

## **The complaint**

Mr A complains that Bank of Scotland plc trading as Halifax caused him distress and inconvenience when it sent him an incorrect mortgage offer.

## **What happened**

In March 2023 Mr A enquired about a new mortgage with Halifax via a broker. He acquired an illustration for a mortgage of £235,875, with a term of 20 years and a fixed interest rate of 4.9%. He acquired a new illustration in April 2023 for a mortgage of £249,750. But as that increased his loan to value ratio, he qualified only for a new fixed interest rate of 5.1%. He's told us that change is not part of his complaint. Halifax provided a mortgage offer based on those details on 31 May 2023.

However, Mr A's broker contacted Halifax on 1 June 2023 to amend the solicitor's details. And, when Halifax produced a new mortgage offer to show the new solicitor, it changed the interest rate product in error – the new mortgage offer showed a fixed rate of 5.15%. Mr A's broker contacted Halifax on 6 June 2023 to alert it to the error. Halifax sent a new mortgage offer showing the correct interest rate deal on the same day.

In September 2023 Mr A's solicitor asked Halifax for the mortgage funds to be released and the mortgage completed on 12 September 2023.

Mr A says he was inconvenienced by Halifax's error as he had to read the offer again, contact his solicitor, post the signed contract, contact his mortgage adviser, and contact the seller to explain the delay. He complained to Halifax in January 2024.

In its final response letter dated 30 January 2024, Halifax agreed that it had made an error, apologised, and paid him £25 to acknowledge the distress and inconvenience caused.

Dissatisfied with Halifax's response, Mr A asked us to consider his complaint. When Halifax submitted its file to us, it increased its offer to Mr A by £50 (£75 in total). Our investigator informed Mr A of the improved offer, but Mr A did not accept it and asked us to continue our investigation. In his view that followed, our investigator said he thought Halifax's offer was reasonable.

Mr A didn't accept our investigator's view, so his complaint has been passed to me for a 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.

To decide Mr A's complaint, I've thought about whether the amount offered by Halifax fairly reflects the likely distress and inconvenience suffered by him as a result of its error. In his responses to Halifax's increased offer, Mr A said he wasn't happy that Halifax offered him no internal escalation of his complaint and didn't engage with him aside from sending him its

final response letter. He also said that, had he not spotted the error, he'd have had to pay additional interest over the fixed rate period. So, I've thought about those matters too when deciding Mr A's complaint.

Both parties to this complaint agree that Halifax made an error and there appears to be no dispute that it corrected its error five days after it made it – on the same day Mr A's broker brought the error to Halifax's attention. The mortgage funds were not drawn down by Mr A's solicitor until September 2023, so it doesn't appear that Halifax's error caused any delay to the completion of the mortgage or property purchase. Mr A has not claimed that the error did cause any such delay, nor has he provided evidence of that. And, when the mortgage completed, it did so on the interest rate product he'd applied for. So, there appears to have been no monetary loss to Mr A caused by Halifax's error, albeit – as Mr A says – because he spotted the error.

I've carefully considered all the reasons Mr A says he was inconvenienced. And I agree there would have been some additional tasks for him because of Halifax's error. But I haven't seen that he signed and posted the incorrect mortgage offer – he said he spotted the error, so I don't think it's likely he signed the offer and posted it, having done so. Therefore, signing and posting the new mortgage offer wouldn't have been an additional task. And, given that the mortgage (and house purchase) completed several months after the error, I'm not persuaded it was necessary for him to inform the seller of the "*delay*." I don't think the error actually caused a delay to completion or any part of the process that would have involved the seller.

I agree that Mr A needed to contact his broker and, probably, his solicitor. And I think the matter may have caused him some distress due to the potential slight increase in monthly cost over the fixed rate period. But as Halifax corrected its error promptly – the same day it was notified of the error – I think the impact on Mr A was minimised.

Mr A has asked us to consider the fact that Halifax's error may have resulted in him paying additional interest over the fixed rate period. However, I won't ask Halifax to compensate him for something that didn't happen. I accept that the error was corrected due to Mr A's diligence, but it hasn't resulted in a loss to him, so there isn't anything to compensate him for in that regard.

In handling Mr A's complaint, Halifax was required to give its final response within eight weeks of him making his complaint and explain to him that he had the right to bring his complaint to us if he did not accept its findings. Halifax did both, so I don't think it did anything wrong in that regard.

Overall, I've seen that there was some inconvenience caused to Mr A and the apparent change in interest rate deal may have caused him some concern. But I think Halifax's prompt correction of its error minimised the impact to Mr A and I think its offer of £75, in total, to acknowledge that impact is reasonable in the circumstances.

### **My final decision**

Bank of Scotland plc trading as Halifax has already made an offer to pay £75 in total to settle this complaint and I think that is fair in all the circumstances.

So, my decision is that Bank of Scotland plc trading as Halifax should pay Mr A £75, minus any amount it has already paid him in relation to resolving this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 19 November 2024.

Gavin Cook  
**Ombudsman**