

The complaint

Mr H complains that when his mortgage was transferred to Topaz Finance Limited trading as Hessonite Mortgages, the direct debit was cancelled by Hessonite. But when he complained about this, he said Hessonite denied this, and handled his complaint unprofessionally.

What happened

Mr H told us he'd previously held a mortgage with a different provider. On 13 October 2023 that provider wrote to tell him the mortgage would be transferred to Hessonite on 23 October 2023. On 23 October, he got a welcome letter from Hessonite. Mr H sent us these letters, and drew our attention to the section in each one which told him, as he pays by direct debit, that he didn't need to do anything.

But later in October, Mr H got a letter telling him his direct debit had been cancelled. Mr H said Hessonite told him he'd cancelled the direct debit, and he was very unhappy with how his complaint was handled. Mr H complained, and he said the response he received was wrong. The direct debit was cancelled on a different date to the one Hessonite gave, and he didn't think Hessonite had taken account of how he was spoken to on the phone. Mr H said he'd spent time and effort trying to resolve this, and he said his credit file had been affected. Mr H wanted compensation of £10,000.

Hessonite said this direct debit had been cancelled by the payer. So it suggested that Mr H discuss this further with his bank. It didn't think it had caused this. Hessonite apologised for personal opinions the caller gave when Mr H called to complain.

At first, our investigator didn't think this complaint should be upheld. He didn't think Hessonite was to blame for the cancelled direct debit. He thought this problem originated with Mr H's bank. He said fortunately, Mr H had noticed before any payment was missed, and there had been no adverse information reported to the credit reference agencies. Our investigator said he had listened to the call Mr H had with Hessonite, and he thought Hessonite's apology provided a fair outcome to this.

But then Mr H sent further information, including a systems report from his bank, showing the direct debit originator had made changes to the direct debit, cancelling the direct debit in favour of the previous lender, and setting up a new direct debit in favour of Hessonite.

Our investigator then changed his mind. He said the evidence provided by Mr H indicated it was more likely than not, that the direct debit was cancelled in error by Hessonite. He said the timing of the cancellation would also tend to support that conclusion. So our investigator said he was now recommending Hessonite pay Mr H £100 compensation.

Hessonite said it had considered the evidence Mr H had supplied, and looked into things further. It now thought this was its mistake after all. So it would pay Mr H £100. Mr H didn't want to accept this, he felt it didn't reflect the trouble he'd been put to. He thought Hessonite should pay £500. Hessonite offered Mr H £250, which our investigator thought was fair, but

Mr H still thought it should pay £500. Because no agreement was reached, this case came 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.

For the avoidance of doubt, I do think it's most likely that Mr H's direct debit cancellation was instigated by those managing the direct debit system for his old lender and for Hessonite. I find the BACS system information that Mr H shared with our service, particularly persuasive on this point. And I understand Hessonite now accepts it did make a mistake here.

I appreciate Mr H has been put to some trouble, to resolve this matter. I understand that he feels Hessonite acted unprofessionally, both in how it investigated the cancellation of his direct debt, and how it dealt with him over the phone. Having listened to the call that Mr H had with Hessonite, I do think that was unfortunately handled. I'm pleased to see that Hessonite has apologised for this.

I also think it's unfortunate that Hessonite maintained for so long that it was not responsible for the cancellation of this direct debit, when it now accepts it was.

However, I note that there were no wider effects from this error. In particular, although Mr H said this had affected his credit file, Hessonite said that no payments were actually missed because of this, and it has shown us that Mr H's credit file wasn't adversely affected.

Considering all of the above, I do think that a payment of £250 provides a fair and reasonable outcome to this complaint. So that's what I'll now award.

My final decision

My final decision is that Topaz Finance Limited trading as Hessonite Mortgages must pay Mr H £250 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 28 June 2024.

Esther Absalom-Gough

Ombudsman