

## **The complaint**

Mr and Mrs D's complaint about The Mortgage Business Plc (TMB) relates to the repeated sending of correspondence to them by TMB when they had assured them they would not.

## **What happened**

Mr and Mrs D held a mortgage with TMB but when they ran into financial difficulty they decided to hand the keys back to their property to TMB in 2012. In due course it was sold to new purchasers and in 2019 they were both declared bankrupt. Mr and Mrs D told TMB that they did not want to receive any further correspondence regarding the mortgage debt. The effect of the bankruptcy meant that Mr and Mrs D were no longer liable for the mortgage debt to TMB, which TMB accepted.

Following the sale of the property, and from 2021, B began sending C letters about the shortfall on the mortgage account, which was wrong because Mr and Mrs D were no longer liable for that debt.

C raised complaints about this with B and in June 2021 TMB paid £200 in compensation to reflect the distress and the inconvenience it had caused. Significantly, TMB acknowledged Mr and Mrs D's request that further correspondence about this debt should cease and it also confirmed that it had changed the mailing address to its own address with a view to stopping correspondence being sent to them. However, they also warned Mr and Mrs D that they may still receive some correspondence.

Mr and Mrs D in fact received more correspondence and so made a further complaint. TMB acknowledged this was poor service and paid them a further £80 in April 2022. TMB admitted that it had not updated the mailing address to its own address as it had promised, and also apologised and confirmed that it had now been done.

But, Mr and Mrs D received yet more correspondence. They also received a personal visit from TMB's field agent at their home, without any warning, the purpose of which was to discuss the outstanding debt. TMB acknowledged this should not have occurred and in April 2023 paid Mr and Mrs D a further £80 in compensation. They also confirmed that the reason Mr and Mrs D had received further correspondence was because Mrs D's address had not been updated as previously promised. An assurance was given that going forward it would be.

Mr and Mrs D received yet more correspondence again. They also received a mailing with an unknown address on it regarding their Halifax current account which was as a result of TMB's systems automatically updating the address change (concerning the mortgage) across all products in the Lloyds Banking Group. TMB said it had instructed its IT team to correct that problem and Mr and Mrs D would receive confirmation when it had been done. It was explained that would leave Mr and Mrs D's profile relating to their former mortgage showing TMB's own address for mailing purposes, and Mr and Mrs D's correct address for their current account purposes. In recognition of this error TMB arranged to pay a further £100 into Mr and Mrs D's bank account in June 2023.

In a further response by TMB on 10 July 2023 apologising for errors concerning Mr and Mrs D's current account and the poor service Mrs D received when trying to order a new debit card, TMB acknowledged their errors and paid a further £250 in compensation.

Mr and Mrs D remained unhappy with TMB's final responses and so our investigator looked into their complaints to see if we could assist in resolving the dispute. Our investigator thought that TMB should increase the compensation it had paid by £150, although this was prior to Mr and Mrs D raising concerns about their current account.

Mr and Mrs D didn't agree with our investigator and asked for the complaint to be passed to an Ombudsman 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 issued my provisional decision on 18 February 2024 inviting representations and further comments from both parties. Both parties replied accepting my provisional decision and in the light of this I do not consider that my provisional view should change.

I know the parties went into a lot more detail, but I'm going to focus on what I think are the key issues. Our rules allow me to do this and it reflects the nature of our service as an informal alternative to the courts. So, if there's something I've not mentioned, it isn't because I've ignored it, it's because I don't need to comment on every individual argument to be able to reach what I think is the right outcome.

TMB have accepted that there has been poor service. Broadly speaking, in total it paid £360 compensation for the distress and inconvenience caused regarding the repeated issuing of correspondence to Mr and Mrs D regarding their former mortgage despite being asked not to. And it paid a further £250 for the errors surrounding the current account. There is no doubt that Mr and Mrs D received poor service and the question now becomes what is the appropriate level of compensation which ought to be paid by TMB.

### **Putting things right**

I've given further thought whether our investigators suggestion of a further £150 compensation was fair and reasonable. That would take the compensation for the mortgage related errors to £510 since £360 has already been paid.

It is important to remember that there is no set figure for compensatory awards, since the facts of each case are different. Ultimately it is an exercise of judgement, looking at all the circumstances and coming to a figure which feels fair, when set against the effect of any failures in service on the person bringing the complaint.

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When we make awards of compensation we categorise them and examples of these can be found on our website. I think this complaint fits into the third category;

*An award of over £300 and up to around £750 might be fair where the impact of a mistake has caused considerable distress, upset and worry – and/or significant inconvenience and disruption that needs a lot of extra effort to sort out. Typically, the impact lasts over many weeks or months, but it could also be fair to award in this range if a mistake has a serious short-term impact*

In my view, any award here needs to take into account the particular circumstances of Mr and Mrs D. Mr and Mrs D are elderly and both are disabled. I am told Mr D was also receiving treatment for a serious medical condition.

Whilst Mr and Mrs D were assisted in their complaint by their daughter, but that said it was they who were receiving the correspondence and directly experiencing the frustration and upset. Mr D wrote many letters attempting to resolve the matter without success, at a time when he was unwell. Very significantly both Mr and Mrs D had to endure an unannounced personal visit by a field agent who was under the impression that there was still a debt. That was during the evening at their home, which they found highly intrusive.

Mr and Mrs D's daughter has explained how this complaint has left her parents stressed and anxious and it has consumed their lives. I have no doubt it did. Mr and Mrs D have had to endure this matter since 2021 which is a considerable period of time. Whilst I understand why the errors continually occurred, the repetition over such a lengthy period of time is significant and in my view demands that a higher level of compensation be awarded.

### **My final decision**

My final decision is that The Mortgage Business Plc shall pay Mr and Mrs a further £350 as recompense for their service failures.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and Mrs D to accept or reject my decision before 2 April 2024.

Jonathan Willis  
**Ombudsman**