

The complaint

Mr and Mrs G complain that their credit files were wrongly marked with missed mortgage payments by Charter Court Financial Services Limited trading as Precise Mortgages. They said Precise agreed it had made a mistake, but took too long to put things right.

What happened

Mr and Mrs G complained that Precise twice marked their credit files with missed mortgage payments, when it wasn't appropriate to do so, because they weren't then a month in arrears. Mr and Mrs G said this happened in September 2021, and then again in December 2021. But they said it took Precise until summer 2022 to resolve this.

Mr and Mrs G said the mortgage rate Precise charged was much higher than other lenders, and these mistakes on their credit files prevented them from remortgaging elsewhere for over 12 months. They said without Precise's mistakes, they would have secured a mortgage with a five year fixed interest rate at 1.3% in September 2021. So they wanted Precise to pay the difference between the rate it was charging, and what they would have paid on a rate of 1.3%. They wanted it to pay that from September 2021, when they said they would otherwise have left Precise mortgages, until they did remortgage elsewhere. They then wanted Precise to pay the difference between their current rate and the rate of 1.3% until September 2026, when they had expected the five year rate they wanted to expire.

Precise initially said it had wrongly recorded missed payments for Mr and Mrs G in September 2021, and in December 2021, but it had promptly requested amendments. However, in September 2022, Precise accepted that it had only requested credit file amendments for both these dates, at one of the three major credit reference agencies. So Mr and Mrs G's credit files had been affected for far longer than was necessary.

When this case came to our service, Precise said that Mr and Mrs G had other missed payments on their credit files, which weren't a mistake. So it didn't think they would have found it easy to secure a good mortgage interest rate elsewhere. And it said it had paid £700 in total for this complaint. Precise didn't think it should have to do any more than that.

Our investigator didn't think this complaint should be upheld. He said all sides accepted that Precise should have removed the missed payment markers for September and December 2021 much sooner. But he didn't think these two missed payments markers were likely to be the sole reason why Mr and Mrs G weren't able to remortgage elsewhere sooner. He noted that they also had missed payments showing on their credit files for April 2017, September 2017, November 2019, February 2021, May 2021, June 2021, and July 2022. He said that in particular, the three marks in the first half of 2021 would have made it very difficult for Mr and Mrs G to find an alternative lender. He thought it was unlikely that the mistaken September 2021 and December 2021 marks made a significant difference at the time.

Our investigator also said that Mr G had told Precise Mortgages on 21 July 2022 that the incorrect marks on his credit file were causing issues with his remortgage. But Mr and Mrs G

then redeemed their Precise mortgage on 5 August 2022 and moved to a new lender, so that suggests those marks didn't prevent or significantly hinder the remortgage application.

Our investigator said Precise had paid a total of £700 compensation, and he thought that was fair and reasonable in this instance for the distress and inconvenience caused. He noted that Precise had offered a product transfer in February 2022 which might have reduced the problem, but that wasn't accepted. He didn't think Precise had to do more now.

Mr G replied to say he didn't agree. He said he and Mrs G had been offered a rate of around 1.3% in principle, but couldn't take that rate up, because of the new mistaken missed payments on their credit files. They said they went back to the mortgage market once Precise said it had asked for the missed payments to be removed. Only one credit reference agency had then updated their files, and it was just luck that they applied to a lender which used that agency.

Mr G said the product transfer Precise offered was only fractionally lower than their existing rate, and once fees were added they would have been worse off, so that's why this offer was turned down.

Mr G said he wanted this complaint to be considered by an ombudsman, so it was passed 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.

Firstly, I should say that I agree with the core point our investigator made. Like him, I think it is very unlikely that Mr and Mrs G could have successfully secured a rate of 1.3% in September 2021, when their credit files showed three recent missed mortgage payments, for February 2021, May 2021, June 2021 on their existing mortgage. I think it was always likely, as our investigator said, that they would have needed to wait some time after these markers were put on their credit files, before they would be able to remortgage with a mainstream lender and secure a better mortgage rate.

I appreciate that it must have been very frustrating, while Mr and Mrs G were hoping to put these payment problems behind them, for further issues to arise, and for those promised corrections then to take so long to be put into effect. But I haven't been able to see that this affected the interest rates they're paying, in the way that Mr and Mrs G have suggested.

I should also note that the contact notes Precise sent us, showed that Mr G has had periods of self-employment and has changed roles. His earnings have unfortunately been somewhat erratic, over the last few years. I think this was also likely to impact any mortgage application with a mainstream lender.

It looks as if Mr and Mrs G were alive to these problems, because in April 2022, Mr G told Precise he was waiting for one more payslip from work, that would then mean he had three months of wage history to show to another lender. He would then look to remortgage elsewhere. In May, Mr G said he was in the process of remortgaging away from Precise, and queried three missed payment markers showing on his credit file for the earlier part of 2021, which I've referred to above. Precise explained that these weren't a mistake.

In July, Mr R called for a redemption statement and it appears the remortgage to the lender he's told us he's with now, was then well underway.

So, although I appreciate that Mr and Mrs G were caused a considerable amount of upset and annoyance by Precise's mistakes, I can see that there were other difficulties with any prospective remortgage, including the other missed payment markers on their credit files, and the need for Mr G to demonstrate a regular and reliable source of income. I think these would also have delayed their remortgage, even without Precise's mistakes. So I don't think I can say that Mr and Mrs G are paying a higher interest rate now because of any mistake Precise has made.

I know that Precise has already paid Mr and Mrs G £700 in total in compensation for the mistakes it has made, and although I know that Mr and Mrs G will disagree, I do think that provides a fair and reasonable outcome to the complaint they've made. So I'm sorry to have to tell Mr and Mrs G that their complaint won't be upheld.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G and Mrs G to accept or reject my decision before 18 April 2024.

Esther Absalom-Gough
Ombudsman