

The complaint

Ms G complains about what happened when she asked Topaz Finance Limited trading as Hyalite Mortgages to change her mortgage payment date by one day. She said this caused arrears, and she wouldn't have done this if Hyalite had explained what would happen.

What happened

Ms G said she wanted her direct debit payment date to change, but only by one day. She said she completed the form for this and returned it in early 2023. Her new direct debit payments then started at the start of June 2023, but just after this she got an arrears notice.

Ms G said she spoke to Hyalite, and it said that the arrears were because her payment date had changed from the 31st to the 1st. So she said Hyalite told her she would have to make a one-off payment. Ms G said if she'd known this would happen, she wouldn't have changed the date, so she asked Hyalite to change it back. But she said Hyalite didn't do that.

Ms G said she called again after receiving another arrears letter, and was told to make a payment, which she did on 3 July. She said she thought it was all sorted then, and her arrears would be removed, but then yet another arrears letter arrived.

Ms G said this time when she spoke to Hyalite, the agent said she should have been told about the implications of moving her payment date. But then Hyalite's complaint response letter claimed she hadn't made the one-off payment she needed to make, which she had.

Ms G said she'd been trying to pay off existing arrears on her account for several years, and to have the arrears increase was very disheartening. She said she'd wanted to remortgage, but couldn't do this until the arrears were cleared. And she said she was confident this was wrong, because she could show she'd paid 12 payments in respect of 2023.

Hyalite accepts it didn't put Ms G's payment due date back to the end of the month. But it says that the arrears on her account now aren't a mistake, and it won't change those.

Hyalite said Ms G asked to change her direct debit online, through its customer portal, in April. It sent her a form, and then actioned her request when it got the form back, in May. Hyalite said it had warned Ms G to make a manual payment if a payment was due before her first direct debit would be taken, but she hadn't done that. So her account fell into arrears, because she'd made no payment at all in May.

Hyalite said when it spoke to Ms G at the start of June, she'd agreed to make a manual payment at the end of June, then it would reinstate her direct debit, for the end of the month. It was sorry that its agent hadn't changed the payment date for her. But it said she hadn't made the payment she was supposed to make, to bring things up to date. So it wouldn't amend the arrears showing on her account.

Our investigator didn't think this complaint should be upheld. He said that Hyalite had told Ms G that she would need to make a manual payment in May, before her next payment was

collected on 1 June 2023. And Ms G hadn't made that payment. He said Hyalite made a mistake by not resetting Ms G's payment to the end of the month, but that alone wouldn't have resolved the problem of her account being in arrears.

Our investigator said Ms G had arranged to make a payment at the end of June, but then hadn't paid it. She'd explained this by saying she got a letter telling her the direct debit would be collected on 3 July 2023. But our investigator couldn't see Hyalite had sent a letter like this to Ms G. And if it had, then Ms G should have queried that with Hyalite right away.

Our investigator didn't think it was Hyalite's fault that Ms G's May 2023 payment wasn't made, but he did think it was inconvenient not to have the payment date reset to the end of the month, so he asked Hyalite to pay £200 in compensation for that.

Ms G said she thought we'd missed something. She said she spoke to Hyalite at the start of July, and it told her then it would take the direct debit on 31 July. She said if it had done that, she wouldn't be in arrears now, and these arrears were preventing her from remortgaging elsewhere. But our investigator said he'd listened to this call, and Hyalite said then her next direct debit would be taken on 1 August. If that wasn't what Ms G wanted, she could have said this to the agent at the time.

Because no agreement was reached, this case was passed to me for a final decision.

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.

I've reached the same overall conclusion on this complaint as our investigator.

Ms G told us she is paid around the end of the month, then receives some additional income at the start of the next month. Before the events of this complaint, her mortgage payment was due at the very end of the month. She's been clear with Hyalite that this has caused her difficulties, as she would worry whether the payment for her mortgage was due before she had enough funds in place to pay it. That's why Ms G wanted to change her payment date.

But Ms G changed her payment date from the 31st of the month, to the 1st of the month. And Hyalite doesn't work from the end of the month to the end of the month. It works on calendar months, and, to put this simply, Hyalite expects a payment to be made towards Ms G's mortgage, once each calendar month.

So if Ms G wanted to change her payment date, she couldn't just push it back one day, from the last day of one month to the first of the next. Otherwise, she'd miss a payment.

Ms G said this should all have been explained to her, when she made this change. But Ms G made this change online, and received a letter in the post about it. So she didn't speak to anyone who could have explained this to her, until after the change was made.

The letter Ms G got told her that her direct debit would be claimed on 1 June 2023, and said she'd need to make a manual payment, if she had a payment due before then. Ms G did have a payment due before then. Her payment for May was due on 31 May. Ms G didn't pay this. That's why her mortgage fell into arrears.

Ms G spoke to Hyalite at the start of June, after she'd received an arrears letter. I think on that call, Hyalite did provide a good explanation of why things had gone wrong. And it offered to put Ms G's mortgage payment date back to the end of the month.

On this call, though, the agent stressed that she couldn't put this change in place for Ms G right away. So she said Ms G would need to make a payment at the end of June, and Hyalite would then reset her direct debit to the end of the month, starting at the end of July. For the moment, her direct debit was suspended.

Because Ms G hadn't made any payment in May, and her account was in arrears, what Hyalite was saying was that Ms G would now need to make two payments in one calendar month. But it knew she couldn't afford two payments out of the same pay check. So Hyalite said that, as she'd already paid at the very start of the month, in June, she could then wait until after her end of June pay check, and pay at the very end of that month as well. Ms G would then have caught up with her mortgage payments. She would have made two payments in one calendar month, without having to find two payments out of one pay check.

Ms G didn't make that manual payment at the end of June. Instead, she rang Hyalite at the start of July, saying she'd received a letter telling her that her direct debit payment would be taken on 3 July. So she hadn't called to make a payment at the end of June, because she had explained she couldn't afford to pay twice out of one pay check. Instead, she said she rang on 3 July, when her direct debit hadn't been taken.

Ms G did make a payment on that 3 July call. But she hasn't been able to show us the letter she said she received, and Hyalite says it has no record of sending it. I would also note that Ms G hasn't explained why she didn't call Hyalite right away, when this letter arrived, to find out why this didn't fit with the arrangement she'd previously made.

On this 3 July call, the agent confirmed that Ms G's direct debit would be put back on her account. It was. But the agent also confirmed that the direct debit would be taken at the start of each month, starting on 1 August. And Ms G didn't query that, although she now says Hyalite should have changed her payment due date to the end of the month for her.

I've looked at Ms G's transaction history for 2023, and the letter she sent to Hyalite, which she says shows she made a payment each calendar month for 2023. But both of these show she didn't make any payment during the calendar month of May 2023. And since then, she hasn't made two payments in any calendar month. She's continued making her payments at the start of each month.

Ms G's answer to this is that each of her payments is actually being made for the month before, although Hyalite is only taking it at the start of each month. I don't think that's right. I cannot see that, at any point, Hyalite has said it had actually reset Ms G's payments in this way. I understand it gave a commitment to do this, but that does appear to have been based on Ms G making an extra manual payment which wasn't made. And after this manual payment wasn't made, it then told Ms G it was going to do something else – leave her payments being claimed at the start of the month. And Ms G didn't take any steps to put this right, either at the time, or in the several months since.

For those reasons, I think Hyalite is right to say that Ms G's mortgage remains in arrears, because she missed a payment in May 2023, and there's no calendar month since when she's made two payments.

I will not ask Hyalite to reset Ms G's mortgage payment date now, because I don't want to cause her financial difficulties if she isn't able to pay then. Ms G can ask Hyalite to do this herself, if she would like, and I would expect Hyalite to then action that request.

I do think that this change of payment date should have been offered to Ms G again on the 3 July call, and I think that a payment of £200, which Hyalite has agreed to make, provides a fair and reasonable outcome to this part of Ms G's complaint. Hyalite can count towards that the amount of £50 it previously offered, if it has already paid that. But I don't think Hyalite has been unfair or unreasonable in recording arrears on her mortgage, and I won't ask Hyalite to change this now.

I understand Ms G will be disappointed, but I don't think Hyalite has to do more than that.

My final decision

My final decision is that Topaz Finance Limited trading as Hyalite Mortgages must pay Ms G £200 in compensation. Topaz Finance Limited trading as Hyalite Mortgages can count towards that amount the sum of £50 it previously offered, if it has already paid that.

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

Esther Absalom-Gough

Ombudsman