

The complaint

Miss E has complained that Clydesdale Bank Plc trading as Yorkshire Bank incorrectly completed her application form for a Support for Mortgage Interest Loan. Miss E has claimed that she's suffered a financial loss as a result.

What happened

In August 2023 Miss E contacted this Service to raise a complaint against Clydesdale Bank Plc trading as Yorkshire Bank (Yorkshire Bank). Miss E claimed that Yorkshire Bank was causing delays to her application for a Support for Mortgage Interest Loan (SMI) from the Department for Work and Pensions (the DWP).

Miss E has said that Yorkshire Bank had entered on her SMI application form that she'd taken out a re-mortgage, which was incorrect. Miss E said that because of Yorkshire Bank's error the DWP had rejected her SMI application.

On 30 October 2023 Yorkshire Bank responded to Miss E's complaint and said it no longer had a copy of the SMI application form, so it accepted what Miss E had said about it having made a mistake. Yorkshire Bank offered Miss E £150 to compensate her for the inconvenience that she's suffered because of its error. Yorkshire Bank also told Miss E that it had re-submitted her SMI application form to the DWP, this time completed correctly, on 26 October 2023.

Miss E didn't subsequently receive the SMI that she'd applied for from the DWP. Miss E initially claimed that this was because Yorkshire Bank hadn't re-submitted the application form on 26 October 2023.

In March 2024 Miss E appointed a representative to help her with her complaint. On 14 March 2024 Miss E's representative said that he'd contacted the DWP and had been told that the DWP had received Miss E's re-submitted SMI application form, but the form had been completed in respect of Miss E receiving Employment Support Allowance (ESA).

Miss E's representative went on to say that as Miss E wasn't claiming ESA he'd been told by the DWP that they wouldn't be able to deal with Miss E's SMI application. Miss E's representative went on to say: *"This matter is being looked at by the case manager at DWP to get a resolution with regards to the SMI payments, which will hopefully be able to go towards the interest payments on the mortgage"*.

Miss E's representative sent this Service a further email on 14 March 2024 to say: *"After speaking to DWP today, they have confirmed that when the form was sent in by Yorkshire Bank in July, it was rejected due to the form being incorrectly completed, (Miss E) has a letter confirming that it was completed for someone in Pension age and this was the reason for it being rejected. The form was then resubmitted in October by Yorkshire Bank and when I have spoken to DWP today they have confirmed that it was completed for someone claiming ESA which (Miss E) is not claiming, again another error when the form was completed by Yorkshire Bank the second time"*.

Miss E has said that because of the error she claims Yorkshire Bank made she's suffered with mental health problems. Yorkshire Bank has said that no payments have been made on Miss E's mortgage since February 2023. Miss E wants Yorkshire Bank to pay off all her mortgage arrears to compensate her for its errors.

In response Yorkshire Bank has said that Miss E had obtained a paper form from DWP, on which the DWP had placed crosses to indicate where Miss E should enter information. After she'd completed her sections, Miss E had then sent the form to Yorkshire Bank for it to complete its section and then send the fully completed form onto the DWP. Yorkshire Bank said that it had followed the correct process as set out by the DWP and therefore hadn't done anything wrong.

Our Investigator completed a review of Miss E's complaint. Their view was that Yorkshire Bank had delayed sending Miss E's correctly completed SMI application form between July and October 2023. To compensate Miss E for the distress and inconvenience that she'd suffered due to this delay our Investigator thought that Yorkshire Bank should pay Miss E £300, including the £150 it had already offered. However, our Investigator said that they'd not seen any evidence to show that Yorkshire Bank had caused any further delays to Miss E's SMI application after it had re-submitted her application form on 26 October 2023.

Miss E didn't agree with our Investigator's view so has asked for her complaint to be considered by an Ombudsman.

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.

The complaint that Miss E brought to this Service in August 2023 was that Yorkshire Bank had delayed her application for a SMI loan from the DWP. Yorkshire Bank responded to this complaint on 30 October 2023 and admitted that it had delayed this application. I therefore don't think that this element of Miss E's complaint is in dispute.

Miss E has however claimed that Yorkshire Bank made further errors when it re-submitted her SMI application form in October 2023. This error that Miss E claims was made wasn't covered in Yorkshire Bank's response letter of 30 October 2023. However, Yorkshire Bank has given this Service permission to respond to Miss E's further complaint.

Miss E has also said that she wants this Service to respond to claims and complaints she says she's had with Yorkshire Bank over a 15-year period. However, any previous complaints that Miss E has brought to this Service have already been completed and are now closed.

Therefore, in this decision I will only consider Miss E's complaint that Yorkshire Bank delayed the submission of her SMI application form to the DWP between July and October 2023 and that when Yorkshire Bank re-submitted her SMI application in October 2023 it

made errors on the form which has resulted in a financial loss to Miss E.

As I've said above, Yorkshire Bank has admitted that it delayed Miss E's SMI application between July and October 2023. It offered Miss E £150 in compensation for the distress and inconvenience that Miss E suffered because of its error. However, our Investigator thought that a fair amount of compensation was £300. Yorkshire Bank has accepted our Investigator's view.

Miss E has said that Yorkshire Bank then made further errors on her SMI application form when it completed and re-submitted the form in October 2023. Her representative said: *"The form was then resubmitted in October by Yorkshire Bank and when I have spoken to DWP today they have confirmed that it was completed for someone claiming ESA which (Miss E) is not claiming, again another error when the form was completed by Yorkshire Bank the second time"*.

Yorkshire Bank has said that it doesn't have a copy of the fully completed form that it sent to the DWP on 26 October 2023. Miss E and her representative also don't have a copy of this fully completed application form. However, I have seen a copy of the SMI application that Yorkshire Bank received from Miss E after she had completed her sections on the form. This copy shows that the sections that Miss E was responsible for had been completed by her, but the two sections that Yorkshire Bank needed to complete are still blank and are therefore yet to be filled in. I therefore think it's likely that Yorkshire Bank took this copy when it initially received the form from Miss E.

On 24 June 2024 Miss E's representative told this Service that they were having difficulties obtaining a copy of the fully completed application form from the DWP but had added that they were gathering further information with regards to this. Before preparing this decision, I've asked Miss E's representative if they now have any further information for me to consider, but they have told this Service that they have no additional information or evidence to submit.

I've listened carefully to recordings of several telephone calls between Miss E and Yorkshire Bank which took place between 18 July 2023 and 5 March 2024. I have also carefully considered the information that Miss E and her representative have submitted to this Service. But whilst I note Miss E's claim that Yorkshire Bank completed her re-submitted SMI application form for someone claiming ESA, I have not seen any evidence which shows that this is what happened.

I have examined the sections on the copy of the SMI application form that I've referred to above that Yorkshire Bank would've completed before it then sent the form onto the DWP. These sections cover information about Miss E's mortgage only and make no reference to any benefits that Miss E may or may not be receiving. I conclude from this that when Yorkshire Bank would've completed this form it would only have entered information about Miss E's mortgage onto the application.

I have also considered the process that would have applied when Miss E completed her application for SMI in July 2023. The GOV.UK webpage titled *"Support for Mortgage Interest (SMI)"* says:

"How to apply

When you apply for a qualifying benefit, you'll be asked extra questions about your housing costs to find out if you're eligible for Support for Mortgage Interest (SMI). If you then want to apply for SMI, you'll need to fill in and sign in a form. You do not need to pay a fee to apply. Before filling in the form, you'll need to:

- find out how much mortgage or home improvement loans you have left to pay*

- *find out how much interest you're paying on your mortgage or home improvement loans*
- *get your partner to agree to sign the form, if you have a partner*

You'll then need to send the form to your lender for them to complete. Your lender will send the completed form to the office that pays your benefit".

I think that this information is saying that for Miss E to apply for SMI she would first need to complete an application form. Miss E told this Service on 6 March 2024: *"I done exactly what the dwp told me to do. To fill in what they put x next to then post forms to Yorkshire bank and it was their responsibility to fill the rest in and post it back to them in the prepaid envelope that they put in with my forms. Which I sent with forms was easy as that".*

My conclusion from this is that Miss E followed the process detailed on the GOV.UK web page as I've set out above. Miss E therefore completed the part of the form that the DWP had put an "X" against and then sent the form onto Yorkshire Bank. I also think that the information on the GOV.UK webpage is saying that it's not Yorkshire Bank's responsibility to make an application for SMI for Miss E, or to chase through the application with the DWP after it has sent off the fully completed form. Instead, I think that this is Miss E's responsibility, as she is making the claim for SMI to the DWP.

Yorkshire Bank say that it re-submitted Miss E's application form to DWP on 26 October 2023. In their email of 24 March 2024, Miss E's representative said that the form was re-submitted in October 2023 by Yorkshire Bank. I therefore conclude that Yorkshire Bank did send Miss E's application form to the DWP on 26 October 2023 after it had completed its sections of the form.

However, Miss E's representative say that on 24 March 2024 they were told by the DWP that Miss E's SMI application form had been completed for someone claiming ESA, which Miss E wasn't claiming. Miss E's representative went on to say that this error was made by Yorkshire Bank.

As I have said above, I haven't seen any evidence to show that Yorkshire Bank made an error on the form that it re-submitted to the DWP on 26 October 2023. Miss E's representative has said that they were told by DWP that Miss E's SMI application form had been completed for someone claiming ESA, but after telling this Service in June 2024 that they would be providing further evidence to support their claim, no such evidence has been forthcoming.

I've therefore not seen any evidence to show that Yorkshire Bank completed its part of Miss E's SMI application form incorrectly or was responsible for Miss E's SMI application being unsuccessful. I therefore conclude that once Yorkshire Bank had re-submitted Miss E's SMI application on 26 October 2023 then it had completed its part in Miss E's SMI application.

As I don't think that Yorkshire Bank was responsible for Miss E's SMI application being unsuccessful then I also don't think it would be reasonable or fair for Yorkshire Bank to pay off Miss E's mortgage arrears, as she has said she wants. Miss E has said that through its error in completing the re-submitted application form, Yorkshire Bank was responsible for her mortgage arrears. But as there is no evidence to show that Yorkshire Bank made any error in the October 2023 re-submitted application then I don't conclude that Yorkshire Bank was responsible for the arrears that Miss E continued to accrue on her mortgage account.

I am therefore unable to uphold Miss E's complaint that Yorkshire Bank incorrectly completed her SMI application when it re-submitted this to the DWP on 26 October 2023. I do however uphold Miss E's complaint that Yorkshire Bank delayed submitting a correctly completed SMI application between July and October 2023. I think that Miss E did suffer distress and inconvenience due to this delay and I conclude that Yorkshire Bank should pay Miss E £300 to compensate her for this distress and inconvenience.

I've also considered whether Yorkshire Bank's error has resulted in any other financial loss for Miss E. I've not seen any evidence to show that Miss E's application for SMI has been successful. The DWP webpage I've referred to above also says: "*The payments to your lender can be backdated up to when you were first entitled to the loan.*"

I therefore think that if Miss E's application for SMI is ultimately successful then payments to Yorkshire Bank from the DWP can be backdated. I've therefore not seen any evidence to show that Mrs E has suffered any financial loss because of Yorkshire Bank's delay in submitting a correctly completed SMI application between July and October 2023.

Putting things right

Yorkshire Bank should now pay Miss E £300 to compensate her for the distress and inconvenience she's suffered because of its error. However, Yorkshire Bank has already offered to pay Miss E compensation of £150, so if this amount has already been paid it now needs to pay Miss E a further £150, so that the total compensation paid is £300.

My final decision

My final decision is that I uphold part of Miss E's complaint and Clydesdale Bank Plc trading as Yorkshire Bank should now compensate Miss E as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss E to accept or reject my decision before 29 October 2024.

Ian Barton
Ombudsman