

The complaint

Mr H and Mr T complain that Clydesdale Bank Plc, trading as Virgin Money (“Clydesdale”) wouldn’t send them written confirmation that they’d made overpayments towards their mortgage without paying for it.

What happened

Mr H says that he phoned Clydesdale in January 2004 because he’d made significant overpayments into his and Mr T’s mortgage account in the preceding weeks. He wanted written confirmation that the overpayments had been made and allocated correctly. The adviser he spoke to confirmed the overpayments had been allocated to his account but said that Mr H would have to pay £10 to get an interim mortgage statement. That’s because mortgage statements were only sent annually.

Mr H refused to pay £10 for the interim mortgage statement. He described the fee as a rip off and a scam. He thinks he should get a written receipt free of charge and thinks mortgage customers should get more than one statement each year. Mr H made a formal complaint to Clydesdale.

In its final response Clydesdale said it hadn’t done anything wrong as the £10 charge was in line with its published mortgage tariff. It sent the interim statement to Mr H and Mr T and reimbursed them for the charge as a gesture of goodwill.

Mr H remained unhappy, so he complained to the Financial Ombudsman Service. He said (amongst other things) that he’d like the Financial Ombudsman Service to rule that customers that have made large payments towards their mortgage should be given a written confirmation/receipt by a lender without charge.

Our investigator looked into what happened. He said he didn’t think Clydesdale had made a mistake in the way that it had handled this matter.

Mr H disagreed and asked for this complaint to be considered by an ombudsman, so it has been passed to me to decide.

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.

Mr H has made it clear that when he phoned Clydesdale in January 2004, he wasn’t looking for an interim mortgage statement. He just wanted some form of statement/written receipt to confirm the overpayments made had been accepted and applied to the mortgage correctly. He says he could expect to get such a receipt in any shop if he bought something.

I understand Mr H’s position – something he has described as natural justice and common sense.

I’ve listened to a recording of the phone call Mr H had with Clydesdale in January 2004. In

that call the adviser Mr H spoke to confirmed that the overpayments had been received and applied to the mortgage. The adviser confirmed the amounts and the months in which the overpayments had been made. She went on to say that a written interim statement showing the overpayments could be provided, but there was a cost for Clydesdale to produce and issue that. The adviser also said she could issue a redemption statement to Mr H free of charge, but Mr H didn't go with that option. He also said he didn't want to use Clydesdale's app to see the balance of the mortgage.

Having listened to the recording of the January 2024 phone call I'm satisfied that Clydesdale made it clear that the overpayments had been received and applied to Mr H and Mr T's mortgage account.

I appreciate that Mr H wanted more than that. He made it clear he thinks one mortgage statement each year is insufficient and old-fashioned. He told us that he wanted to monitor his account closely especially as he'd had issues with a misallocated payment before with a different lender.

However, the mortgage offer Mr H and Mr T were sent before they got their mortgage, and the mortgage terms and conditions say that one mortgage account statement will be issued each year. There was no provision made for extra statements/a receipt to be sent free of charge when overpayments are made. Instead, Clydesdale's tariff of charges sets out the cost of an interim statement.

So I can't say that Clydesdale made a mistake in the way that it handled this matter. In any case, I can also see that that Clydesdale went on to waive the charge for the interim statement as a gesture of goodwill. So the interim statement cost Mr H and Mr T nothing in the end.

In the circumstances, I don't think Clydesdale needs to do anything to resolve this dispute. I recognise that Mr H and Mr T are likely to be disappointed by this decision. Mr H's strength of feeling is clear from the contact we have had with him. He thinks all mortgage providers should be required to send out written statements showing overpayments have been made without a fee/charge being levied. But it isn't my role to tell Clydesdale it should do this – my role is to resolve this complaint in a fair and reasonable way. Overall, I don't think it would be fair and reasonable for me to say that Clydesdale made a mistake in the way it handled this matter when it acted in line with its policies and mortgage documentation it had sent Mr H and Mr T.

My final decision

For the reasons set out above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mr T to accept or reject my decision before 2 October 2024.

Laura Forster
Ombudsman