

The complaint

Mr G complains that Paragon Bank Plc didn't take his vulnerable status into account or follow agreed processes when it contacted him about his mortgage. He asks for compensation and that we require it to follow best practice.

What happened

Mr G says due to his mental health and vulnerable status he'd agreed with Paragon how and when it would contact him. Mr G says Paragon didn't comply with this and repeatedly failed to follow best practice for dealing with vulnerable customers.

In particular, Mr G says Paragon didn't call him on the date agreed. And during another call Paragon incorrectly summarised the times he'd agreed it could call. Mr G says this caused stress and affected his mental health.

Paragon upheld Mr G's complaint. It apologised to him for the upset caused. Paragon said the specialist support team would send an email explaining why it was trying to get in touch with him.

Our investigator said Paragon had apologised for its errors. She said it wasn't fair and reasonable in the circumstances to require Paragon to pay compensation. And it was for the regulator – the Financial Conduct Authority or FCA – to impose best practice.

Mr G didn't agree and asked that an ombudsman re-consider the complaint.

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.

Paragon called Mr G on 19 January 2024. Mr G said the line was poor. Paragon offered to call Mr G again on Monday (which was 22 January 2024), which Mr G agreed to.

Paragon didn't call Mr G on 22 January 2024. It sent an email the following day. Mr G raised a complaint about Paragon failing to call on 22 January 2024.

Paragon called Mr G on 27 January 2024 (a Saturday). Mr G said he'd already raised a complaint. Mr G said he had a family gathering but wanted to go ahead with the call. Paragon apologised for not calling on 22 January 2024 and confirmed that the complaint had been logged. Paragon said it was likely someone would call Mr G about this the following week.

During this call, Paragon checked with Mr G if it was still correct that he preferred calls after 4pm Monday to Friday. Paragon then asked if it was right that Mr G was available on Saturday mornings if he picked up. Mr G said this wasn't right. Mr G was upset and asked that the call recording was listened to by a manager.

Mr G says Paragon repeatedly failed to follow standards and agreements and he's raised

numerous previous complaints. He says his latest complaint is evidence that Paragon doesn't understand his needs or want to support him.

I must be clear that I'm only looking into the complaint Mr G raised in January 2024 – that Paragon didn't call on 22 January 2024, as arranged, and gave conflicting information when checking what times it was OK to call Mr G.

By way of background, Mr G had made an offer of full and final settlement of his mortgage debt in 2018, which Paragon accepted. This was to be paid in monthly instalments. Paragon called Mr G on 19 January 2024 to discuss the arrangement as it hadn't received payments in October, November or December 2023.

Mr G had made Paragon aware of his mental health problems and vulnerabilities. He told Paragon he suffers with anxiety. Mr G told Paragon he was able to manage the account himself without additional support.

Paragon told us the account is managed by its specialist support teams. It says it put a concession in place to contact Mr G only in writing. It told us it's had to remove this at times when Mr G hasn't maintained agreed payments. It says it re-instates the concession after successful contact. When Paragon does call Mr G, it's agreed with him to call after 4pm Monday to Friday. It says this is noted on the front screen of the account.

Paragon accepts that it made an error when it didn't call Mr G on 22 January 2024, and when it asked Mr G if it was right that he was available on Saturday mornings if he picked up. It apologised for this. It said it would write to Mr G to explain why it had called him.

Mr G found these errors upsetting. He told us it affected his health and he had to see his therapist and GP to assist with the stress. He asks that we impose best practice and award damages.

This service is not a regulator. We provide an informal dispute resolution service. It would be for the FCA to decide if Paragon should make wholesale changes to its business practices.

What I can do is decide whether Paragon made an error, and if so what it needs to do (if anything) to put matters right.

There's a difficult balance here for Paragon. It needs to take into account what Mr G has told it about his mental health and vulnerabilities and how he'd prefer to be contacted. At the same time, Paragon needs to maintain contact with Mr G about his account with the aim of keeping his payments on track.

While Paragon made errors here, it immediately accepted that was the case and apologised. I appreciate how upsetting this was for Mr G. But I don't think this is evidence that Paragon doesn't want to support him. I think Paragon has taken what Mr G has told it into account when it put in place a process to communicate with him. Mr G's account is managed by its specialist support team, it communicates with Mr G primarily in writing and, when it does need to call him, has agreed times to do so. I don't think, in the circumstances, it's fair and reasonable to require it to do more regarding this complaint.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 8 October 2024.

Ruth Stevenson
Ombudsman