DRN-4790413

The complaint

Mrs O complains about the interest rate on her mortgage she holds with Bank of Scotland plc trading as Halifax. She's also complained about the service she's received.

What happened

Mrs O took out her mortgage with Halifax in September 2003. She borrowed £147,000 on a repayment basis, with the interest rate fixed at 3.99% until 30 September 2008, after which it would revert to Halifax's standard variable rate ("SVR"). I will refer to this going forward as "the original mortgage".

When the original mortgage was taken out an insurance policy was also included. The transaction history shows a sum of £513.31 was debited to Mrs O's mortgage account for that on 29 September 2003 (the same day the original mortgage was advanced). Interest on the insurance policy was charged at the SVR.

Halifax's records show that in September 2004 Mrs O queried the insurance policy being charged on the SVR and that she cancelled the policy once she received Halifax's response.

In 2005 Mrs O switched the mortgage to interest only terms. A letter was issued on 4 November 2005 confirming the change and setting out Mrs O's new monthly payments that would take effect from 1 December. That letter showed the original mortgage was being charged at 3.99% and the remainder of the insurance policy premium still to be repaid was being charged on the SVR. It also shows that the remainder of the cost of the insurance policy (which was around £440) remained on a repayment basis.

In June 2007 Mrs O borrowed a further £45,000, taking her total borrowing to £184,147 which was all held on an interest only basis. The new borrowing of £45,000 was on a rate described in the May 2007 mortgage offer as *"Variable rate which is 1.140% above the Bank of England base rate currently 5.250% until the end of the repayment period to give a current rate payable of 6.390%."* The mortgage offer also confirmed the original mortgage borrowing remained on the fixed rate of 3.99% until 30 September 2008, after which it would revert to the SVR, which was 7.25% at the time of the offer. I will refer to this going forward as "the 2007 further advance".

In May 2008 Mrs O borrowed a further £28,330 on an interest only basis. The new borrowing was on a rate described in the April 2008 mortgage offer as *"Variable rate which is 1.740% above the Bank of England base rate currently 5.250% until the end of the repayment period to give a current rate payable of 6.990%."* I will refer to this going forward as "the 2008 further advance".

On 1 October 2008 Mrs O's original mortgage borrowing moved from the 3.99% fixed rate onto the SVR as set out in the mortgage offer.

Halifax wrote to Mrs O in March 2013 to explain it had changed the way it manages her mortgage, as it had moved to a new mortgage system. The overall mortgage account was allocated a new account number, and the existing three sub-accounts had now become five sub-accounts.

In August 2016 Mrs O raised a complaint with Halifax about the interest rate she was being charged. Halifax closed the complaint, without issuing a final response letter.

Mrs O raised a further complaint in August 2022. She said, in summary:

- Her mortgage had been split into five sub-accounts and the interest rates were higher than they should be.

- She was given incorrect information by Halifax, and when she arranged a meeting to discuss it in a branch she was given the wrong address so missed the appointment.

- She's been overcharged interest.

Halifax didn't uphold the complaint. It said the mortgage had been converted to five sub-accounts in 2013, and they were all on the correct interest rates. It said it had told Mrs O in 2016 that she could apply for a new fixed rate product, but she hadn't done so.

The complaint was referred to our service and Halifax said it hadn't all been referred to us in time, so our Investigator looked at that point first. She said we could consider the 2016 complaint because Halifax hadn't responded to it at the time, which meant we could consider the fairness of the interest rate charged between 12 August 2010 and 12 August 2016. She also said we could consider the fairness of interest charged between 22 August 2016 and 22 August 2022, as Mrs O made her second complaint on 22 August 2022. Finally, she said we could consider the complaint about what had happened more recently, such as the misinformation and poor customer service.

Halifax also consented to us considering the period between 12 August and 22 August 2016, and it agreed with the remainder of what our Investigator said. Mrs O didn't agree and so it was passed to one of my Ombudsman colleagues to decide.

My Ombudsman colleague issued a decision about our jurisdiction in September 2023. In that he said:

> *"For the reasons I've given, my decision is that the Financial Ombudsman Service can consider the fairness of interest charged since 12 August 2010 – taking into account all the circumstances of the complaint as relevant – and can consider the customer service issues in 2022. The fairness of interest charged before 12 August 2010 is out of time."*

He also said:

> *"In considering this complaint, therefore, we can consider the fairness of interest charged to Mrs O's mortgage from 12 August 2010 to when she made this complaint in 2022. In doing so, we'll need to take into account all the circumstances of the complaint – which means that we may also need to consider things that happened before August 2010. But we can't consider those things as complaints in their own right – we can only take them into account to the extent that they're relevant to the fairness of the interest rate charged during the period we can consider."*

Our Investigator looked at the points we could consider and she didn't uphold the complaint.

Mrs O didn't agree and so the case was passed to me to decide.

In October 2023 Mrs O told our Investigator that she wanted to provide further information but she was struggling with her health. She also asked for copies of some calls, and some other information to be provided to her. After some difficulties with Mrs O being able to access the information, it seems from our records that Mrs O was able to access the last of the information on 24 January 2024. Over that three month period Mrs O had provided some further submissions about why she didn't agree with our Investigator's outcome. As a further month had passed since Mrs O accessed the last of the information, and we'd not received any further submissions from Mrs O, I reviewed the complaint based on what we already held.

My provisional decision

I issued a provisional decision in February 2024, the findings of which said:

'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.

The Financial Ombudsman Service is independent of both consumers and the businesses they are complaining about. This means that we don't act for consumers, nor do we take instructions either from consumers or businesses, or allow either party to direct the course of our investigations; were we to do so, it would compromise our independence and impartiality.

I've a great deal of sympathy for the position Mrs O is in. It's clear she's gone through – and is still going through - some very difficult times, and it can't have been easy to mentally revisit those times when bringing this complaint. I've not gone into any detail about that in this decision to protect Mrs O's privacy once the decision is published. But I'd seek to reassure her that I've read and taken into account everything she's said.

To recap, an Ombudsman colleague issued a decision about our jurisdiction in September 2023. In that he said we will only be considering the following points;

- the fairness of interest charged since 12 August 2010 – taking into account all the circumstances of the complaint as relevant; and
- the customer service issues in 2022.

For that reason I won't be considering the other parts of Mrs O's complaint, such as the insurance policy and the 2013 system change. I also won't be carrying out a holistic view of the entire life of the mortgage back to 2003 for the same reason. My decision will just relate to the two points above that my Ombudsman colleague found fell within our jurisdiction to consider.

However, before I go any further, I can see there has been some confusion over the various sub-accounts. To be clear, I can't make any findings on these issues as they relate to the changes made by Halifax in 2013 and have shown on each of Mrs O's mortgage statements since then, so they don't fall within our jurisdiction for all the reasons that have already been set out to Mrs O.

But I think an explanation might help Mrs O, so I'll provide that here. But as I say this doesn't fall within our jurisdiction to consider so I'd be unable to answer any further comments or questions on it. I simply include it to try to help Mrs O.

As I've already said, Halifax wrote to Mrs O in March 2013 to explain it had changed the way it manages her mortgage, as it had moved to a new mortgage system. The overall mortgage account was allocated a new account number, and the existing three sub-accounts had now become five sub-accounts.

The 2007 further advance became sub-account four and the 2008 further advance became sub-account five. This can be seen in the March 2013 letter by comparing the outstanding balances and interest rates to the original mortgage offers. For reference, Bank of England base rate ("base rate") at the time was 0.50%.

The 2007 further advance was around £45,000 and the rate was 1.64% (which was 1.14% above the base rate of 0.50%), and the 2008 further advance was around £28,300 and the rate was 2.24% (which was 1.74% above the base rate of 0.50%). These match sub-accounts four and five respectively as listed on the 2013 letter.

Sub-account one was the remainder of any fees that had been charged on Mrs O's mortgage (which appears to be the 2003 insurance policy), and that was held on a repayment basis. With the remainder of Mrs O's original mortgage being split between sub-accounts two and three. Sub-accounts one, two and three were all noted to be on the SVR, which ties in with the original mortgage offer.

It appears the original mortgage was split over sub-accounts two and three as there was a differing term – with sub-account two having a remaining term of 15 years and 2 months, and sub-account three having a remaining term of 15 years and 5 months.

Having looked at the 2007 further advance mortgage offer, the 2013 letter, Mrs O's annual statements and some more recent screen shots Mrs O has provided to us. It looks like the sub-accounts might have got slightly mixed up when the new system was put in place in 2013. I don't know this for sure as it isn't something I have enough information about due to it not falling within our jurisdiction, but these are my thoughts based on the limited information we do hold about it.

I say this because the 2007 further advance offer indicates the entire original mortgage had a longer term by 3 months than the 2007 further advance, with it showing £139,147 (the original mortgage) had a term of 21 years and 3 months, whereas £45,000 (the 2007 further advance) had a term of exactly 21 years. The 2008 further advance term was set to match that of the 2007 further advance (that is, with a slightly shorter term than the original mortgage).

But in 2013 it seems that swaps over, with the 2007 and 2008 further advances now having the longer terms, as well as part of the original mortgage amount. It seems the total borrowing over each of the two different terms was correct, but just the parts of the mortgage they related to had changed. So after the 2013 system change around £138,900 had a remaining term of 15 years and 5 months, with the rest having a term of 15 years and 2 months which is as it had been before the system change. But before the change it had been the entire original mortgage that had a term of 15 years and 5 months, with the 2007 and 2008 further advances having a term of 15 years and 2 months. Whereas it now was the 2007 and 2008 further advances that had a term of 15 years and 5 months along with around £65,700 of the original mortgage, and the remainder of the original mortgage now having a term of 15 years and 2 months.

It also seems from the recent screenshots that the system also confused the start dates, with sub-accounts three, four and five showing a start date of 29 September 2003 and sub-accounts one and two showing as 1 June 2007. These should instead have been:

- Sub-accounts one, two and three as 29 September 2003.
- Sub-account four as 1 June 2007.
- Sub-account five as 1 May 2008.

It's not clear why this happened, and I can understand why Mrs O has been confused by it all. The interest rates were correct, so the correct interest rate has been charged on each of the three separate advances (that is the original mortgage, the 2007 further advance and the 2008 further advance), but it seems the terms (and start dates) might have been muddled up.

As the borrowing is held on an interest only basis it makes no difference if the terms are the wrong way round as, irrespective of what the term is stated as, the monthly payments would be exactly the same. I simply mention this for completeness to help Mrs O's understanding of what has happened.

As I said, I can't consider this part of the complaint as it hasn't been complained about in time so I can't make any findings on whether the parts were definitely mixed up, and why that might have happened. But I hope my explanation has helped Mrs O's understanding.

The fairness of the interest rate charged

Mrs O's mortgage has been charged at the following interest rates. I've included the base rate for reference purposes.

Date	**Base rate**	**Original mortgage (from 2013 sub-accounts one, two and three)**	**2007 further advance (from 2013 sub-account four)**	**2008 further advance (from 2013 sub-account five)**
September 2003	3.50%	3.99% (fixed until 30 September 2008)	-	-
November 2003	3.75%		-	-
February 2004	4.00%		-	-
May 2004	4.25%		-	-
June 2004	4.50%		-	-
August 2004	4.74%		-	-
August 2005	4.50%		-	-
August 2006	4.75%		-	-
November 2006	5.00%		-	-
January 2007	5.25%		-	-

9 May 2007			Mortgage offer issued at 6.39% (the mortgage offer confirms the rate to be 1.14% above base rate)	-
10 May 2007	5.50%			-
June 2007			6.64% (further advance has been drawn down)	-
July 2007	5.75%			-
August 2007			6.89%	-
December 2007	5.50%			-
January 2008			6.64%	-
February 2008	5.25%			-
March 2008			6.39%	-
3 April 2008				Mortgage offer issued at 6.99% (the mortgage offer confirms the rate to be 1.74% above base rate)
10 April 2008	5.00%			
May 2008			6.14%	6.74% (further advance has been drawn down)
1 October 2008		7.00% (reverted to SVR)		
8 October 2008	4.50%			
November 2008	3.00%	6.50%	5.64%	6.24%
December 2008	2.00%	5.00%	4.14%	4.74%
January 2009	1.50%	4.75%	3.14%	3.74%
February 2009	1.00%	4.50%	2.64%	3.24%
March 2009	0.50%	4.00%	2.14%	2.74%
April 2009		3.50%	1.64%	2.24%

May 2012		3.99%		
August 2016	0.25%			
September 2016			1.39%	1.99%
October 2016		3.74%		
November 2017	0.50%			
December 2017		3.99%	1.64%	2.24%
August 2018	0.75%			
September 2018		4.24%	1.89%	2.49%
March 2020	0.10%			
April 2020		3.74%	1.39%	1.99%
May 2020		3.59%	1.24%	1.84%
December 2021	0.25%			
February 2022	0.50%	3.74%	1.39%	1.99%
March 2022	0.75%	3.99%	1.64%	2.24%
May 2022	1.00%	4.24%	1.89%	2.49%
June 2022	1.25%	4.49%	2.14%	2.74%
August 2022	1.75%	4.74%	2.39%	2.99%

It seems there has been some confusion over the basis of the three mortgage contracts Mrs O entered into – that is the original mortgage, the 2007 further advance and the 2008 further advance. She's said:

- *"I was told my Mortgage was fixed for the lifetime of the Mortgage when I spoke with them over the phone and I had no reason not to believe them."*

- *"In the yearly mortgage statement of September 2016 (copies of which I had uploaded on to your system), Halifax applied 3.99% to my initial borrowing - Sub Account nos 1 - 3 and 1.64% to and 2.24% to the two additional borrowing - Sub Account nos 4 - 5.*

Application of 3.99% to the initial borrowing in 2016 implies that the Halifax continues to apply the fixed rate here - even though it has expired."

- **My mortgage was initially on a fixed rate of 3.99% and I was told that it was fixed for the live of the mortgage:- I may not remember when the Halifax said this to me but the fact that the Halifax did not adjust its rate after September 2008 but kept charging me 3.99% and over confirms this."*

- *"As at 13th of July, the Halifax is applying 7.99% on my initial borrowing of £72,956.47, £65,538.65, £9.11 and applying 5.64% on my additional borrowings of £44,848.77 and £28,236.84 incorrectly; the rate for the initial mortgage and additional borrowing has been applied incorrectly for considerable number of years."*

- *"As at 1st August 2022, the Halifax was applying interest rate of 4.74 to my initial borrowing which was on lower rate of 3.990% when I took the mortgage in 2003.*

At that time, they were applying interest rate of 2.39% and 2.99% to latter borrowings taken out in 2007 and 2008 respectively which were on higher rate of 6.39% and 6.990%"

Whilst I don't doubt those recollections have been given in good faith, I don't think it is likely Halifax would have told Mrs O that her rate was fixed for the life of the mortgage as, quite simply, it wasn't.

Having listened to the 2016 call I can understand where the confusion may have come from as Mrs O was told the original mortgage had been on a variable rate for the life of the mortgage, and for most of the time it hadn't changed from 3.99%. The adviser said a few times in that call that Mrs O had never been on a fixed rate, it had always been the same variable rate. So, in fact the opposite of it being a lifetime fixed rate. It is possible that is where the confusion has come from, but I can see that Mrs O has never had a fixed rate of 3.99% for the life of the original mortgage.

The original mortgage was fixed at 3.99% until 30 September 2008 and then on 1 October 2008 it reverted to Halifax's SVR, which was 7.00% at the time.

Mrs O's original mortgage didn't end up back at an interest rate of 3.99% until May 2012 when that just happened to be Halifax's SVR at the time.

The SVR remained at 3.99% until October 2016, and then moved back to 3.99% from December 2017 until September 2018. It was 3.99% again between March 2022 and May 2022.

Mrs O can see the entire SVR history in the table I've set out previously, and she can cross reference that to her annual mortgage statements. In doing so she'll see that her original mortgage has not remained on the fixed rate of 3.99%, instead it has varied since 1 October 2008 with that variable rate coincidentally being 3.99% for some periods.

The original mortgage (sub-accounts one, two and three) had an interest rate that was fixed at 3.99% until 30 September 2008 and then they moved to Halifax's SVR. At the time Mrs O took out the original mortgage the SVR was 5.50%, so 1.51% higher than the fixed rate Mrs O had taken.

At the time the base rate was 3.50%, so if Mrs O had taken the 2007 further advance at the same time as the original mortgage then her initial interest rate on that further advance would have been 4.64% (that is, 1.14% above base rate). And if Mrs O had taken the 2008 further advance at the same time as the original mortgage then her initial interest rate on that further advance would have been 5.24% (that is, 1.74% above base rate).

When the 2007 further advance offer was issued in May 2007 base rate was 5.25% and the SVR was 7.25%. At that time Mrs O was offered a rate of 6.39% (that is, base rate plus 1.14%). And when the further advance went live on 1 June 2007 base rate was 5.50%, the SVR was 7.50% and Mrs O was paying 6.64% for the 2007 further advance (that is, base rate plus 1.14%)

When the 2008 further advance offer was issued in April 2008 base rate was 5.25% and the SVR was 7.25%. At that time Mrs O was offered a rate of 6.99% (that is, base rate plus 1.74%). And when the further advance went live on 1 May 2008 base rate was 5.00%, the SVR was 7.00% and Mrs O was paying 6.74% for the 2008 further advance (that is, base rate plus 1.74%)

To now use that data for the more recent period Mrs O has mentioned. As a reminder, she said:

- *"As at 1st August 2022, the Halifax was applying interest rate of 4.74 to my initial borrowing which was on lower rate of 3.990% when I took the mortgage in 2003.*

  At that time, they were applying interest rate of 2.39% and 2.99% to latter borrowings taken out in 2007 and 2008 respectively which were on higher rate of 6.39% and 6.990%"

From 1 August 2022 Halifax's SVR was 4.74% so that was the correct rate for the original mortgage (that is, sub-accounts one, two and three). Whilst it was higher than the 3.99% she had originally taken out, that's because the 3.99% was a fixed rate until 30 September 2008, whereas the 4.74% was the SVR (and she'd moved to the SVR from 1 October 2008).

And the rates of 2.39% and 2.99% were correct for the 2007 further advance (sub-account four) and the 2008 further advance (sub-account five). That's because base rate on 1 August 2022 was 1.25%, with the two sub-accounts being 1.14% above base rate and 1.74% above base rate respectively.

That meant:

- The original mortgage (sub-accounts one, two and three) was on the SVR which was 4.74%.

- The 2007 further advance (sub-account four) was on the base rate of 1.25% plus 1.14%, which gave an interest rate of 2.39%

- The 2008 further advance (sub-account five) was on the base rate of 1.25% plus 1.74%, which gave an interest rate of 2.99%

I won't make any further comment here on Mrs O's 2007 and 2008 further advances (that is, sub-accounts four and five) as they've both tracked base rate over their full terms and will continue to do so unless Mrs O applies to move them to a different interest rate product.

Instead, I will just concentrate on the original mortgage (sub-accounts one, two and three), as that is the only part of her mortgage that has been on the SVR.

There's no general obligation on mortgage lenders for their SVRs to track the base rate, and I'm satisfied that this isn't the way Halifax's SVR operated.

I've reviewed the documentation available, and having done so, I haven't seen anything that says Halifax would link the SVR to the base rate or that compels it to. Nor is there anything that suggests that the SVR would be a particular margin above or below the base rate.

It follows that I'm not persuaded that there was any requirement for the SVR to track the base rate or for Halifax to maintain any margin between them.

I've also thought more broadly about whether, and the extent to which, the way in which the terms have been used has resulted in unfair treatment for Mrs O in the interest charged to her on her original mortgage from August 2010 onwards. In doing so, I've considered the historic context which may have contributed to the interest rate charged from August 2010 onwards and whether Halifax had legitimate reasons for varying the rate in the way it did.

I can see that between 2008 and 2009, the difference (or margin) between the base rate and Halifax's SVR increased from 2% to 3%. Whilst Halifax's SVR did reduce during this period, it didn't fall by the same proportion as the reduction in the base rate.

Halifax has told our service that, despite a reduction in the base rate, its funding costs did not reduce to the same extent between 2008 and 2009.

During this time, there was a significant change in the wider lending market as a result of the global financial crisis. This impacted on the funding costs of businesses, which was reflected in changes to a number of lenders' interest rates charged across the market at that time.

Halifax has provided relevant explanations and reasoning behind the decisions made to vary the interest rate during this period. This is supported by evidence that shows the direct impact of its cost of funding and how this correlated with its decision to vary the SVR. Considering this, I don't think Halifax has acted unreasonably by not passing on all of the reductions in the base rate to its SVR.

I can also see that, in May 2012, Halifax increased the SVR from 3.5% to 3.99% when there hadn't been any changes to the base rate. Halifax has provided evidence to show that its cost of funds had increased and it increased the SVR by 0.49% in order to account for those increased costs. The terms and conditions of the mortgage allowed it to increase the SVR for this reason. Considering this, I don't think Halifax acted unreasonably by doing this.

Since 2012, Halifax's SVR remained at 3.49% above the base rate.

Having considered all the information and evidence available to me, I have not seen any evidence to suggest the changes Halifax made were unfair. Rather, the evidence I've seen satisfies me that Halifax acted in line with its terms and conditions to protect its legitimate interests while balancing its obligation to treat Mrs O fairly. And I'm further satisfied that the evidence Halifax has been able to provide for this period is corroborated by evidence of wider market conditions at the time.

Taking everything into account, I'm not satisfied that Halifax has acted unfairly or unreasonably in the circumstances.

The 2022 customer service issues

Mrs O has said she was sent to the wrong place for a branch meeting. She's said she was given an appointment at the Lloyds branch inside the shopping centre, however when she got there she found there wasn't a Lloyds branch inside the shopping centre and it was instead a distance away outside. Mrs O said she double checked after she received the appointment email that it was definitely a Lloyds branch she was booked in at.

Mrs O said in the August 2022 call that as the Lloyds branch was a distance away she used her common sense and went into the Halifax branch within the shopping centre to see what happened. I note Mrs O's later testimony was that she says she went to the Lloyds branch and was told they weren't expecting her, so she returned to the shopping centre and the Halifax branch.

Halifax has said it doesn't have any record of this appointment and it would be unusual for it to book a customer in at a Lloyds branch, rather than a Halifax branch. And Mrs O hasn't been able to provide a copy of the appointment email.

Unfortunately, with neither side being able to provide any evidence of what happened it is difficult for me to reach a finding on what went wrong – if anything. For instance, without sight of anything to support Mrs O's recollections it is possible there was some confusion when the arrangements were made and she misunderstood where the meeting was due to take place. I'm not saying that is the case, but I simply have no way of knowing.

In any event, Mrs O hasn't shown that she suffered any detriment as a result of the confusion and so I wouldn't be making any order or award even if I were to find Halifax had done something wrong here.

From that call I can also hear there was some confusion over what Mrs O's mortgage balance was, with Mrs O showing the branch that the banking app showed an amount of £192,000 as well as the balance of around £212,000, which is why the branch put Mrs O onto head office.

Head office confirmed to Mrs O that the balance was around £212,000 and that would have shown on all her annual mortgage statements as she had an interest only mortgage so the balance wouldn't really change (unless Mrs O made any over or underpayments).

Halifax provided a possible explanation for the figure of £192,000, in that the original mortgage borrowing was £147,000 and the 2007 further advance was £45,000, so added together that makes the £192,000, which is a very plausible explanation.

I've no way of knowing how and why the figure of £192,000 was showing but I don't need to know that to fairly decide this complaint. Mrs O's balance was around £212,000 and that was what she was correctly getting charged interest on.

Halifax has admitted things went wrong when it tried to send the September 2022 final response letter to Mrs O. There was an error which meant the letter (and enclosures) weren't printed and sent to Mrs O as they should have been. Halifax apologised for that error in a follow up letter in October 2022 and it paid £15 compensation to Mrs O for the inconvenience caused. It resent the letter to Mrs O and also to one of its branches.

In February 2023 Mrs O said Halifax had sent out the letter and she had said she wasn't satisfied, but hadn't heard back from anyone. She said she'd called and said she wanted the complaint reopened because Halifax hadn't addressed the issues that she'd raised, but it hadn't been done. She said that had been about two months ago. Later in the call Mrs O said she hadn't received the final response letter, so it was agreed that it would be reissued again, with the call handler trying to email it to the branch that Mrs O was in at the time. Unfortunately the call handler was unable to email the letter, so he said he would reprint it and send it first class.

As Halifax has already admitted things didn't go as well as they could have done I don't need to make a finding on that. And having regard to our normal level of awards I'm satisfied Halifax's apology and payment of £15 is sufficient for the final response letter not being sent to Mrs O in September 2022. I'm satisfied the letter was reissued in October

2022 and so I make no order or award for Mrs O not receiving the October reissued letter as Halifax did nothing wrong there.

Mrs O has made reference to clearing sub-account 1 but it remained visible with a balance outstanding. I can see from the mortgage account statement issued in September 2022 that a balance of £9.51 remained on that account on 31 August 2022. Having reviewed the various complaints Mrs O raised with Halifax up to the point I can consider I can't see she raised this point with the business. I can only consider a complaint that has been raised with the business as it needs to have a chance to investigate and respond to a complaint before our service gets involved. If Mrs O would like Halifax to look into her complaint point about her clearing sub-account 1 then she would need to raise that with Halifax in the first instance. If Mrs O remained unhappy with the response to that then she could refer that to us as a new complaint (subject to our usual rules).

Finally, Mrs O has commented on how Halifax handled her complaint. The handling of complaints is not itself a regulated activity. It's something that the regulator requires financial businesses to do. But that isn't enough to make it a regulated activity within the meaning of the rule; that is, one from the list of activities set out in the legislation from which we derive our powers. We're able to consider concerns about complaint handling in some limited circumstances, but there is another thing that we need to consider and that is that we can only make an award for any poor customer service in handling a complaint if we're upholding the underlying issue being complained about and it is intrinsically linked.

As I'm not upholding Mrs O's complaint, then it follows I can't uphold any complaint and award any compensation for how her complaint was handled.

I understand this decision will be a disappointment to Mrs O and I give her my best wishes for both now and the future. But in terms of the complaint that was brought to us, I'm satisfied Halifax has already done enough to resolve it.'

In summary, I said that I didn't uphold the complaint as I was satisfied the £15 Halifax paid for Mrs O not receiving one of its letters was sufficient.

What I've decided – and why

Halifax had no further submissions to make. Mrs O responded mainly reiterating points she'd already made, and which I'd already considered (or couldn't consider because the points didn't fall within our jurisdiction) when reaching my provisional decision.

I won't be answering all the points Mrs O has made because, as I've explained, I'd already considered those points when reaching my provisional decision. But I'll pick up on a few points below.

Mrs O has questioned how Halifax didn't have a record of the appointment, saying she'd just had surgery and wouldn't have travelled to attend an appointment that hadn't been booked.

As I said in my provisional decision, Halifax has no record of an appointment being booked and Mrs O has been unable to provide a copy of the appointment email (that would have been sent to her upon booking). I can only uphold a complaint if I'm satisfied – on balance – it is more likely than not that the business did something wrong. I have no way of knowing what happened and I don't think, based on what the parties have said, that I can safely reach a finding that Halifax did something wrong here.

Mrs O has said she would like a copy of the call of 3 February 2023, saying she doesn't use this branch. She also said that Halifax continues with the same defence, saying there was a problem issuing the letter, but she'd never had a problem getting her statements.

We provided Mrs O with a copy of that call on 9 January 2024 through a file sharing system, and we received confirmation through that system on 24 January 2024 that Mrs O had accessed the call and downloaded it so I'm satisfied Mrs O has already had access to the call in question.

It's not clear what Mrs O means when she says *"Halifax continues with the same line of defence, claiming that there had been a problem issuing the letter"* as if that is what happened then it makes sense that Halifax explains this whenever it is asked about it. Halifax told us that there was a one-off problem with its system which prevented the documents from printing (which is why the letter wasn't sent, but Mrs O's statements haven't been impacted), and I've no reason to disbelieve Halifax in this regard. Having considered everything very carefully I'm satisfied Halifax's apology and payment of £15 compensation is sufficient for this aspect of the complaint.

Mrs O has also asked for a copy of the call of 22 August 2022. That was also provided to her on 9 January 2024 through the file sharing system, and the receipt of 24 January 2024 says that Mrs O had accessed the call and downloaded it so I'm satisfied Mrs O has already had access to the call in question.

In her response Mrs O mentioned the insurance that was charged to her account when the mortgage started, but as I explained in my provisional decision I don't have the power to consider a complaint about that. My Ombudsman colleague – in September 2023 – told Mrs O and Halifax that we can only consider the fairness of the interest charged since 12 August 2010, and the customer service issues in 2022. Everything else – including the insurance issue – is outside of our jurisdiction.

Finally, Mrs O has mentioned not getting help with the interest rate on her mortgage, but it doesn't seem that she has applied for a new interest rate product. If Mrs O would like a different interest rate on her mortgage then she will need to contact Halifax and go through the formal application process for that. If Mrs O doesn't apply for a new product, then her mortgage will continue to run as it currently does, that being (all rates are variable):

- The original mortgage (sub-accounts one, two and three) is on the SVR which is currently 8.74%.

- The 2007 further advance (sub-account four) is on the base rate (which is currently 5.25%) plus 1.14%, which gives a current interest rate of 6.39%.

- The 2008 further advance (sub-account five) is on the base rate (which is currently 5.25%) plus 1.74%, which gives a current interest rate of 6.99%.

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, and having considered the full file afresh and taken into account everything Mrs O said in response to my provisional decision, I see no reason to depart from my provisional conclusions.

My final decision

I don't uphold this complaint as I'm satisfied the £15 Halifax paid for Mrs O not receiving one of its letters is sufficient. I don't uphold any parts of the complaint I've been able to consider and so I make no order or award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O to accept or reject my decision before 7 June 2024..

Julia Meadows
Ombudsman