

The complaint

Miss O and Mr G complain about the mortgage borrowing arranged for them by TSB Bank plc (previously Cheltenham & Gloucester). Mr G has let us know he has no interest in this complaint and that Miss O should solely receive any compensation payable in relation to it.

Miss O's complaint has two broad areas – how the mortgage was arranged when it was initially taken out and changes to it in the years soon after; and that the charge over her property wasn't removed when the mortgage was repaid in 2014.

I have already decided Miss O's complaint in relation to her mortgage borrowing has been brought out of time, and so this decision only concerns the removal of the charge over her property.

What happened

Miss O repaid her mortgage in 2014. In 2021, Miss O was sorting out her affairs – arranging a will - and as part of that process she made enquiries of TSB as to how it would be known her mortgage had been repaid. She was directed to the Land Registry.

She was informed that TSB still held a charge over her mortgage and so she got back in touch to arrange for it to be removed. However, despite following up this wasn't done until 9 March 2021 when Miss O chased again, and it was removed the same day.

Miss O complained to TSB about the charge not being removed when the mortgage was repaid, and the length of time taken to finally get it removed. She had been going through a particularly difficult time in early 2021 and wanted to ensure her child was provided for.

TSB said it had explained it would take 21 working days for the charge to be removed but also agreed it had done something wrong by not removing it in 2014. It offered Miss O £200 compensation. Not happy with that Miss O asked us to look into it. Our investigator didn't think £200 went far enough to compensate Miss O for the distress and impact this error had and so she asked TSB to increase compensation to £350.

TSB didn't agree saying it had already taken into account Miss O's circumstances when making the offer. Miss O also didn't agree with the outcome, particularly as when chasing TSB they removed it the same day and that she was never told it would take 21 working days for the charge to be removed. She considers £800-£1,000 to be more appropriate compensation.

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.

Miss O has provided information to this office about her personal circumstances. Although I haven't repeated that here, I would like to reassure her that I have read and considered everything provided and taken it into account when reaching my decision. I've also listened

to the calls she had with TSB that it had available about this matter.

Miss O was in the process of writing a will to ensure her child was provided for. And it was whilst making those arrangements that it came to light TSB still retained a charge over her property despite her repaying her mortgage in 2014, some seven years earlier.

I can understand how distressing it must have been for Miss O to discover that; particularly given the steps she was taking at the time. It not only caused Miss O a lot of worry about what might have happened had she passed away in the intervening years, but also what time and trouble her child might be put to in the future if they wanted to sell the property.

From listening to the calls, it appears Miss O visited a branch about this. And it was during an internal call from the branch that a time frame of 21 working days was given for the removal of the charge, although it was felt this would be done sooner given it was urgent. Miss O tells us she was never given this time frame, but I can understand why the complaint investigator assumed it had. Ordinarily I wouldn't find 21 working days to remove a charge to be unreasonable.

However, I'm mindful the charge had been in place incorrectly for seven years. And it was only as a result of the actions Miss O was taking, that the error came to light, otherwise it might have remained for far longer. And although it appears there is a typical time frame for a charge to be removed – whether or not Miss O was aware of that – it doesn't appear the matter was treated with any urgency, nor was it completed within 21 working days either. Indeed, it was only as a result of Miss O calling on 9 March 2021, that the complaint handler took it upon themselves to arrange for the removal of the charge immediately. This does beg the question of why it couldn't have been done sooner.

Not only was Miss O impacted by the initial discovery that a charge remained over her property, but she was caused further distress and inconvenience by having to chase to get its error rectified. And when it was, it was done in a matter of minutes. TSB could have avoided causing Miss O additional distress had it done that as soon as the matter was raised. I therefore agree with the investigator that £200 doesn't go far enough to compensate Miss O for the trouble she was put to and find £350 overall (to include the original £200 offer) to be more reflective of the impact its error had.

My final decision

For the reasons given, my final decision is I uphold this complaint and I require TSB Bank plc to pay Miss O £350 in total, for the impact its error in not removing its charge had.

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

Claire Hopkins
Ombudsman