

The complaint

This complaint is about a mortgage Mrs and Mr S hold with Leeds Building (LBS). They're unhappy that LBS gave them incorrect information about the mortgage in a series of phone calls during 2022. They say this held up their attempts to switch the mortgage to a new interest rate.

What happened

The broad circumstances of this complaint are known to Mrs and Mr S and LBS. I'm also aware that the investigator issued a response to the complaint, a copy of which has been sent to all parties, and so I don't need to repeat all the details here.

Our decisions are published, and it's important that I don't include any information that might result in Mrs and Mr S being identified. Instead I'll give a brief summary in my own words, rounding the figures, and then focus on giving the reasons for my decision. If I don't mention something, it won't be because I've ignored it. It'll be because I didn't think it was material to the outcome of the complaint.

Mrs and Mr S took the mortgage out in 2020; it was for a little over £169,000 (including fees), with a term of 20 years, and an initial interest rate product running to 30 November 2022. In September 2022, Mrs and Mr S made a lump sum payment of £6,000, which took the balance down to a little under £163,000. However, in a phone conversation, a staff member of LBS got confused, thinking the lower balance was the amount outstanding before the lump sum was taken off, and told Mr S the lump sum would reduce the balance to around £156,000. In another call, a staff member mistakenly indicated Mrs and Mr S had paid the fees that had been added to the mortgage.

Whilst this was happening, Mrs and Mr S were in the process of applying for a new interest rate product, as the initial rate was due to expire on 30 November 2022. When LBS issued its final response to Mrs and Mr S' complaint, on 21 September 2022, it apologised for the mis-information, offered £50 compensation for the poor service. It also reminded Mrs and Mr S that if they wanted to continue with the new interest rate, they should sign and return the acceptance, and pay the arrangement fee, by 6 October 2022.

Our investigator thought LBS' response to the complaint was fair; Mrs and Mr S have asked for the case to be reviewed by an ombudsman. They also told us that, whilst the final response said the £50 would be credited to their current account, it hasn't been.

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'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. But in doing so, we have to work within the rules of the ombudsman service, and the remit those rules give us. It's for me to decide what the material issues are that will affect the eventual outcome. It's also my judgement on what evidence I need to see and consider, in order to reach a fair decision.

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

Having done so, these are my conclusions, and the reasons for them.

This isn't a complaint where I have to decide fault; LBS admits it made mistakes and has apologised and offered compensation (albeit there is some confusion over whether the sum was paid as stated in the final response). All that leaves for me to decide is whether LBS' response provides a fair settlement or not.

Mrs and Mr S say their switch to a new interest rate was held up by LBS' inefficiency. I don't see why that should be the case; the existing rate ran until 30 November 2022, and LBS dealt with the complaint on 21 September 2022. At the same time, it reminded Mrs and Mr S of what they needed to do to secure the new rate, and that they had until 6 October 2022 to do it.

If the product switch was held up by any problems or issues that arose after 21 September 2022, Mrs and Mr S would need to start a new complaint with LBS about those issues, and could then refer that complaint to us if not satisfied with the response they received.

I can only consider the mistakes LBS made and then owned up to in the final response of 21 September 2022. Clearly, they shouldn't have happened, and I can fully appreciate Mrs and Mr S will have found them irksome. But they were errors of information only; they caused annoyance, but no financial detriment, and were soon put right. In such circumstances, I consider £50 to be fair and reasonable. If this sum had not been offered, I would not be awarding more.

My final decision

My final decision is that this complaint should be fairly and reasonably determined by Leeds Building Society paying Mrs and Mr S the £50 compensation it said it would pay in the final response of 21 September 2022. I make no other order or award.

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs and Mr S to accept or reject my decision before 11 October 2023.

Jeff Parrington

Ombudsman