2023, which clearly it was not. However, it does appear once the mistake was identified the offer was prioritised, as it was reviewed within three days.

At that point Topaz was not willing to accept the offer, but rather than rejecting it outright, it wanted some more information to ensure it was making the right decision. It asked Miss C to

contact it by both leaving a voicemail for her and sending her a letter. She didn't respond. Having listened to the telephone call of 21 June 2023, it seems it is plausible that Miss C mistook the letter and voicemails with those asking her to call Topaz about the arrears on her account, which she had decided not to respond to until she knew the outcome of the settlement offer she'd made.

The final decision not to accept Miss C's offer was made within days of the additional information being provided and Topaz tried to contact Miss C at that time. Again, Topaz was unable to reach her and left her a message to call back. She didn't do so.

While Miss C has said that she would have expected Topaz to give its response to the offer in writing, I don't consider it had to do that and it is clearly not its process to do so. I would confirm at this stage the Financial Ombudsman Service has no power to tell a business what policies or processes it has in place. It is clear that Topaz made three attempts to contact Miss C when it made its initial decision and wanted more information to review it. It also tried to contact her following deciding not to accept the offer. I can't find that it didn't try to relay its decision to Miss C.

I note the issue Miss C has raised about the redemption statement. It is normal for lenders to have a service standard for providing these documents and five working days is not unusual. So I can't criticise Topaz for that. How long it then took to arrive is not within its control. As for the parent company name not being included in the redemption statement, rather than just the trading name, as Topaz has said, payments regularly go through using the trading name. That said, it would have been simple enough for Miss C to speak to either her bank or Topaz to check the account holding business name. The process was not perfect, but I don't consider that Topaz caused delay in the payment being made, although having to check the correct name may have been a little inconvenient.

That said, overall, the majority of the delays in Miss C's mortgage being paid off were not caused by Topaz. I also note that Miss C had access to funds to significantly reduce the mortgage balance, whether her settlement offer was accepted or not. She chose not to do so as soon as she could. As such, I am not persuaded it would be reasonable to require Topaz to refund any of the interest that accrued on the mortgage from the time Miss C made her offer to the point the mortgage was repaid.

Topaz offered £50 for the inconvenience Miss C was caused by its administration failures. I have considered this matter carefully, and I don't think it is sufficient. It is clear that Miss C was in financial difficulties and very concerned about losing her home at the time, so feeling that she was being ignored by Topaz was distressing for her. I am in agreement with our Investigator that a more appropriate sum would be £100, including the amount Topaz initially offered in its final response letter.

My final decision

My final decision is that I uphold this complaint in part. In full and final settlement of the complaint I order Topaz Finance Limited to pay Miss C £100 compensation, inclusive of the amount it previously offered.

Under the rules of the Financial Ombudsman Service, I am required to ask Miss C to accept or reject my decision before 12 January 2024.

Derry Baxter
Ombudsman