

## **The complaint**

Mr A and Mrs B have complained about how Bank of Scotland plc trading as Halifax handled an application they made for a further advance. They say Halifax didn't make the appeal process clear, and they want compensation and Halifax's process to be changed.

## **What happened**

Mr A and Mrs B took out their mortgage with Halifax in 2019.

In September 2023 Mr A and Mrs B used the additional borrowing eligibility checker which was available on the Halifax website and once they entered their mortgage account number they say nothing happened, other than them receiving an immediate email saying the application had been rejected due to the credit scoring. They said they tried again with the same result, and there was no information on the website or within the email, nor a phone number given for them to discuss the application further or have the lending decision reviewed. They said it stated their application had been declined and there was nothing more they could do, and that following this they decided to contact Halifax.

They phoned Halifax on 14 September 2023 and were told they'd failed the affordability assessment, rather than the credit scoring, which Mr A and Mrs B say they didn't understand because they'd not input their income information. Mr A and Mrs B said they were unhappy as they could potentially have lost out on a £500 reward, and if they'd had to borrow the money in a different way it would have been at a much higher interest rate.

It was agreed in the call that a complaint would be logged, and the call was also transferred to a mortgage adviser so the application could be looked at.

The mortgage adviser updated Mr A and Mrs B's income information, and when that was done the application was agreed in principle. As Mr A and Mrs B couldn't spare enough time on that call, it was agreed that the application call would be continued the following day.

The call the following day took over two hours, which Mr A and Mrs B felt was excessive as an agreement in principle had already been given the day before. They also said the mortgage adviser was pushy in respect of other products and reviewing their main mortgage account, when all they wanted was to complete a further advance application.

Halifax responded to the complaint on 21 September 2023. It said that when Mr A and Mrs B called to query the lending decision they were told it had failed on affordability, and they requested to appeal it or log a complaint. When the application was looked at it was discovered that the lending decision hadn't been based on Mr A and Mrs B's up to date income figures, as online applications are based on the information that is already held on its system which for Mr A and Mrs B was out of date. It said, whilst unfortunate Mr A and Mrs B had to speak to different advisers and repeat information, that was needed due to time constraints and each new adviser needing to check the information had been correctly input.

Mr A and Mrs B referred the complaint to our service the same day.

In the meantime Halifax issued an additional borrowing offer on 27 September 2023 for a loan amount of £10,000 to be repaid over a three year term. The interest rate was noted to be fixed at 6.34% until 31 January 2026, after which it would revert to Halifax's Homeowner Variable Rate for the remainder of the term.

Mr A and Mrs B also contacted Halifax again about the complaint, saying they were unhappy with the complaint response and how it had been handled. A second complaint handler listened to the call that Mr A and Mrs B had with the first complaint handler, and issued a further complaint response letter on 29 September 2023. In that, the second complaint handler said he had listened to the call and Mr A and Mrs B had laughed at the first complaint handler, became confrontational and were interrupting and speaking over her. He said the first complaint handler had remained calm, even when Mr A and Mrs B were aggressive and confrontational, and he said he couldn't find fault with her behaviour or how she handled the call.

Our Investigator didn't uphold the complaint. He said the initial application was declined in line with Halifax's lending policy, and the appeal process was contained within the email notifying Mr A and Mrs B of the lending decision. As the application was appealed and later accepted, he said Mr A and Mrs B hadn't lost out.

Mr A and Mrs B didn't accept our Investigator's assessment of the complaint so it 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.

I trust Mr A and Mrs B won't take it as a discourtesy that I've condensed their complaint in the way that I have. Although I've read and considered the whole file I'll keep my comments to what I think is relevant. If I don't comment on any specific point it's not because I've not considered it but because I don't think I need to comment on it in order to reach the right outcome.

I've listened very carefully to the various calls and looked at all the information and evidence provided, and having done so I don't uphold this complaint. I'll explain why.

It isn't in dispute that Mr A and Mrs B were unable to apply online as they couldn't pass the eligibility checker due to it looking at any potential further borrowing on the basis of out of date income information. We're not the regulator and it isn't our role to tell a business in general what its processes should be, nor do we – even if we uphold a complaint – fine or punish businesses. Instead our role is, where something has gone wrong that is the fault of the business, to put the consumer back in the position they would have been in – as far as possible – had nothing gone wrong.

Mr A and Mrs B are already back in that position as they undertook their application over the phone and an additional borrowing offer was issued to them once Halifax had all the information it required. Whilst I understand Mr A and Mrs B wanted to apply online, that unfortunately wasn't possible here and so they would always have needed to speak to Halifax, whether that be over the phone or in a branch. Mr A and Mrs B were transferred to a mortgage adviser the same day they phoned up to appeal and complain, and the following day the advisory call was completed and the application made. I understand Mr A and Mrs B feel they had to push for that action, but irrespective of how it came about the fact is they did speak to a mortgage adviser the same day and then they did make an application, which went to offer.

When Mr A and Mrs B were unable to get past the online eligibility checker Halifax sent an email to them entitled 'Your additional borrowing application'. That said *"Unfortunately, after reviewing your details and credit score we can't lend you any more money at the moment."* It provided a copy of its credit scoring guide and a number Mr A and Mrs B could call if they wanted to discuss anything. So I'm satisfied Halifax correctly signposted Mr A and Mrs B to the number they should call so they could discuss their attempted application.

Whilst Mr A and Mrs B have complained about the call with the first complaint handler I've listened to that call and I'm satisfied the complaint handler remained calm, polite and professional.

I can understand Mr A and Mrs B's frustration, but there was no notable delay and there was no financial impact on them. We all suffer some level of inconvenience in our lives and sometimes things don't run as smoothly as we'd like. Mr A and Mrs B would always have needed to speak to Halifax to apply for their further advance so there was no inconvenience – over and above the amount a normal person would expect when wanting to borrow further funds on their mortgage – for me to uphold or make an award for.

Having considered everything, whilst I'm sorry to disappoint Mr A and Mrs B I don't uphold their complaint.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A and Mrs B to accept or reject my decision before 8 July 2024.

Julia Meadows  
**Ombudsman**