

The complaint

Miss M complains that Bank of Scotland plc trading as Halifax told her ex-partner that she wanted to switch to a new fixed interest rate product on their joint mortgage, despite saying that it would not do so. She said her ex-partner was abusive.

What happened

Miss M has a mortgage with her now ex-partner. She asked Halifax to switch the mortgage to a new five-year fixed rate product – and asked it not to contact her ex-partner as he was physically and emotionally abusive to her. Miss M said that Halifax agreed not to contact her ex-partner, but then did so. He then would only agree to a new two-year fixed rate product and that he wanted Miss M to sell the house. Halifax eventually agreed to the five-year fixed interest rate product.

Miss M said that Halifax's actions have made her very anxious and upset and that she had to receive medical treatment for that.

I issued a provisional decision, upholding this complaint. My findings, which form part of this complaint were:

Miss M had a joint mortgage with her ex-partner. I accept the very difficult and traumatic time she has been through because of that relationship. But her ex-partner is jointly and severally liable for the mortgage debt. It was reasonable for Halifax to tell her ex-partner what was happening even though it was aware of the dispute between them.

But rather than simply notifying Miss M's ex-partner, Halifax wrongly sought their consent briefly reversed the change to the interest rate product and passed on a threat that he would force a sale of the property

The evidence from both Miss M and Halifax suggests that Miss M's ex-partner told Halifax that he wanted to sell the house – and that information was passed on to Miss M. I am satisfied that information was only passed to Miss M as a result of the mistakes made by Halifax. If it had acted correctly, the only communication it would have had with the ex-partner was to tell him about the new rate, not to ask his permission for it to go ahead. And it would not have enabled the ex-partner to pass on information to Miss M from him. Halifax, as the expert here, ought to be aware of the issues around domestic abuse and take care not to pass on information that might be intended to cause the victim of abuse distress.

Putting things right

Halifax has not treated Miss M fairly or reasonably. In the circumstances here, it did not need to ask her ex-partner's permission to switch the interest rate product. And when it did so, it allowed Miss M's ex-partner to take advantage of that and to decline to accept the new product and threaten Miss M with the sale of the home where she lives with her children.

This has clearly caused Miss M distress and inconvenience. She had arranged a five-year fixed interest rate product. That was withdrawn because of Halifax's mistake. She had the

trouble and stress of sorting that out – and I accept that she was already suffering with mental health problems before this matter.

I also accept that this matter will have had an impact on Miss M's mental health and added to the suffering that she has experienced. Her ex-partner would not have had the opportunity to refuse the new fixed rate product or to threaten to sell the home had Halifax acted correctly. In saying that, I can't see that Halifax was aware that the restraining order prevented Miss M's ex-partner contacting her through a third party.

In the circumstances, Halifax ought to have exercised more care before passing on information to Miss M from her ex-partner. In saying that, I don't consider it would be fair to say that Halifax was solely responsible for the distress and suffering caused by passing on the information from the ex-partner. If Miss M considers there has been a breach of the restraining order then she should seek legal advice about that.

Miss M has told us that she suffered a breakdown, had suicidal thoughts and had to seek medical treatment when Halifax passed on what her ex-partner had said. Overall, in view of what Miss M has told us about the distress, inconvenience and suffering this matter has caused to her – and bearing in mind that Halifax enabled that to happen but was not solely responsible for the impact on Miss M, I consider it would be fair for it to pay her £750.

Halifax accepted my provisional findings. Miss M responded to re-emphasise the impact that this had on her and her children and how it has affected her mental health.

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.

I agree with what Miss M has said. Halifax should have understood her situation. It was wrong for it to pass on what her ex-partner said about selling the house and to withdraw the fix rate mortgage. But Halifax had to tell her ex-partner about changes to the mortgage. So it wasn't wrong for it to send information about the changes to him – although it shouldn't have led Miss M to believe it wouldn't do that.

I need to make an award of compensation to reflect the distress, inconvenience, pain and suffering caused by Halifax's actions. I have thought carefully about what Miss M has told us about how it affected her family and her mental health when Halifax passed on the message – and about how that would cause her extreme difficulties. But I still consider that £750 is a fair amount to reflect the impact of this matter on Miss M, bearing in mind that Halifax was able to resolve the underlying issue regarding the interest rate quickly.

My final decision

My final decision is that Bank of Scotland UK PLC trading as Halifax should pay Miss M £750.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 26 October 2022.

Ken Rose
Ombudsman