

The complaint

Ms D and Mr H complain about the way Danske Bank A/S dealt with the redemption of their mortgage. They also complain that it didn't update their address.

Mr H has dealt with the complaint. He says the redemption statement issued by Danske Bank was unclear and this led to financial loss, stress and anxiety and he spent a lot of time dealing with the complaint.

What happened

Ms D and Mr H repaid their mortgage with Danske Bank in mid-2024. They say the redemption statement said any funds taken after redemption would be refunded. However, Danske Bank didn't refund the monthly payment it received by direct debit on the redemption date. They say they spent funds relying on the refund and have suffered financial loss and lost opportunity.

Mr H says Danske Bank failed to update their address, so they didn't receive annual mortgage statements.

Our investigator said the redemption statement wasn't misleading. He said Ms D and Mr H had paid the correct amount to redeem the mortgage. Our investigator said £100 was fair for the trouble caused by Danske Bank's errors with Ms D and Mr H's address.

Mr H didn't agree. He said the redemption statement was misleading. He said the error with their address warranted higher compensation.

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 redemption figure and redemption statement

Danske Bank issued a redemption statement in June 2024. This assumed the mortgage would be redeemed on 1 July 2024. Ms D and Mr H's monthly payment was due on 1 July 2024. Danske Bank took this into account when it calculated the redemption figure.

To put it another way, Danske Bank reduced the redemption figure – the amount that Ms D and Mrs H's solicitor needed to transfer to it on 1 July 2024 – by the amount that it expected to receive by direct debit on 1 July 2024.

Danske Bank provided account records to show the mortgage balance prior to it receiving the direct debit payment and the redemption funds from the solicitor. It provided evidence that its redemption calculator deducted the direct debit payment from the balance when calculating the redemption amount.

The redemption statement said "Any payment due to the date of redemption have been taken into consideration".

The redemption statement includes a paragraph that explains what happens if a direct debit payment is in progress when the mortgage is redeemed. This is the paragraph that Mr H says is misleading. If Danske Bank had received a payment after 1 July 2024 which wasn't included in its calculation of the redemption amount, I'd expect it to refund the payment. As that wasn't the case here, the paragraph Mr H refers to wasn't relevant to them.

Mr H says both their solicitor and broker told them the payment would be refunded. Mr H provided a copy of an email from their solicitor dated 1 July 2024. This refers to Danske Bank making a refund after it processed the funds for the mortgage. Danske Bank says it did make a refund – although for a rather smaller amount than the monthly payment. I'm sorry if Mr H and Ms D were given incorrect information by their broker and solicitor. However, I haven't seen evidence that Danske Bank misled the solicitor or the broker – and therefore Mr H and Ms D – that it would refund the monthly payment received on 1 July 2024.

I'm satisfied that Danske Bank calculated the amount needed to repay the mortgage correctly. Ms D and Mr H did not overpay. I don't think it's fair and reasonable to require Danske Bank to refund the payment that was due and received on 1 July 2024.

Mr H says they spent funds in expectation of the payment being refunded. I don't think the redemption statement was unclear or misleading so as to make it fair and reasonable to require Danske Bank to pay compensation for any such inconvenience or loss.

The failure to update Mr H and Ms D's address

Danske Bank said it didn't follow the correct process to update Ms D and Mr H's address after the mortgage completed (in mid-2022). This error was identified in late 2023 when Mr H called to get an up-to-date balance.

Danske Bank says it tried to call Ms D and Mr H to update their address without success. It spoke to Mr H and he said he'd call back – I've listened to a recording of this call. Danske Bank says Mr H didn't call back. It provided its records to show when it had made or received calls with Mr H or Ms D.

Mr H says it's not his responsibility to correct Danske Bank's errors or to update its records. He says it's obvious they live at the security property. In fairness though, I think it was right that Danske Bank spoke to Mr H or Ms D before changing their address in its records.

Mr H says he called Danske Bank hundreds of times and made hundreds of attempts to update their address. Danske Bank's records don't support this and Mr H hasn't provided evidence of these calls. During Mr H's calls with Danske Bank in May 2024 (which I've listened to) Mr H didn't say he'd made numerous attempts to update their address – which I would have expected him to do if this had been the case.

Danske Bank did make an error when it didn't follow the correct process to update Ms D and Mr H's address when the mortgage completed. It could have tried to contact Mr H or Ms D again, when Mr H didn't call back. I think it's right that Danske Bank offered compensation for any inconvenience this caused. Danske Bank made an error in its final response letter when it referred to Ms D and Mr H's previous address (it used the wrong house number). I can't see that this error could have caused any problems for Ms D and Mr H.

Any correspondence Danske Bank sent to Mr H and Ms D – including their annual mortgage statements – was sent to their previous address. There's no evidence that Mr H and Ms D were caused any loss by this or that this information was mis-used.

Mr H says Danske Bank was in breach of mortgage regulations by failing to send annual

mortgage statements to them. I should explain that this service is not a regulator. We provide an informal dispute resolution service. We decide what's fair and reasonable in the circumstances of each complaint. When deciding whether to require a business to pay compensation we consider the effect of its error on the customer.

Mr H was made aware in late 2023 that their address in Danske Bank's records was out of date. The available evidence suggests he took no steps to remedy this, which suggests to me that this didn't cause him significant concern. Mr H called Danske Bank in May 2024 to ask for a copy of the annual statement, which his broker had requested for their re-mortgage. Other than this, I can't see that the error with Ms D and Mr H's address caused any real inconvenience. I haven't seen evidence that it caused them any financial loss. I think the £100 offered by Danske Bank is fair and reasonable in the circumstances.

Mr H says £100 isn't anywhere near enough for the time he's spent making the complaint. Danske Bank sent a final response in July 2024 which I think set out a fair resolution to Mr H and Ms D's complaint. Ms D and Mr H decided to bring their complaint to this service – as they're entitled to do. It's inevitable that continuing with the complaint would take up some of their time. I can't fairly require Danske Bank to pay compensation for this.

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 Ms D and Mr H to accept or reject my decision before 16 December 2024.

Ruth Stevenson
Ombudsman