

The complaint

This complaint is about a mortgage Mr C holds with Clydesdale Bank Plc trading as Virgin Money (VM). He's unhappy that VM didn't properly advise him of the option of shortening his term when he contacted it about making a lump sum overpayment. Additionally, Mr C is dissatisfied with how VM handled a subject access request (SAR) he made under the General Data Protection Regulation.

What happened

The broad circumstances of this complaint are known to Mr C and VM; they've been set out in correspondence between both parties. I'm also aware that the investigator issued a response to the complaint which has been shared with all parties, and so I don't need to repeat all of the details here. Instead, I'll provide a brief summary of the key points, in my own words and rounding the figures, and then focus on 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.

Mr C wanted to use the facility on his mortgage that allows him to pay up to 10% off the balance each year, without incurring an early repayment charge (ERC). After speaking with VM on the phone several times, he paid a little under £17,500 off the balance. VM told him the contractual monthly payment would have to be adjusted downwards to ensure he didn't then overpay more than the 10% allowance and incur an ERC.

Mr C complained in August 2022 after finding out that he could have had the option of keeping the monthly payment the same and reducing the term instead. VM offered him £150 compensation for a lack of clarity in its communications with him; Mr C referred the complaint to this service. Separately, Mr C contacted the Information Commissioner's Office (ICO) to express his dissatisfaction with the way VM had responded to a SAR he had made.

Our investigator explained that he'd be focussing on the mortgage complaint, and that the ICO was best placed to look into the SAR. The investigator concluded that VM had failed to provide clear information to Mr C about the option of a term reduction. Initially he explored the option of having the mortgage reconstructed on the basis that a term reduction had been put in place instead of a monthly payment reduction. VM provided figures for various different term reductions and the investigator discussed them with Mr C.

However, any such adjustment would have required Mr C to make up the extra amounts that he would have been paying each month in the meantime. He explained he wasn't in a position to do that, meaning that the outcome of the complaint was about the right level of compensation for his time, trouble and upset. The investigator assessed everything and concluded that VM's offer of £150 was fair. Mr C asked for the complaint 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'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.

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

In asking for the case to be reviewed, Mr C has commented further on the issues he has with how VM handled the SAR. Generally speaking, these are matters more appropriately addressed by the ICO, and Mr C has told us he's in contact with that organisation. We can consider whether the way a SAR has been handled has impacted on our capacity to deal with the underlying complaint about the financial service. However, I'm satisfied that's not a factor here. This is a decision about fair redress, and I have everything on file that I need to assess that.

Mr C has gone into some detail about why he considers a fair sum to be £750 rather than the £150 VM offered, and which the investigator adjudged to be fair. In particular, he points to the amount of time that has passed since the events giving rise to the complaint, and the ongoing stress he has encountered as a result. I take Mr C's point on the time aspect, but it's important to remember that VM's offer of compensation was made in December 2022, in response to a complaint that started in August 2022.

I have to consider not whether an offer is fair, but also when it was made. Taking everything into consideration, I'm persuaded VM's final response to the complaint was fair and reasonable. Mr C wasn't obliged to accept the offer: it was entirely his prerogative to continue with the complaint by referring it to our service. I imply no criticism of him for continuing with the complaint, and none should be inferred. But it was his choice to do so rather than draw the dispute, and the associated upset, to a conclusion on receipt of an offer that I consider fair and reasonable in the circumstances.

I said at the outset that I wouldn't be commenting on every single point, and I haven't. I have, as I said I would, confined myself to those matters that I consider have a material effect on the outcome. I can see from their submissions how important this is to Mr C. That's a natural reaction, and entirely understandable when you're as close to a situation as he has been here.

But I have to be objective, and impartial, and sometimes that means stepping back from the fine detail, taking an overview and deciding what is fair, reasonable and pragmatic in all the overall circumstances of the case. It also means that I'm not required to provide answers to every specific question that comes up if I don't consider doing so will affect the overall outcome.

My final decision

My final decision is that Clydesdale Bank Plc trading as Virgin Money should settle this complaint fully and finally by paying Mr C £150. 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 consideration or discussion of the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 23 August 2023.

Jeff Parrington

Ombudsman