

The complaint

Ms L's complaint is that, because of incorrect information recorded on her credit file by Together Personal Finance Limited, her mortgage application to another lender was declined.

Ms L is also unhappy that Together will not communicate with her by email.

To settle the complaint Ms L wants the Financial Ombudsman Service to do the following:

- remove incorrect data from her credit file;
- fully evaluate her account to ensure the arrears and charges are correct;
- order Together to write off the arrears;
- tell Together to pay further compensation for the stress she's been caused;
- dissolve Together, because *"they are fraudulent"*.

What happened

I do not need to set out the full background to the complaint. This is because the history of the matter is set out in the correspondence between the parties and our service, so there is no need for me to repeat the details here. In addition, our decisions are published, so it's important I don't include any information that might lead to Ms L being identified.

In addition, Together has accepted it made an error, and has offered compensation. All I need to decide, therefore, is whether Together has done enough to put things right, or if there is anything else Together needs to do.

So for these reasons, I will instead give just a brief summary of what happened and concentrate on giving reasons for my decision. If I don't mention something, it won't be because I've ignored it; rather, it'll be because I didn't think it was material to the outcome of the complaint.

Ms T has a mortgage with Together, as well as a secured loan with another lender. In 2023 Ms L wanted to re-mortgage to a new lender. She instructed a mortgage broker to act for her. He tried to source a mortgage for Ms L but wasn't able to do so, because of entries on her credit file.

Ms L complained to Together, which acknowledged it should have reported a payment arrangement instead of arrears for August 2021, October 2022, and December 2022. Together noted a missed payment in January 2023 that had been correctly logged as arrears, but as a goodwill gesture, Together agreed to amend this to an arrangement.

Together also acknowledged that Ms L had been given incorrect information in May 2023 about how much she needed to pay and as a result, Ms L received a letter saying she'd broken a new payment arrangement. Together confirmed the arrangement had been correctly recorded on the credit file for May 2023.

Together paid compensation of £400 to Ms L for this, but she wasn't satisfied with this and so brought her complaint to our service. Ms L said that, but for Together's errors, she'd have been able to arrange re-mortgage elsewhere. Ms L was also unhappy that Together wouldn't correspond with her by email.

An Investigator looked at what had happened but didn't think the complaint should be upheld. He noted that there were also arrears on Ms L's second mortgage and that her broker had confirmed that arrears across both accounts meant that a new mortgage couldn't be arranged for her.

The Investigator was also satisfied that Together wasn't obliged to correspond with Ms L by email, but that it would respond to her emails by letter, which was appropriate.

Ms L didn't agree with the Investigator and asked for an Ombudsman to review the complaint. She said that the Investigator was wrong, and said that she had had no missed payments for over two years. Ms L said that *"You cannot make an assumption that a lender wouldn't have accepted me because I had arrears with [the second mortgage lender]."*

The Investigator clarified that the broker had said that Ms L couldn't have missed payments within a 12-month period, and the Investigator confirmed that Together had not reported the account status as showing this. But he also noted that the broker had confirmed that, due to the arrears with the second mortgage lender, it wasn't possible to arrange a new mortgage. Therefore, even if Together had reported a payment arrangement rather than missed payments, it was more likely than not, because of the arrears with the other lender, that Ms L wouldn't have been able to refinance in any event.

Ms L still disagreed. She said that a lender had said yes to her application until the full credit search was done, but then they came back to her and said it was solely because of the incorrect reporting by Together that the application didn't go ahead.

Because the matter is unresolved, it falls to me to issue a 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'll start with some general observations. We're not the regulator of financial businesses, and we don't "police" their internal processes and systems, or how they operate generally; that's the role of the Financial Conduct Authority (FCA). We deal with individual disputes between businesses and their customers.

We're impartial, and we don't take either side's instructions on how we investigate a complaint. We conduct our investigations and reach our conclusions without interference from anyone else, but in doing so, we have to work within the rules of the Financial Ombudsman Service and the remit those rules give us.

We have no power to sanction, punish or fine businesses – that's the role of the FCA. Nor do we have the authority to determine whether or not a business has breached legislation, broken the law, or is in breach of contract, and we don't award damages – all of those matters fall within the remit of the courts.

Therefore, whilst I've noticed Ms L's request that I have Together dissolved, it's outside my power to do this.

Where a mistake has been made, what we try to do is to put the consumer back in the position they'd have been in if the mistake hadn't been made. In this case, Together has accepted that it should have recorded an arrangement to pay instead of missed payments for August 2021, October 2022, and December 2022. It has now corrected this, as well as the issue with the missed payment in May 2023.

What I have to decide, therefore, is whether, but for that error, Ms L would have succeeded in her re-mortgage application.

Having looked at the evidence, I'm satisfied that it was not only the entries on her credit file made by Together that resulted in Ms L's application failing. Ms L says that the arrears on her second mortgage are irrelevant, but I disagree. Indeed, the evidence Ms L herself has provided show the correct position.

On 11 September 2023 Ms L's broker wrote to her saying:

"Many thanks for the loan enquiry you made with my colleague earlier today.

I have now reviewed the information provided and unfortunately, due to the arrears and credit file showing missed payments in the last 12 months on both your mortgage and arrears on the loan with [second mortgage lender] we are unable to assist.

I have looked at various amounts and terms but no products are available."

I'm satisfied, therefore, that even if Together hadn't made an error, the arrears on the second mortgage would have prevented the application from proceeding any further. It follows that I am not persuaded that it was only the error by Together that meant Ms L wasn't able to re-mortgage.

In the circumstances, I think that the compensation of £400 paid by Together is fair and reasonable in all the circumstances, and I'm not asking it to do anything else.

Ms L is also unhappy that Together won't communicate with her by email. Businesses will use email to send out general information to customers that contains no account-specific information that is likely to compromise customer security. However, where account-specific information is concerned, email is not considered to be a secure form of communication and Together, in common with the majority of lenders, will not therefore correspond with customers by email in situations where confidential information is discussed. This is a business decision Together is entitled to make, and one which appears to me to be reasonable. I note that Together responds to Ms L's emails, but by letter, and I'm satisfied this is appropriate.

Ms L would like us to conduct a review of her account to ensure the arrears and charges are accurate. However, the Financial Ombudsman Service doesn't audit consumer accounts. If Ms L believes interest, fees and charges have been wrongly applied, it's always open to her to arrange for the account to be audited by an independent third party, such as an actuary or accountant, at her own expense. If this revealed errors on the part of Together, Ms L could raise a new complaint with Together, and claim the cost of the audit as part of the redress. But this isn't something we are able to do, as we do not act either for consumers or financial businesses.

My final decision

My final decision is that, if it has not already done so, Together Personal Finance Limited must pay Ms L £400 compensation. I make no other order or award.

This final decision concludes the Financial Ombudsman Service's review of this complaint. This means that we are unable to consider the complaint any further, nor enter into any discussion about it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms L to accept or reject my decision before 27 March 2024.

Jan O'Leary
Ombudsman