

## **The complaint**

Mr and Mrs F complain that Landmark Mortgages Limited recorded adverse information on their credit file.

## **What happened**

Mr and Mrs F had a mortgage with Landmark. In May 2021, as they were close to redeeming the mortgage, they contacted Landmark to ask if any further payments needed to be made. It said that they didn't need to make their mortgage payment for May 2021.

This was incorrect. As the completion date was June 2020, the May payment needed to be made. Landmark recorded information on their credit file to reflect that a payment was missed and called them in early June to say that they were in breach of their mortgage agreement and asked for the payment.

Mr and Mrs F made the payment but complained to Landmark about the incorrect advice given. It upheld their complaint, apologised and removed the information it recorded on the credit file.

Mr and Mrs F didn't think this went far enough as Landmark failed to offer any compensation that they felt they were due because of its error.

As a result, Mr and Mrs F referred the matter to this service. Our investigator considered the complaint and thought that Landmark should pay Mr and Mrs F £100 for the distress and inconvenience this matter caused.

Mr and Mrs F didn't accept this and so the matter 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.

It's not in dispute that Landmark made an error in this case. Mr and Mrs F got in touch to ask whether the payment for May 2020 was included in the redemption figure. They were incorrectly told that no further payments needed to be made. And so it must have been confusing and worrying to receive a later call from Landmark to tell them that the payment was missed and they were in breach of their mortgage agreement. Landmark accepts that it made a mistake and should not have told Mr and Mrs F that no further payments were due.

Mr and Mrs F have explained that at the time, they were looking to get another mortgage and their broker told them that the lenders they had approached raised concerns about the information on the credit file. I think that this must have been distressing for Mr and Mrs F – and that they would have understandable concerns about their prospects of being approved for a mortgage.

They have said that they decided to live in rented accommodation while this was resolved. I've thought about this carefully but having done so, I'm not persuaded that this was solely because of the information recorded on the credit file due to Landmark's error.

Considering the time it can take to arrange a mortgage and secure a property when buying a house, it seems to me that renting - or finding other accommodation - was something that Mr and Mrs F were likely to need to do before they arranged a mortgage for a new property.

And I'm not persuaded that the presence of the information on the credit file would have been a direct or sole reason to decline a mortgage application. Whilst initial concerns may have been raised, I've kept in mind that lenders look at the application as a whole and take account of a range of factors before deciding whether to lend. As a result, I'm not satisfied that this caused Mr and Mrs F direct financial loss.

But I agree with our investigator that the apology offered does not go far enough to address the worry and upset this matter caused Mr and Mrs F. I've thought carefully about what Landmark should do to put things right.

### **Putting things right**

Taking everything into account and having regard for the general awards this service makes, I think £100 compensation is fair in all the circumstances for the distress and inconvenience caused by this error.

### **My final decision**

For the reasons I've given, my final decision is that I uphold this complaint and direct Landmark Mortgages Limited to pay Mr and Mrs F £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F and Mr F to accept or reject my decision before 28 April 2022.

Camilla Finnigan  
**Ombudsman**