

The complaint

Mr M complains that Topaz Finance Limited, trading as Rosinca Mortgages ("Topaz") didn't remove a charge from his property in 2022.

What happened

Mr M had a mortgage with Topaz which he redeemed in 2022. Topaz had placed two charges on his property (which I'll refer to as "property A") in connection with the mortgage. There's no dispute that it didn't remove one of those charges as it should when the mortgage was redeemed.

Mr M didn't realise what had happened until late 2023. At that time he was planning to redeem the mortgage on another property ("property B") by taking out a new mortgage on property A. He had a fixed interest rate product on the mortgage on property B that expired on 31 December 2023. So he was planning to redeem the mortgage on property B by 31 December 2023 – when the fixed interest rate product expired.

As the charge hadn't been removed from property A in late 2023 Mr M wasn't able to carry out his plan by 31 December 2023 as he'd intended. He says that the mortgage on property B reverted to the standard variable rate ("SVR") in January 2024. That meant that he had to make a large monthly payment in January 2024 (£2,125.90 – the monthly payment required on the SVR) instead of the £498.41 monthly charge he'd been making before on the fixed interest rate product. He also said he had to make a monthly payment of £1,669.91 on property A. Mr M said overall Topaz owed him £2,288.

After Mr M told Topaz what had happened it apologised for not removing the outstanding charge, contacted the Land Registry to get the charge removed, and offered Mr M £100 for the inconvenience caused. Mr M didn't agree to close his complaint as he thought he was owed more money from Topaz. Mr M complained to the Financial Ombudsman Service.

Topaz told the Financial Ombudsman Service that it thought it owed Mr M less than £2,288. However, it said it wasn't sure about some of the figures and said it wanted more clarity before agreeing to a further payment.

Our investigator looked into what happened. She said Mr M entered into a new mortgage in relation to property A in February 2024. She thought Mr M would have been able to complete that mortgage in December 2023, had it not been for Topaz failing to remove the charge on his property. However, she said that Mr M's fixed interest rate product (on property B) was always going to expire at the end of December 2023, and then go on to the lender's SVR. So she didn't think it was fair to say that if it wasn't for Topaz's mistake Mr M would have only had to make a £498 on the mortgage on property B in January 2024. And she didn't think Topaz should cover the difference between the SVR payment Mr M paid on property B in January 2024 and £498 as Mr M had suggested.

Our investigator noted that under the new mortgage for property A (the mortgage that began in February 2024) Mr M had to make an initial monthly payment of £1,669.91. After that his monthly payments were £1,008.56. So our investigator said that, in addition to the £100

compensation Topaz had offered Mr M for the inconvenience it caused him, it should also compensate him for the extra money he paid in mortgage repayments in January 2024 (the difference between £2,125.90 and £1,669.91) and February 2024 (the difference between £1,669.91 and £1,008.56).

Overall, our investigator said Topaz should compensate Mr M £1,117.34 plus the £100 it had offered him for the inconvenience it caused.

Mr M asked for an ombudsman to review his complaint, so this complaint has been passed on to me to decide. Mr M didn't specifically dispute what our investigator said. Instead, he said he disagreed with Topaz completely.

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.

Having done so I agree with what our investigator said.

There's no dispute that when Mr M redeemed his mortgage on property A in 2022 Topaz didn't remove one of the two charges it had placed on the property. I think Mr M could reasonably expect it to do that at the time.

Mr M didn't realise what had happened until late 2023, so he wasn't able to let Topaz know and put things right sooner.

That meant that Mr M wasn't able to redeem property B (using money from re-mortgaging property A) in December 2023 as he'd intended. That meant that Mr M made a mortgage payment of £2,125.90 (the monthly payment required on the SVR) on property B in January 2024.

If things had gone as Mr M had intended and he'd been able to redeem the mortgage on property B (using money from re-mortgaging property A) in December 2023 he would only have needed to make a mortgage payment of £1,669.91 in relation to property A in January 2024.

So I think Topaz should reimburse Mr M for the extra money he had to pay in January 2024: £2,125.90 - £1,669.91 = £455.99.

In February 2024 Mr M made a mortgage payment of £1,669.91 in relation to property A. He would have paid £1,008.56 if he'd been able to carry out his plan as intended.

So I think Topaz should reimburse Mr M for the extra money he had to pay in February 2024: £1,669.91 - £1,008.56 = £661.35.

In addition, I think Topaz should pay Mr M the £100 it has offered him for the inconvenience it caused him. I think that amount of compensation is fair and reasonable bearing in mind the frustration Mr M was caused at that time, and the relatively short amount of time (around two months) it took for the matter to be rectified.

So in total I think Topaz should pay Mr M £1,217.34 (£455.99 + £661.35 + £100).

Putting things right

To put things right Topaz should pay Mr M £1,217.34.

My final decision

For the reasons set out above, my final decision is that Topaz Finance Limited, trading as Rosinca Mortgages, should pay Mr M £1,217.34 to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 5 November 2024.

Laura Forster
Ombudsman