

The complaint

This complaint's about a mortgage that Mr and Mrs U hold with Pepper (UK) Limited trading as Engage Credit. They're unhappy that Engage told them they owed about £10,000 less than they actually did.

What happened

The broad circumstances of this complaint are known to Mr and Mrs U and Pepper, and not in dispute. So I don't need to repeat all of the details here.

Our decisions are published, and it's important that I don't include any information that might result in Mr and Mrs U being identified. Instead I'll give a brief summary of the main points, rounding the figures where appropriate, and then focus on giving the reasons for my decision. If I don't mention something, it won't be because I've ignored it. It'll be because I didn't think it was material to the outcome of the complaint.

The mortgage was originally taken out with a different lender, but was then transferred to Engage. It was due for repayment in May 2022, and during a phone conversation in March 2022, a staff member told Mr and Mrs U that, following an internal transfer adjustment of around £10,000, the outstanding balance was around £3,800. This was a mistake; in reality, the balance, with the adjustment already taken into account, was about £13,900.

Engage admitted to the mistake, apologised, and credited the mortgage account with £150, by way of compensation. When the case came to us, our investigator recommended Engage increase the compensation to £300. Engage hasn't responded to that recommendation and in any event, Mr and Mrs U have asked for the case to be decided by an ombudsman because they aren't satisfied with it.

What I've decided – and why

I'll start with some general observations. We're not the regulator of financial businesses, and we don't "police" their internal processes or how they operate generally. That's the job of the Financial Conduct Authority (FCA). We deal with individual disputes between businesses and their customers. In doing that, we don't replicate the work of the courts.

We're impartial, and we don't take either side's instructions on how we investigate a complaint. We conduct our investigations and reach our conclusions without interference from anyone else. But in doing so, we have to work within the rules of the ombudsman service, and the remit those rules give us.

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The case itself is simpler to decide than it might appear at first glance. That's because I don't have to decide fault. The main facts of what happened aren't in dispute, Engage has admitted fault from the outset. What I *do* have to decide is whether the redress Engage has

offered Mr and Mrs U is fair, or whether there is more it needs to do to put things right for them.

Mr and Mrs U have said they should be put in the position Engage's staff told them they were in: i.e. owing roughly £10,000 less than they actually do. But that's not the approach we take. When a business gives wrong information, we don't expect it to place the customer in the position they'd be in if that information had been correct. We expect it to put them in the position they've be in if the incorrect information hadn't been given.

Mr and Mrs U are already in that position because they owe what they owe; all that's happened is that, for a time, their expectations were raised unrealistically. They've said that based on what Engage told them, they've spent money they wouldn't otherwise have spent, but when we asked them for evidence of that, Mr and Mrs U weren't able to provide it.

That brings me to compensation for time, trouble and upset. Taking into consideration everything that both parties have said and provided, and mindful of our general approach. I consider that £300, rather than the original £150, represents fair and reasonable compensation for what I've no doubt was a distressing experience for Mr and Mrs U, but one that was put right in less than two weeks.

I understand Mr and Mrs U entered into a payment arrangement with Engage to repay the outstanding balance, but have since got into difficulties with that due to a change in circumstances. Mr and Mrs U could raise a new complaint about how that's being dealt with if they felt the need to do so, but it's not something for me to deal with here.

My final decision

My final decision is that I uphold this complain in part. In full and final settlement, I direct Pepper (UK) Limited trading as Engage Credit to pay £150 directly to Mr and Mrs U, in addition to the £150 it has already credited to their mortgage account.

My final decision concludes this service's consideration of this complaint, which means I'll not be engaging in any further consideration or discussion of the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs U to accept or reject my decision before 27 September 2022.

Jeff Parrington
Ombudsman