

The complaint

Mr and Mrs L are unhappy with how Topaz Finance Limited, trading as Rosinca Mortgages, administered their request for a mortgage payment holiday.

What happened

On 6 May 2020, Mr and Mrs L told Rosinca Mortgages that they wished to take advantage of a three-month payment holiday for their mortgage accounts – beginning in June. They'd already discussed the proposal with Rosinca Mortgages, and decided they were happy to go ahead. But the payment holiday wasn't processed, and June's payments were collected as usual.

When Mr and Mrs L queried why payments had been taken, Rosinca Mortgages acknowledged its mistake. It said the payment holiday hadn't been properly processed because the confirmation email that Mr and Mrs L had sent was missed by its staff. As a resolution, Rosinca Mortgages said it would refund the payments and backdate the payment holiday.

The payments were refunded relatively quickly, but Rosinca Mortgages made some administration errors when it attempted to amend and backdate the payment holiday. These errors resulted in some incorrect information being reported to Mr and Mrs L's credit files. Specifically, that their mortgage accounts were shown to be in arrears for the month of June. These problems didn't come to light immediately. Mr L checked his credit file in July and spotted that Rosinca Mortgages was reporting incorrect information, so he complained. The complaint was upheld. Rosinca Mortgages sent its final response on 17 September, it apologised for the poor service and set out that the necessary amendments had been made to Mr and Mrs L's credit files. Rosinca Mortgages offered Mr and Mrs L £200 to compensate them for the issues they'd experienced.

Despite the assurances from Rosinca Mortgages, when Mr L checked his credit file again, some incorrect information was still being reported. So, he complained again. Rosinca Mortgages sent a further response on 12 November. It recognised that one mortgage account hadn't been properly updated, but that it had rectified the issue immediately once it was aware. Rosinca Mortgages also increased its offer of compensation to £250.

Mr and Mrs L remained unhappy, so they brought their complaint to our service. They said that they had incurred costs in keeping up to date with their credit files – checking regularly to make sure Rosinca Mortgages had reported things correctly. Moreover, Mr and Mrs L said they believed the errors made by Rosinca Mortgages had impacted their ability to secure some government-backed funding for their business during the coronavirus pandemic. They said they had applied for a business current account with two banks so they could go on to apply for a Bounce Back Loan, but their applications had been declined.

Mr L also set out that, while the issues with Rosinca Mortgages were ongoing, his personal credit card limit – and the credit limit of a separate business credit card – had both been reduced following a review carried out by his bank. Mr L believed the bank made this decision because of the information Rosinca Mortgages was reporting to his credit file at the time.

An investigator here reviewed what happened, she didn't think Rosinca Mortgages had done enough to put things right. The investigator acknowledged that the issues had eventually been sorted out, and that Mr and Mrs L had ultimately been successful in obtaining a Bounce Back Loan, but said that the errors made by Rosinca Mortgages likely contributed to Mr and Mrs L's initial applications for a business current account being declined. Although, she couldn't know this for certain.

The investigator also said that the errors made by Rosinca Mortgages could have impacted the decision from Mr L's bank to reduce his personal credit card limit – and that of his business credit card. But she explained that banks can carry out a review at any time, and she didn't know for certain that the bank's decision to review the two credit cards could be linked to the mistakes.

To put things right, our investigator felt Rosinca Mortgages should increase its offer of compensation to £450 overall.

Mr and Mrs L took some time to think about what the investigator had said, and they decided to ask for an ombudsman's decision. They didn't think the amount of compensation offered was enough to reflect the level of stress and worry that Rosinca Mortgages had caused, or the time and money they'd had to spend checking their credit files to ensure things were reported correctly.

So, as an agreement couldn't be reached, the complaint has been passed to me to decide.

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.

At the outset, I think it would be useful to reflect on the role of this service. In response to our investigator, Mr and Mrs L have said that they don't agree with the level of compensation they've been offered. Put simply, they feel Rosinca Mortgages have "got off lightly". While I understand Mr and Mrs L's point of view, it's important for me to explain that this service isn't intended to regulate or punish businesses for their conduct. So, any compensation award our service might make isn't meant to reprimand Rosinca Mortgages or act as a fine.

Turning to the matter at hand, the background to this complaint isn't in dispute, Rosinca Mortgages accepts that something went wrong here.

Mr and Mrs L had to do more than should've been necessary to get things back on track, and I can certainly understand the frustration and worry they would've experienced at the time. Moreover, I can see why they feel the errors Rosinca Mortgages made contributed to them not being able to open a business current account – and to the impact on Mr L's line of credit with his personal and business credit cards.

Our investigator suggested that it is possible for Rosinca Mortgages' errors to have impacted Mr and Mrs L's business current account application, and to have contributed to the reduction in credit card limits. But, equally, the investigator also explained that there's no

sure evidence to show it was the ultimate reason behind the bank's decisions. And I think that's key here. It is entirely possible that the information being reported by Rosinca Mortgages was taken into consideration by the bank – but there's no conclusive evidence to show that's what caused the issues Mr and Mrs L experienced with their business current account applications and reduction in credit limits.

It would be unhelpful of me to speculate, so I won't go into various potential explanations, but there could be several reasons why Mr and Mrs L's applications for a business current account weren't successful and the credit card limits were reduced. And, in the absence of sufficient evidence, I don't think it would be fair of me to conclude that Rosinca Mortgages' error was the *definitive* cause of what happened.

I do accept, though, that Rosinca Mortgages should've rectified things correctly in the first instance. I think the experience has taken its toll on Mr and Mrs L, and I can surely understand if it's damaged their trust in Rosinca Mortgage's ability to administer things properly. It shouldn't have been necessary for Mr and Mrs L to have to put much time into trying to resolve things – or needing to continuously check their credit files to make sure the information being reported was correct.

To that end, I'm satisfied Mr and Mrs L did suffer distress and inconvenience. And I think the increased offer of £450 is a fair and reasonable amount of compensation to reflect the time and effort they had to put in to make sure Rosinca Mortgages fixed its mistakes. So, that's what I require Rosinca Mortgages to pay Mr and Mrs L to resolve this complaint.

My final decision

My final decision is that I uphold this complaint and I require Topaz Finance Limited, trading as Rosinca Mortgages, to pay Mr and Mrs L a total of £450 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L and Mrs L to accept or reject my decision before 1 April 2022.

Simon Louth
Ombudsman