

The complaint

Mr M's complaint is about the administration of his mortgage with Landmark Mortgages Limited. In December 2021 his mortgage endowment policy matured, and Landmark claimed the maturity value from the product provider, but it didn't immediately apply the funds to his mortgage. He states he received contradictory information and he felt that he was left to sort out what had happened, even though it was eventually established that Landmark had the money the whole time.

Mr M wants to be compensated for the time he spent on the phone trying to sort out the problem and the stress, anxiety and worry he was caused.

What happened

Mr M's mortgage with Landmark was arranged on a part interest-only basis and a part repayment basis. He had a mortgage endowment policy in place to repay the interest-only part of the mortgage. The endowment policy was assigned to Landmark, which meant that Landmark had the right to claim its value when it matured on 2 December 2021. That is what happened, and the product provider transferred the maturity value to Landmark through the banking systems on 9 December 2020. The money was received in Landmark's account the following day. The product provider confirmed to Mr M on 9 December 2021 that the money had been paid to Landmark.

At this point, Mr M was expecting Landmark to clear the interest-only part of his mortgage, which would result in a reduction in his mortgage payment from January 2022. Mr M called Landmark to find out what had happened when his January 2022 payment wasn't lower than previously. He was told that Landmark hadn't received the money. However, it was aware that the money was expected and would keep an eye out for it. Mr M was told Landmark would write to him when it was sorted out. Mr M remained concerned and the call handler tried to put him through to another department that might be able to do more. Unfortunately, the telephone lines were busy and so it wasn't possible. Mr M was given the direct dial number and asked to call back in a couple of hours when the lines would be quieter.

Mr M called back later that afternoon. The outcome of which was that an internal email was sent to the finance team for the payment to be searched for. Mr M asked that Landmark call or write to him to let him know that it was sorted out. A complaint was also raised about what had happened.

While Landmark has said that it has no record of any further calls about the matter until 18 January 2022, its internal notes would indicate that is not the case, as would the content of the 18 January call. I say this as Landmark's notes show that the finance team instructed the call handler who raised the request for a search, to call Mr M back. She was to ask him to speak to the product provider and arrange for it to send Landmark proof of payment and for it to check that the funds hadn't been returned to its bank account.

Landmark located the maturity value on 14 January 2022. It was then applied to Mr M's mortgage account, but that wasn't immediately communicated to Mr M.

When Mr M spoke to Landmark again on 18 January 2022, it is clear that he had spoken to the product provider, as he had been requested to. In addition, it seems that the product provider had kept him up to date about what had been going on, and had asked Mr M to give Landmark permission to speak to it about the situation. However, by that point, the money had been traced and Landmark admitted that it had been received on 10 December 2021; the day after the product provider had paid it. It was confirmed that the money had been credited to Mr M's mortgage and a manual amendment would be applied to backdate it. Mr M explained how frustrating the situation was, to have been told time after time that Landmark didn't have the money, to have made so many phone calls and then to be told Landmark had the money all along. He also explained the effect the stress and anxiety the missing money had had on him.

Mr M wrote to Landmark on 25 January 2022 detailing his complaint about the service he'd received during the process of getting the maturity proceeds of his endowment policy paid off his mortgage.

Landmark responded to the complaint in a letter dated 14 February 2022. It said that it only had records of speaking to him about the maturity value on 4 and 18 January 2022. It said that when he first called a request had been sent to the finance team to see if the payment could be located. The next time it had spoken to him on 18 January 2022, he was told the money had been found and was in the process of being applied to the account. It was also confirmed that the payment had been backdated to 10 December 2022, when it was received, and the interest had been adjusted. The overpayment from the January 2022 monthly payment Mr M had paid had been applied to the repayment part of the mortgage to reduce the balance, but if Mr M preferred, it could be refunded. In addition, Landmark offered Mr M £100 for the upset and inconvenience he had suffered.

Mr M referred his complaint to us at the beginning of March 2022, confirming that he had raised his complaint more than eight weeks earlier, but hadn't received a response. In addition to the complaint about the process of the endowment policy maturity value being paid off the mortgage, he also raised concerns about the handling of his complaint. We subsequently provided Mr M with a copy of Landmark's final response letter. He confirmed that he hadn't receive it and wasn't accepting Landmark's offer.

When Landmark was told about the additional concerns Mr M had raised, it said that it wanted the opportunity to address them before we became involved. As such, it set up a new complaint to look into Mr M's concerns about what happened after he made his complaint at the end of January 2022.

One of our investigator's considered the complaint and upheld it in part. He concluded that the actions Landmark had taken in relation to the money received for the mortgage endowment maturity value had been appropriate and he wasn't going to ask it to do any more. However, he concluded that Landmark had been wrong when it said that it had only found calls from 4 January and 18 January 2022 in its final response letter, as it had subsequently evidenced that Mr M had called it several times after 18 January 2022. Having listened to the calls between Mr M and Landmark, the investigator concluded that Mr M had been very worried that the money had gone missing. He was satisfied that Mr M had called Landmark twice about the matter and had gone back and forth with the product provider too. In light of this, the investigator recommended that Landmark increase the payment for the upset and worry it had caused him by an additional £200, making a total of £300. In addition, if Mr M had paid for the calls to Landmark and the product provider, Landmark should refund the cost.

Mr M didn't accept the investigator's conclusions. He maintained that he had made more calls than Landmark had been able to locate and said that it had been dismissive of his

concerns, the tone of the conversations had been unhelpful, and he'd been given contradictory information. This had caused him to feel helpless, experience panic and suffer sleepless nights. As such, he didn't consider £300 compensation was enough.

Landmark accepted part of the investigator's view and confirmed that it was happy to pay a total of £300 for the upset Mr M was caused. However, it wasn't willing to reimburse to cost of Mr M's calls as it felt the amount of £300 was sufficient to cover the cost of the calls too.

As neither party agreed with the investigator, it was decided that the complaint should be passed to an ombudsman for consideration.

I issued a provisional decision on 16 August 2022, in which I set out my conclusions and reasons for reaching them. Below is an excerpt.

'Before I set out my thoughts on this complaint, I would confirm the scope of my consideration. Mr M's original complaint to Landmark was about the handling of the endowment maturity proceeds and the process he went through to get the matter sorted out. He confirmed his complaint in writing on 25 January 2022. While he raised concerns with us about the handling of the complaint when he asked us to look into what had happened, those concerns weren't part of the original complaint and have been set up as a separate complaint. As such, I will only be considering the events relating to the maturity value of the endowment policy and the process Mr M had to go through to get it traced and allocated to the mortgage.

When Landmark located the money, it allocated it to the account immediately and then backdated the allocation to the date it received the money. In that process, the interest payable on the account was recalculated and the surplus payment from the January contractual payment was applied to reduce the capital. Landmark offered to refund the overpayment if Mr M preferred. These actions are what I would have asked Landmark to do and so I can only conclude that it acted reasonably in this regard.

However, there is still the matter of the payment going missing and the effect this had on Mr M, both in relation to what he had to do to get it traced and how it made him feel.

Mr M has said that he called Landmark numerous times about the endowment proceeds and also called the product provider on a number of occasions. As I have said above, it does appear that Mr M spoke to Landmark on at least one more occasion that it has been able to trace calls for. It is also clear that he spoke to the product provider on at least three occasions, two of these either on the behest of Landmark or due to its behaviour during the tracing of the money. As for whether there were more calls with Landmark in which Mr M was told conflicting information, I can't confirm for definite there were and I note that in the call of 18 January 2022 Mr M didn't mention being told anything other than that the money hadn't been received.

That said, it is clear that Landmark asked Mr M to speak to the product provider on its behalf. This wasn't necessary as, given the banking transaction was between the two businesses, and the policy had been assigned to Landmark, it should have contacted the product provider itself. It also appears that despite this, the product provider when it tried to interact with Landmark directly, was told it needed Mr M's authority. Mr M didn't need to be involved in these interactions and his involvement wouldn't have been the most efficient method of communication. In addition, it caused Mr M time and increased his concern about the missing money and his frustration at what was happening.

It isn't clear why Landmark didn't identify the payment when it was received, or why when Mr M raised the matter, it took a further ten days for the money to be found. While it was only

two weeks from the point Mr M raised the matter to him being told that the money had been found and applied to the account, it's clear that he was very worried during that time about how he would pay his mortgage if the money wasn't found. It's also clear that he had his time wasted by Landmark in it asking him to liaise with the product provider unnecessarily. As such, I agree with our investigator that the compensation payment needs to be increased. I am minded to require Landmark to pay Mr M a total of £400, including the £100 it originally offered.

Landmark hasn't agreed to the refund the cost of the calls Mr M had to make to it and that the £300 compensation payment it agreed to would cover those costs too. Mr M hasn't confirmed if he was charged for those calls, which were made from a mobile, but if he was, I agree that he should be reimbursed for the cost he incurred. I say this as this is an identifiable financial loss, that, depending on the level of charges made by Mr M's network, might be significant. They are calls that would not have been needed had Landmark not missed the maturity payment having been received. If Mr M wants to claim these costs, he will need to provide Landmark evidence of the calls including the cost of each one.'

Both Mr M and Landmark accepted my provisional decision.

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.

As neither party has provided any new evidence or comments, or disagreed with my conclusions, I see no reason to change them.

My final decision

My final decision is that I uphold this complaint in part. I require Landmark Mortgages Limited to pay Mr M £400 compensation and reimburse the cost of his calls to Landmark and the product provider, subject to receipt of proof of the costs.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr M to accept or reject my decision before 28 September 2022.

Derry Baxter
Ombudsman