

## **The complaint**

Mr S complains that Bank of Scotland plc trading as Halifax said he could port his mortgage without paying an Early Repayment Charge, but then asked him to pay an ERC. When Halifax resolved this, it also told him it had wrongly increased the lending on his mortgage.

## **What happened**

Mr S said he was porting his pre-existing Halifax mortgage to his sole name, and changing it from joint names to his sole name. He understood there was an ERC on his old mortgage, but said as he was just moving this new borrowing to a new home, the ERC should be waived. He said Halifax had agreed to this. But then he got a letter from Halifax saying he needed to pay the ERC on his old mortgage, and it wouldn't be closed until he did so.

Mr S said he contacted Halifax a couple of times in December, and eventually managed to talk to someone who confirmed this was an error. But Halifax's agent said then that there was also another problem. The agent told Mr S that Halifax had increased his new mortgage by about the same amount as the ERC on the old mortgage. So it wasn't just asking him to pay this ERC in cash now, it had also added the ERC cost to his new mortgage.

Mr S said he called again towards the end of January, and Halifax said it had waived the charge from his old mortgage, so it wasn't asking him to pay the ERC in cash anymore. But it said the new mortgage was still showing the increased amount owing. The call handler said there were detailed notes on his file asking for this to be removed, but it hadn't been.

Mr S said he then raised a complaint. Halifax told him before it investigated that it would pay £25 as a "gesture of goodwill" due to the amount of time he'd spent on the phone and the inconvenience and stress he'd endured trying to resolve this. Mr S said he didn't want that.

Mr S said he then called his solicitor, who agreed that Mr S shouldn't have been asked to pay the ERC when Halifax was closing the old joint mortgage, but he said that there was nothing wrong with the new mortgage. The amount Halifax lent Mr S was the the amount applied for. Mr S had asked to borrow a bit more than was needed to pay off the mortgage and another legal commitment, so there was a surplus, but this balance was in Mr S's solicitors client account, waiting to be sent to him.

Halifax then called Mr S back, and said it was sorry it had asked Mr S to pay the ERC in cash, and it also said it had never applied the ERC to his new mortgage. It paid him £25, but Mr S said he didn't want that. Mr S said he did want three things from the Halifax: an apology for its mistakes, agreement that its team needs better training, and increased compensation to recognise the time and stress involved in chasing this up.

Halifax said it had waived the ERC on Mr S's mortgage, because he ported that lending. It also said it was sorry that it wasn't clear about the balance on Mr S's new mortgage. It said there had never been a mistake made about the amount of the new mortgage, and it was sorry things hadn't been made clear to him.

Our investigator thought this complaint should be upheld, and Halifax should pay Mr S a bit more compensation. He said Halifax had made a mistake when it wrote to Mr S to say he needed to pay the ERC on his old mortgage, and it had also acknowledged it wasn't clear on the balance on the new mortgage. Our investigator said Mr C had set us call logs showing calls of around four and a half hours in total, trying to sort this out with Halifax. So there was a lot of inconvenience, and Mr S had told us this caused additional stress at what was already a stressful time.

Our investigator thought Halifax should make a total payment of £100. Mr S rejected that, he said his hourly rate was more, and he thought Halifax should pay in line with that. He also still wanted Halifax retrain its staff, but our investigator explained we can't require that. Mr S also said he'd explicitly told Halifax not to pay £25, because he thought that was an insult.

Because no agreement was reached, this case then came to me for a final 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.

I've reached the same overall conclusion on this complaint as our investigator.

Mr S previously had a joint mortgage with Halifax which had an ERC. He moved this mortgage onto a different property, and into his sole name, in the second half of 2022. It appears that this had all been agreed by Halifax, so it also appears that the sending of a letter to Mr S saying he needed to pay that ERC was a mistake by Halifax.

Whilst this would, I think, have been somewhat stressful by itself, Halifax did accept relatively quickly that it had made a mistake about this, and Mr S wouldn't have to pay. But unfortunately, Halifax also appears then to have made another mistake, saying that it had wrongly increased the balance of one of the two amounts he'd borrowed.

Halifax hadn't done this, it had only lent Mr S what his solicitor asked for, on his behalf. But by telling Mr S it had made a mistake, it then left Mr S worrying, and trying to get an additional charge removed from his mortgage, which Halifax had never actually added.

I think it is unfortunate that Mr S didn't then check the figures for his original application, as that might have resolved things sooner for him, but I understand the point he makes about assuming Halifax had the facts right. So I do think this is poor service. I can see that Mr S has evidenced the extent of the calls required to resolve this, so I agree with our investigator that a payment of £25 isn't sufficient to provide a fair and reasonable outcome here.

I also agree that £100 would be more appropriate in this case. That's what I'd have recommended here, if our investigator hadn't already suggested it. I know Mr S says this means the total he'll receive is a little less than his hourly rate, but our service doesn't just work out compensation on the basis of the hourly rate that complainants earn. I have to take all the circumstances of a case into account, and here, I do think £100 provides a fair and reasonable outcome to this complaint. As Halifax has paid Mr S £25 already, I'll allow it to count that towards this total.

Mr S also said he would like Halifax to accept that its staff need to be retrained. Whilst I understand why Mr S has reached that view, I'm sorry to have to tell him that our service isn't a regulator, and I'm not able to require that retraining in this case.

**My final decision**

My final decision is that Bank of Scotland plc trading as Halifax must pay Mr S £100 in total for this complaint. Bank of Scotland plc trading as Halifax can count towards that amount any payment of compensation it has already made for this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 25 October 2023.

Esther Absalom-Gough  
**Ombudsman**