



## **The complaint**

This complaint is about a mortgage Ms B held with Leeds Building Society (LBS) until earlier this year when she repaid it in full.

The essence of the complaint is that LBS kept the account open after it had been redeemed, and sent Ms B a letter telling her she'd missed two payments. It also reported this on her credit file, albeit it removed the entries later.

## **What happened**

The above summary is in my own words. The basic background to this complaint is well known to both parties so I won't repeat all the details here. 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.

## **What I've decided – and why**

I'll start with some general observations. We're not the regulator of financial businesses, and we don't "police" their internal processes or how they operate generally. That's the job of the Financial Conduct Authority (FCA). We deal with individual disputes between businesses and their customers. In doing that, we work within the rules of the ombudsman service and the remit those rules give us. We don't replicate the work of the courts.

We're impartial, and we don't take either side's instructions on how we investigate a complaint. We conduct our investigations and reach our conclusions without interference from anyone else.

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

This isn't a case where I have to decide fault; LBS has accepted that already. What I need to decide is what fair redress should be. LBS offered £150 compensation, which our investigator thought was insufficient. She recommended £250, which LBS refused to pay. Ms B thought £250 was fair, but she would also like a written apology from LBS.

Having considered everything that's been said and provided, I've reached broadly the same conclusions as the investigator, and for largely similar reasons.

Assessing compensation for distress and inconvenience isn't an exact science. We do have certain guidelines, but these are broadly drawn, and we will always use our discretion to match awards to specific circumstances, and the effect an error has on an individual. No two consumers are the same.

Here, the investigator assessed fair compensation at £250, which I think was entirely right. Being told you've missed payments when you haven't is upsetting enough, but then to find out your credit file has been adversely affected, even if only temporarily, only makes an

already bad situation worse. Additionally, Ms B was recovering from health issues, which exacerbated the impact on her.

Ms B would also like a written apology, and I understand that fully. The difficulty is that if I order LBS to apologise as part of my final decision, and Ms B accepts the final decision, then LBS will be apologising because it has no choice. An apology given under duress has no value, which is why I generally don't include a direction to apologise in a final decision, and won't be doing so here. But I'd like to think LBS would realise that it has something to apologise for, and will do so with good grace, whether Ms B accepted my final decision or not.

### **My final decision**

My final decision is that I uphold this complaint, and direct Leeds Building Society to pay Ms B £250 in full and final settlement. 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 B to accept or reject my decision before 24 December 2024.

Jeff Parrington

**Ombudsman**