



The complaint

Mr J complains that Target Servicing Limited failed to provide the redemption statement for his mortgage in a timely manner and he's lost out as a result.

What happened

On 28 July 2022, Mr J emailed Target to request a final redemption statement for his Help to Buy equity loan. He provided the relevant paperwork and valuation report completed by a Chartered Surveyor. Mr J called target the following day and made a payment of £200 which was the administration fee for this transaction.

Target didn't provide the redemption figure to Mr J until 30 November, this was despite a number of chasers sent by Mr J during this time and a formal complaint about the delay being made on 7 September 2022.

Target failed to provide a response to Mr J and he brought his complaint to this Service.

Our investigator looked at the complaint and thought Target needed to do something to put things right. She said the timeframe that Target had explained the process and how long this should have taken, was around 40 working days, or about 8 weeks. So she said it was reasonable to believe it may have taken this long for Target to provide the redemption balance and for Mr J to have repaid the Help to Buy equity loan.

With the normal timeframe in mind, she said Target should refund the interest Mr J paid on the loan from 8 weeks after he initially asked it for the redemption statement, through until when it was redeemed. She said this payment should be made with 8% simple interest added on top.

To recognise the impact of the error and distress and inconvenience Mr J experienced as he chased for the redemption figure to be provided, she said Target should pay £200.

Mr J accepted the recommendation. Target did not respond and because of this, the complaint was referred 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 am upholding this complaint for much the same reasons as our investigator. I'll explain why this is the case.

Target did not provide the borrowing for Mr J's loan but is the administrator of the loan. It is responsible for how the loan is dealt with, administering the arrangement and collection of payments, including redemption payments.

Target has not engaged with this complaint from the start with Mr J. And while complaint handling is not a regulated activity, it is disappointing to see that it has not responded to the

initial complaint, or to the recommendation made by this Service when assessed by our investigator.

However, despite there being little engagement on the outcome, Target did provide a business file which set out the general timelines it would expect the redemption transaction to take. As our investigator said, this is around 40 working days or 8 weeks.

It took considerably longer for Target to provide Mr J with his redemption balance and allow him to repay the loan as he requested. I think it is fair that when this took longer than it should have, that Mr J hasn't lost out as a result.

The loan should have been repaid sooner than it was, so Mr J should not have paid interest on the balance after this point. It is fair that Target now refunds the interest paid with simple interest of 8% added to recognise that he has not had access to this money since it was paid.

Mr J explained within his chaser communications that he has a chronic underlying health condition. He said this was impacted by the stress added when Target did not provide a timely response to his requests.

I think the £200 recommended for the distress and inconvenience of this matter is fair and in line with what I'd expect to see. Target did delay its process and it meant Mr J had to send chasers and let Target know that he had already answered the questions it raised when these were duplicated. But there is always going to be some inconvenience and time spent when needing to complete a transaction like this and I feel £200 is a fair reflection of the impact of the additional distress and inconvenience added by Target.

Mr J has highlighted that the ongoing delay in Target responding to this Service has added to his distress and I am sorry that this has continued with no engagement from it on the answer issued. But its complaint handling is not a regulated activity and I cannot make an award for this. And although it has not provided a response and the settlement remains outstanding, Mr J was aware the complaint had been found in his favour.

Overall, I agree with our investigator and their recommendation to put things right.

Putting things right

Target Servicing Limited should refund the interest Mr J paid on his loan after more than 8 weeks had passed from the date of his request to redeem his loan (on 28 July 2022), until the date the loan was redeemed. It should add simple 8% interest* to this refund.

To recognise the distress and inconvenience of this situation, Target Servicing Limited should also make a payment of £200 to Mr J.

*Should Target deem it necessary, it can deduct tax from this payment at the standard rate and should provide upon request, a certificate of interest to Mr J.

My final decision

For the reasons I've explained above, I uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 27 November 2023.

Thomas Brissenden
Ombudsman