

The complaint

This complaint is about Mr and Mrs H's mortgage with National Westminster Bank Plc (NatWest). Mr H, who has dealt with the complaint throughout, has complained that NatWest reduced the mortgage term by one month, to 14 January 2023 instead of 14 February 2023.

What happened

I do not 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, NatWest has accepted it made an error, so all I need to decide is what the bank needs to do to put this right.

Finally, our decisions are published, so it's important I don't include any information that might lead to Mr and Mrs H being identified. So for these reasons, I will instead concentrate on giving 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.

NatWest has explained that when Mr and Mrs H's mortgage was transferred from an historic computer system to a new one in 2004 the mortgage term was accidentally reduced by one month. When Mr H drew this to the bank's attention in 2022, the bank extended the term so it would end on 14 February 2023 rather than on 14 January 2023. NatWest also paid compensation of £200.

I note that the mortgage has now been paid off in full.

Mr H wasn't happy with NatWest's response to the complaint and so raised it with our service, with the consent of Mrs H. An investigator looked at what had happened. She thought the action the bank had taken, and the £200 compensation, was sufficient to resolve the matter and didn't think NatWest needed to do anything more.

Mr H disagreed. He said that the length of time NatWest had taken to sort the issue out meant that he couldn't get a new fixed rate for the remainder of the mortgage term. He asked for an ombudsman to review the matter.

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.

On 6 November 2023 I issued a decision in which I explained that other matters Mr H had raised with us – fees added to the mortgage account, and not being able to have a new fixed rate product – were outside the jurisdiction of the Financial Ombudsman Service. So whilst I note Mr H has made detailed arguments about those issues, I am unable to comment on them.

The mortgage offer dated 7 February 2002 shows that the mortgage term was 21 years. The funds were released on 14 February 2002 when the mortgage completed and so it was due to run until 14 February 2023. NatWest has explained that, after mortgages became subject to regulation in October 2004, Mr and Mrs H's mortgage was migrated to a new system which would administer the mortgage in line with the new regulations. However, the term was inadvertently reduced by one month, to 14 January 2023.

I'm not persuaded that the bank's error resulted in any other detriment to Mr and Mrs H. The previous fixed interest rate product expired on 30 November 2020. Mr H didn't contact NatWest to enquire about a new product until 16 November 2020. By that point the only products available had end dates of 31 March 2023, which was after the term was due to expire.

In any event, the complaint about the incorrect end date wasn't raised until July 2022. I'm satisfied, therefore, that even if the mortgage end date had been corrected when Mr H complained about it in July 2022, it would not have changed the outcome.

I'm satisfied that NatWest corrected this error in October 2022 and paid Mr H £200 compensation. I'm satisfied that this is fair and reasonable in all the circumstances. I do not require NatWest to do anything further.

My final decision

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

This final decision concludes the Financial Ombudsman Service's review of this complaint. This means that we are unable to consider the complaint any further, nor enter into any correspondence about the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs H to accept or reject my decision before 5 December 2023.

Jan O'Leary
Ombudsman