

The complaint

This complaint is about a mortgage Ms S and Mr V hold with Dudley Building Society. The essence of the complaint is that Ms S and Mr V believe Dudley unduly delayed a re-mortgage application, causing them to pay interest on the existing mortgage at their previous lender's standard variable rate (SVR) longer than they needed to.

What I've decided – and why

The broad circumstances of this complaint are known to Ms S and Mr V and Dudley. I'm also aware that the investigator issued a detailed response to the complaint, a copy of which has been sent to all parties, and so I don't need to repeat all the details here. Our decisions are published, and it's important that I don't include any information that might result in Ms S and Mr V being identified.

Instead I'll focus on giving the reasons for my decision. If I don't mention something, it won't be because I've ignored it. It'll be because I didn't think it was material to the outcome of the complaint.

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've concluded that the resolution the investigator recommended in February 2024 to resolve the complaint was fair and reasonable. Insofar as both parties have accepted that, all that is required is for Dudley to implement the settlement which, despite agreeing to do, hasn't.

It's not clear why that should be. Dudley knows how much was owing on the mortgage at the time of redemption, what interest rate was being charged by the previous lender during the relevant period, and it had the bank account details to make the payment. In short, it has all the information it needs to carry out the simplest of arithmetical calculations, make the payment and provide Ms S and Mr V with details of how it calculated the amount. It's a task that should take hours, not months.

All I would add is that if Ms S and Mr V accept this final decision by the stated date, it will be binding on both parties. If Dudley still fails to implement the settlement, Ms S and Mr V will be able to enforce my final decision in court. However, I really hope, and expect, that will not be necessary.

My final decision

My final decision is that I uphold this complaint. In full and final settlement I direct Dudley Building Society to pay Ms S and Mr V compensation of A+B, where:

A: equals seven days' worth of the difference in interest between the SVR charged by their former lender and the rate it is charging on the new mortgage;

B: equals interest on A at 8% simple per annum, from the date of completion of the mortgage with Dudley up to the eventual date of settlement.

*If Dudley Building Society deducts basic rate income tax from the interest element of this award at B above, it should supply Ms S and Mr V with the relevant tax certificate, so that they can apply to HMRC for a refund if their wider circumstances allow.

I make no other order or award. My final decision concludes this service's consideration of this complaint, which means I'll not be engaging in any further consideration or discussion of the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S and Mr V to accept or reject my decision before 4 September 2024.

Jeff Parrington
Ombudsman