

## **The complaint**

Mr and Mrs B complain about the service they received when they tried to change the fixed interest rate deal on their mortgage with UCB Home Loans Corporation Ltd.

## **What happened**

Mr and Mrs B wanted to change the fixed interest rate deal on their mortgage. They asked UCB about this in early August, and after UCB had cleared up a mistake it made over their redemption figures, they were told they would be sent forms, which they must sign before the end of August. They also said that UCB told them the cost to transfer was over £3,000.

Mr and Mrs B said no forms arrived. They contacted UCB again on 18 August, and were told someone would contact them and the forms would be sent. They said they were chasing every few days then, they were abroad, and UCB said it would email them. Despite calling every other day, nothing happened. They said when they got back to the UK they were on the phone every day, for at least an hour, which Mr B said severely impacted his earnings.

Mr and Mrs B said that around 12 September they finally got their offer letter. But they said UCB had charged them over £3,000 for the product, and they'd spent a small fortune on calls and time off work. Mr and Mrs B said they'd complained to UCB, but it still hadn't replied, so they wanted us to look into things. They said they wanted the £3,000 they'd been charged for the service, and £1,500 to cover calls and time off work.

UCB said Mr and Mrs B had contacted it on 5 August, to set up a switch to a new fixed interest rate deal before their old one expired. UCB accepted that there was an initial delay in setting up the offer, but it was produced at the end of August, and when it was signed and returned, UCB backdated it to the start of September, which is the earliest that the new rate could have been applied to their mortgage.

Our investigator didn't think this complaint should be upheld. She said the money Mr and Mrs B had paid was an Early Repayment Charge ("ERC") which UCB had charged to end their previous mortgage deal. Our investigator said she could see that this was charged in line with the terms and conditions of their previous mortgage offer, so she wouldn't expect UCB to give that back. Our investigator also said that UCB had backdated the mortgage offer for Mr and Mrs B. So she thought UCB had done enough to put things right.

Mr and Mrs B weren't happy with that. They said we hadn't commented on the delay in replying to their complaint, or in dealing with the mortgage product change. Our investigator said that UCB had explained this was caused by an extraordinary demand for its services at the time. And she still thought UCB had put that right by backdating the offer.

Mr B disagreed. He said there was no recompense for the delays and cost of calls. Mr B said they had a terrible time trying to speak to UCB. They couldn't contact anyone, they feared their mortgage offer would be lost, and the stress of trying to get in touch while they were away ruined their holiday. Mr B said they accepted the ERC was standard, but the way they were treated and the stress it caused wasn't acceptable. That was why they complained.

Because no agreement was reached, this case came to me for a final decision. I then reached my provisional decision on this case.

### **My provisional decision**

I issued a provisional decision on this complaint and explained why I only proposed to uphold it in part. This is what I said then:

I think there are two issues in this case -whether the ERC of over £3,000 was correctly charged when Mr and Mrs B redeemed their old mortgage, and whether compensation is appropriate for the service they received, trying to take out their new deal.

On the first point, I agree with our investigator that the ERC was correctly charged in this case. Mr and Mrs B agreed to that when they took out their previous mortgage deal, and UCB reminded them of this when they were seeking to remortgage before that deal finished. That ERC makes up almost all of the money that Mr and Mrs B were asked to pay when they took out this new mortgage deal. I don't think UCB has to pay it back.

On the second point, I wrote to Mr and Mrs B, saying that I had noted their recent comments about the service they'd received being the main reason for the complaint. They'd suggested that issues escalated, so eventually they were calling on a daily basis. I said in my email that we do have UCB's notes of the calls it had with Mr and Mrs B. I set out what those notes appeared to me to show.

The notes indicate that Mrs B first called on 5 August, asking about two and five year rates. UCB reminded Mrs B then that an ERC would be payable if the existing mortgage was redeemed early, so a new offer could be taken up.

It appears Mr B then spoke to UCB on 8 August to confirm it had received their remortgage application. On 15 August, Mrs B rang UCB back, having missed a call, and it looks as if Mrs B wasn't able to speak to the person who could help her then. The same thing seems to have happened again on 17 August. It's not clear whether Mrs B rang once or twice on that day.

On 25 August, Mr B spoke to UCB, and the bank explained the offer hadn't yet been produced, but that if it didn't appear by the end of the month, the offer would be backdated.

On 6 September, there was further contact, and the offer still wasn't ready.

The offer was finally emailed on 12 September, but when Mr and Mrs B accepted this, it was backdated to 1 September.

What Mr and Mrs B had said, implied that there were many more calls than UCB's records showed. So I asked if they could send us evidence of those additional calls with their own phone records. And I said if they would like to comment on why they thought it was important to contact UCB at each stage of the application, then I'd welcome those further comments.

The extended deadline for replying to our service passed, with no further contact from Mr and Mrs B. I think it's now appropriate to reach a conclusion in this case.

Without evidence of the considerable number of calls Mr B said was made, I haven't been able to see that there was contact, or attempted contact, from Mr and Mrs B as often as they suggested. I also note that some of the calls UCB had were with Mrs B, so

I've not been able to see that Mr B engaged in daily calls which prevented him from working. Nor have I been able to see evidence of the considerable cost of calls that Mr B said he'd incurred.

But it is clear that there have been delays in arranging this mortgage, and I think it is likely that these delays have caused Mr and Mrs B some concern. So I think that UCB should pay £100 in compensation for that.

Mr and Mrs B also complained they'd received no formal complaint response from UCB. But they did get a number of written acknowledgements of their complaint, and apologies that it wasn't yet resolved. Then they received the details necessary to refer their complaint to our service. Given their strength of feeling on this matter, I think they would always have wished to make that reference, and ask our service to look into things for them. So I don't think that this has prolonged matters significantly for them, and I don't think it would be fair and reasonable in this case, to ask UCB to pay additional compensation for this too.

My current view is that the payment of £100 in compensation would provide a fair and reasonable outcome to this complaint.

I invited the parties to make any final points, if they wanted, before issuing my final decision. Both sides replied.

### **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.

UCB accepted my provisional decision. Mr and Mrs B didn't. They said they felt £100 was very little, considering the stress that was caused and the time it took to get the new mortgage deal in place. They said it wasn't that they weren't engaging with UCB, rather they couldn't speak to anyone and had to wait for UCB to call back. They said this got in the way of their only annual holiday. Mr and Mrs B said they'd tried to get records to show this, but unfortunately their mobile supplier hadn't sent records that far back.

Mr and Mrs B said they thought a fairer figure would be £500, although that was substantially less than they had originally claimed. They said £100 was an insult for how UCB conducted the whole experience, especially as they had been loyal customers for many years.

I'm sorry Mr and Mrs B have been disappointed by my decision. That's never my intention. But I think it's important to remember that UCB isn't only paying £100 in compensation in this case. It's also backdated their new mortgage rate, making sure it was applied at the earliest point possible. I think that's a key part of what UCB has done to put things right, and I'm pleased to see it had already done that, before this case came to our service.

It's unfortunate that Mr and Mrs B haven't been able to evidence the extent of contact that they told us they'd had with UCB. Without that evidence, and because the notes of contact UCB provided don't seem to me to indicate the levels of contact that Mr and Mrs B told us about, I haven't been able to conclude that it's more likely than not that they did spend a significantly greater amount of time chasing the progress of their application than UCB's notes describe. Bearing all of this in mind, I do think that a payment of £100, in addition to the backdating of the new mortgage deal which UCB has already done, does provide a fair and reasonable outcome to this complaint.

For those reasons, I haven't changed my mind in this case. I'll now make the decision I originally proposed.

### **My final decision**

My final decision is that UCB Home Loans Corporation Ltd must pay Mr and Mrs B £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B and Mr B to accept or reject my decision before 21 August 2023.

Esther Absalom-Gough  
**Ombudsman**