

The complaint

Mr Y on behalf of S, complains that he made a payment to Mortgage Express (ME) in respect of his mortgage, but that it has not been credited to his mortgage account. The payment was made from S' bank account.

What happened

Mr Y owns a business called S. He made a payment from S' bank account to ME on 6 December 2018. The payment was in respect of his monthly mortgage payment that was due.

In November 2020 he realised that this particular payment had not been credited to his mortgage account and so he raised the matter with ME. Mr Y also checked with his bank who confirmed they had completed a full trace on the payment and they were satisfied that it had been credited to ME's bank account.

ME investigated his complaint but said they could not trace receipt of the payment. As such they rejected the complaint.

Mr Y was unhappy with ME's final response and so approached this service to see if we could assist in resolving the dispute. Our investigator thought that on balance the evidence showed that ME had received the payment Mr Y, and recommended that ME credit his mortgage account with that payment. Our investigator also considered whether compensation ought to be paid to S but decided that it should not.

S didn't immediately respond to our investigator's view and so the complaint was passed to me for a final decision. Since that time, ME has responded to our investigator and questioned whether the payment could have been returned to S' bank account, but otherwise made no comment on the investigator's view.

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.

My summary of what happened is brief and I know the parties went into a lot more detail. I'm going to focus on what I think are the key issues. Our rules allow me to do this and it reflects the nature of our service as an informal alternative to the courts. So, if there's something I've not mentioned, it isn't because I've ignored it, it's because I'm satisfied that I don't need to comment on every individual argument to be able to reach what I think is the right outcome.

I've taken account of both sides' views when considering whether ME acted fairly and reasonably. I've looked at the issues raised and considered all the available evidence. Where evidence is not complete, I think about what is more likely to have happened in the light of the evidence which is available.

Both ME and Mr Y have opposite views as to what has happened here. ME say they never received the December 2018 payment and Mr Y says it did. In the light of these conflicting views, the documentary evidence is crucial to resolving this complaint.

I have seen S' bank account statement dated 14 December 2018. That shows the payment on 6 December to ME and records the time at 18.13 hrs. In their final response letter (FRL), ME have accepted that this time shows the time the beneficiary received the payment. This is therefore evidence that the payment left S' bank account and was credited to another bank account at 6.13pm on 6 December 2018.

I have not seen any bank statements from S so I cannot say with certainty whether the payment was or was not received by them. However, in the absence of any other evidence to the contrary, the evidence from S' bank is suggestive that it did.

There is of course further evidence from S's bank. This is in the form of a letter dated 14 April 2021 and is in response to S' specific query to them about the payment. It states,

We can confirm that the payment was sent as instructed and has been accepted by the beneficiary bank. Confirmation of the payment details are below:

I won't set out those payment details in this decision since they are sensitive, but I confirm that the details provided as to the bank account number match those provided by S in their FRL. I have, like our investigator, also noted that ME's FRL contained some inaccuracies. First it indicated that the payment hadn't been received until 6 December 2020 at 6.13pm. Having looked at the bank statement that is clearly an error on ME's part as the date is very definitely 2018 not 2020.

The second inaccuracy is in relation to the Faster payment ID. The one quoted in the FRL has the addition of the number two on the end of the otherwise correct ID number. This error comes from Mr Y as it was he who quoted it to ME in an email 5 February 2021.

That aside, the bank's letter also sets out a sort code and this number is the same as Mr Y previously supplied to ME. ME have not said that is an incorrect sort code and so for the purposes of this decision I accept it is the correct one.

ME have raised the point that it might be the case that the payment was returned to S's bank. They have not provided any evidence to show that this is in fact the case, and had it been I would have expected to see evidence from them showing the payment leaving their account. Indeed, had it been returned it must have been received.

So, I am satisfied that the evidence does in fact show, on balance, that a payment was made from S' account to ME on 6 December 2018 and that it was received by ME at 6.13pm that day. It was made to the correct account number and sort code and it has not been returned to S.

I know Mr Y would wish to receive compensation in addition to the crediting of the payment to his mortgage account for the inconvenience he has suffered. I have considered whether ME have acted unfairly towards S and I don't think it has. It has attempted to locate the missing payment and it may or may not have been misdirected by the incorrect Faster Payment ID Mr Y provided. But this is a complaint brought by S which is a limited company, and whilst I recognise Mr Y has had to make the enquiries I'm not satisfied that there has been any inconvenience caused to S.

Putting things right

I'm therefore upholding this complaint and shall be asking ME to credit Mr Y's mortgage account with the December 2018 payment and adjust his account for interest purposes. I have not been told whether there has been a report made to any of the credit reference agencies regarding any missed payment but if there has, then ME should correct that too.

My final decision

For the reasons set out above I uphold this complaint and direct Mortgage Express to credit Mr Y's mortgage account with the payment made on 6 December 2018 and make any consequential interest adjustments as a result. I further direct that any adverse report made to a credit reference agency in respect of this payment shall be corrected by Mortgage Express.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 22 March 2022.

Jonathan Willis
Ombudsman