

### **The complaint**

Miss S is unhappy with how Principality Building Society communicated with her when she wanted to redeem her buy to let mortgage.

### **What happened**

On 2 December 2020 Miss S used the secure online chat to ask Principality how much a 10% overpayment would be and if she could reduce her term without incurring extra fees. She was given a telephone number to call – Principality say this is because a mortgage adviser would need to do this.

Miss S then spoke to a mortgage adviser at Principality she said that her medical condition meant it was better for her not to speak on the telephone or be given this information in the call. The advisor then emailed Miss S this information.

Miss S says that this email went to her spam folder. She's unhappy that this email was addressed to "Dear Sirs" and that Principality would send the payment details by email, which she doesn't think is a secure enough method of communication. Miss S thinks Principality should have sent this information through its secure portal.

As Miss S wasn't sure she could trust the information in the email, she felt she had to contact Principality to check. She says the mortgage adviser didn't respond to her emails or calls and so this delayed her being able to make her overpayment by two days. Miss S doesn't think Principality has done enough to take her medical conditions into account when communicating with her.

When Miss S complained about this, Principality said it couldn't send documents through its secure portal and because of the Covid-19 pandemic many of its staff were working from home and so email had become its main way to write to people. It said Miss S had agreed to be emailed in the call on 2 December and it didn't think there had been a data breach. Principality refunded Miss S with the interest that she wouldn't have had to pay if her overpayment had been made two days earlier and offered her £75 compensation.

Miss S raised some other points:

- She's unhappy that Principality added a redemption fee to her mortgage. She says other lenders have waived this.
- She says the valuation Principality used when she took out the mortgage in 2018 included an incorrect build date. She thinks this affected the rental value of the property and how much Principality would lend to her.

Principality says the redemption fee was applied correctly, and that the incorrect build date in the valuation didn't affect the rental value of the property.

When Miss S complained to our service the investigator didn't uphold the complaint. In summary they thought:

- Principality had acted reasonably in how it had communicated with Miss S.
- Principality's offer of £75 compensation for addressing Miss S as "Dear Sirs" and reimbursing the interest for any delay in Miss S being able to make her overpayment was a fair way to put right her concerns in the circumstances.
- It was fair for Principality to apply a redemption fee.
- Principality hadn't done anything wrong by relying on the surveyor's valuation in 2018.

Miss S didn't agree, she said it wasn't fair to put the responsibility on her to try different ways of contacting the mortgage adviser when she couldn't get through on the phone. And that she's been told by the Information Commissioners Office (ICO) that email isn't a secure way to be sent information. Miss S says she was struggling financially and so Principality should have waived her redemption fee in the circumstances.

Miss S has also let us know that she no longer has access to the secure portal, and she believes she was given incorrect information which she had to correct about her overpayments.

Principality says its secure portal is linked to active accounts and that its normal for access to be withdrawn once a customer no longer has an active account with them. It doesn't think its given Miss S incorrect information and says it has followed her communication requests

whenever she has asked for them.

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.

Having done so, I think Principality's offer of £75 compensation and refunding interest on Miss S' overpayment to recognise a two-day delay is fair and reasonable in the circumstances.

I understand as part of this complaint Miss S has raised concerns about whether Principality has made reasonable adjustments for her disability as it's required to do under the Equality Act 2010. She's also referenced data protection and the ICO in relation to her concerns about Principality using email to communicate with her. I will consider relevant law and good practice when making my findings on whether Principality has acted fairly and reasonably in the circumstances. But, to be clear, it isn't our role is to regulate businesses, tell them to change their processes or make awards to punish businesses.

### How Principality has communicated with Miss S.

Miss S has let us know that she's previously had brain surgery which affected her understanding, speech, and sight. She says Principality hasn't done enough to adjust how it communicates with her and to make it easier for her to understand the information it's sent.

When considering whether Principality has treated Miss S fairly, I've needed to take into account what it knew about her condition at the time, as this is important for what adjustments it would have been reasonable to have made or offered her.

Principality says Miss S first made it aware she had a medical condition which affected her speech in July 2019. And that it wasn't aware her condition affected her sight or that this meant it shouldn't email her until after she raised this complaint in 2021.

Principality has also said that Miss S has contacted it in different ways including its secure portal, telephone, and email. And that she has asked for emails and calls from it in the past. So, it had decided to respond to Miss S in the same way she used or asked for each time.

Miss S says that the responsibility shouldn't be on her to set out exactly

how Principality should make reasonable adjustments or to try different ways to contact it. I agree the responsibility isn't just on Miss S and that Principality has to have different options in place where reasonable adjustments might be needed. But I think it has done that here - this is because overall Principality has communicated with Miss S in a way that she'd previously been happy with and has been flexible in following her preferences when she's shared them. And it can only make adjustments when it's aware Miss S needs them, but it seems she didn't tell Principality it was difficult for her to use email on certain devices until after this complaint was raised.

On 2 December 2020, when Miss S asked for redemption information, Principality provided her with a phone number. I can see why Miss S doesn't think this was appropriate given Principality's knowledge of her speech issues. But I've also considered the communication history between Miss S and Principality, and the wider circumstances. Having done so, I don't think Principality has acted unfairly – this is because.

- Miss S has continued to use the telephone to contact Principality and requested calls.
- During the Covid-19 pandemic, many people were working from home and so there were limitations on most business' abilities to use post / fax.
- The information Miss S asked for wasn't something that could be given using the secure portal and needed interaction with a mortgage adviser. That's because it wasn't generic information and they may have needed to discuss the impact of changing the mortgage term.
- If Miss S wasn't comfortable speaking on the telephone that day she could have asked for a different method of communication in the secure chat.
- When Miss S explained on the phone that she wanted the information another way, Principality did email it to her instead. So, I think Principality has adapted how it communicated with her to meet her needs.
- Principality says Miss S first made it aware that she needed it to post, rather than email, documents in April 2021 and after that it sent correspondence this way.

Miss S says she couldn't get hold of the mortgage adviser when she

wanted to check the information it emailed her. It appears the email address she was using contained a typo and so the mortgage advisor wouldn't have received it. Principality can't tell me why Miss S's calls weren't answered, but I don't think this is material to the outcome of this complaint. And Principality has accepted that its staff member didn't call Miss S when promised. Miss S says this delay meant she made a payment two days later than she would have if her calls had been answered, and Principality has offered to put her account back in the position it would have been in had she made the payment when she first wanted to. I think this is a fair way to resolve this point.

Moving on to the issue of whether email was a secure enough method of communication. Miss S doesn't think Principality should have emailed her about her mortgage redemption, and I understand she wanted this information via Principality's secure chat. I don't think it would be reasonable for me to make an award in relation to this for the following reasons:

- It isn't our role to regulate how a business should communicate with its customers, and I understand Miss S has already been in contact with the ICO.
- Principality says it can't send documents through the secure chat function.
- I haven't seen any evidence to suggest that the email in question was compromised or otherwise not received safely by Miss S – even if it did initially go to her spam folder.
- This means that even if this wasn't a secure enough way to send this information to Miss S, there hasn't been an adverse impact on her as a result of it doing so. In any case, a mortgage redemption statement doesn't contain sensitive information about Miss S other than her account number and mortgage balance.
- Principality has offered Miss S £75 compensation to recognise any offence or confusion caused by addressing the email "Dear Sirs". I think this is a fair amount in the circumstances. Whilst Miss S was concerned at the time, she was expecting the email and able to check its contents were correct.

#### The redemption fees.

Miss S was charged a fee on the redemption of her mortgage – this was to remove Principality's charge at the land registry. Miss S's mortgage

offer document says that a discharge fee of £145 is payable on redemption and says *“Please note that the Discharge Fee is payable whenever your mortgage is redeemed, not only during the period in which early repayment charges apply.”* As this fee was set out clearly on Miss S’s mortgage offer, it’s a term of her mortgage and that it is something Principality can add. It’s a reasonable fee that reflects the administrative costs of bringing a mortgage to an end and removing the charge.

I understand Miss S’ point that during the Covid-19 pandemic many people, including herself, struggled financially and why she thinks it would have been fair for Principality to waive this fee. But the Covid-19 guidance the Financial Conduct Authority issued for how lenders should treat their customers didn’t place restrictions on whether a lender could apply this type of fee. It isn’t an uncommon fee in the industry and as I don’t think Principality was required to waive this fee, I don’t think it’s acted unfairly in applying this.

#### The valuation.

Miss S has complained that the valuation Principality relied on in 2018 (when she took out the mortgage) included an incorrect build date. Miss S is unhappy because she believes this reduced how much Principality was willing to lend her.

I agree it was reasonable for Principality to rely on a suitably qualified expert when it came to the valuation. And as this was a separate company, Principality isn’t responsible for any errors in the valuation itself. But I have seen that this issue was questioned at the time and the surveyor confirmed this date didn’t affect the rental value of the property. Miss S then chose to take the mortgage terms offered. I don’t think it was unreasonable for Principality to rely on the valuation when making its lending decision. And I haven’t seen any evidence to show the issue has had an adverse impact on Miss S.

#### Other points.

Miss S says that she was provided with inaccurate amounts, but she hasn’t specified when or what it was she was told that was incorrect. She seems to be unhappy that she needed to correct this rather than saying there is an outstanding issue with the amount she repaid. Principality’s emails show Miss S was correctly told she could repay up to 10% of her outstanding balance without paying a fee. I don’t have evidence to show Principality made an error or what impact this had, so I don’t think it

would be fair to make an award for this.

I understand Miss S is unhappy she no longer has access to the secure portal, but Principality has explained this is only available to customers who have an open account with it. It isn't required to provide the secure portal, so I don't think it's done anything wrong by treating Miss S in the same way as other ex-customers.

**Putting things right**

For the reasons explained I think Principality's offer is a fair way to put matters right. It should pay Miss S £75 if it hasn't already done so.

My understanding is that it has already reimbursed the interest referred to above (which it calculated at £0.70), but if it hasn't done so it should pay her this amount as well.

**My final decision**

My final decision is that Principality should pay Miss S £75 compensation and £0.70 interest if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 10 March 2023.

Stephanie Mitchell  
**Ombudsman**