

The complaint

Mr M and Mrs M complain that Bank of Ireland (UK) Plc didn't give them the information about their business loan they needed to make decisions about overpayments.

What happened

Mr M and Mrs M took a business loan from Bank of Ireland in 2015. Mr M says he tried to contact Bank of Ireland in April 2023 to discuss the loan and the impact of making overpayments. But he says that he didn't receive the information he needed. And that as a result he could have made an overpayment of £11,000 earlier and saved interest.

Bank of Ireland said that it was sorry that Mr M had difficulty in obtaining the information he wanted and speaking to a business advisor. That person would be able to deal with questions about the loan. And it said that Mr M had been able to speak to an appropriate person since the complaint was made. Bank of Ireland offered to pay £100 in compensation.

Our investigator didn't recommend that Bank of Ireland do anything further. He said his understanding was that the advisor had spoken to Mrs M as Mr M wasn't available. And he didn't think that there was evidence of financial loss. We don't have a role in setting bank processes, and he thought that the offer was sufficient to reflect the issues with customer service.

Mr M and Mrs M didn't agree and wanted their complaint to be reviewed by an ombudsman. They said that no compensation had yet been paid. And that the whole point was they wanted to pay less interest. This has disadvantaged them as they could easily have paid more off borrowing and estimate have saved £1,144 of interest. The overpayment of £11,000 was made on 17 May 2024. Mr M said that when Bank of Ireland did contact Mrs M she made clear that Mr M wanted to speak to the advisor as she didn't know all of the questions he wanted to ask. And the person failed to take into account that Mr M wouldn't be free for 60 to 90 minutes. While Mr M did call back and left a message he says the advisor hasn't since been called back. And they have lost the details of the person they needed to speak to. So, they didn't think that Bank of Ireland had done enough to put things right.

My provisional decision

I issued a provisional decision on 11 October 2024 to take into account the new points that had been raised and confirm my understanding of what happened. I set out below what I said.

I noted that Bank of Ireland provided a recording of Mr M's original call of 18 April 2023 as part of its business file. During that call Mr M was told the balance on the loan account, the interest rate and that overpayments on their variable rate loan could be made without penalty. Mr M was told that he would need to speak to a business advisor about whether there were any more competitive rates or products. He was given the email of a specific business advisor and number to contact other team members.

I also noted that Bank of Ireland issued a first final response to a complaint on 20 April 2023 saying that the concerns were resolved. I looked at the case notes from Bank of Ireland and as far as I could determine Mr M had called again on 18 April 2023 having not been able to get through to the business advisor and then complained that a request to call him back hadn't been actioned. On 25 April 2023, the complaint was reopened as Mr M had said he hadn't had a call. Bank of Ireland doesn't now have records of calling him back then but in the complaint form to this service dated 15 April 2024 Mr M says:

"Whilst I did eventually receive a callback - I did not get any answers to my questions on overpayments, shortened term and interest that would be paid. The person said they would get back to me, but almost 1 year later, I have still not received any communication from BOI."

Mr M was unhappy that Bank of Ireland in its final response to this complaint of 16 October 2023 said that he had been called back and this issue was dealt with.

The further contact referred to with Mrs M - and attempted contact by Mr M appears to relate to calls made after this date. And to a call it seems with Mrs M on Friday 17 May 2024. The advisor states he then discussed the position with her and gave details about the interest rate, balance and monthly repayments and that based on the current position the loan would be repaid in three to four years rather than the approximately seven years left. The advisor said he tried to call Mr M and left a message and didn't have a record of a call back. The advisor has also noted that Bank of Ireland can give an indication of the impact of overpayments but wouldn't produce calculations relating to the impact including on interest. Mr M has said that neither he nor Mrs M have any record of the number of the advisor anymore having changed phones and so can't call back.

I had a copy of loan statements dated 28 April 2023 and 1 May 2024. I could see that the balance on 6 April 2023 was £62,111.73 and I noted that this was the figure I heard given to Mr M in the call recording of 18 April 2023. The monthly repayment is £856.54. But there have also it seems been overpayments to the loan including of £2,000 on 26 April 2023. And in the period to 12 April 2024 these appear to have totalled over £15,000 although I was unclear about the details of the entry on 22 June 2023 for £4,500 marked '4LA Loan'. In any event the balance on 12 April 2024 was showing as £41,095.54.

I finally noted from the loan documentation that the interest rate on the loan was set at 5% over Bank of Ireland Base Rate. I appreciated that Mr M has now said he hasn't been notified in the past of changes. That isn't the subject of this complaint, but I noted that Bank of Ireland stated that it doesn't directly notify changes and that its Base Rate is publicly available. In any event Mr M has explained to this service that he called on 18 April 2023 to confirm the rate and not to ask that the rate be reduced.

My assessment

It isn't in dispute that Mr M didn't initially receive the call back he wanted in a timely way. I didn't have evidence to support further attempts he made to contact Bank of Ireland after April 2023. I noted that he says he returned a much later call from the advisor on it seems Saturday 18 May 2024.

I wasn't persuaded from what I'd seen that Bank of Ireland would provide Mr M with specific scenarios linked to overpayments and interest or would reasonably be expected to give any advice about this. And I noted that Mr M and Mrs M appear to have started overpayments in 2023 - on 26 April 2023 - and made a further significant overpayment it appears on the day in May 2024 a business advisor spoke with Mrs M. While they argue that they might have made more overpayments at an earlier stage they have it seems made overpayments on the

basis of information Bank of Ireland has given them. And they reasonably knew or could find out the balance and interest rate on the loan account at relevant times. I didn't have evidence to support further calls they attempted in 2023 and 2024. Or to conclude they would have been given further information in any event.

As our investigator has stated we don't have a role in setting processes or how Bank of Ireland runs its customer communications. So, I said I wouldn't be commenting on that generally as Mr M has asked this service to do. And complaint handling isn't a separate regulated activity and Mr M and Mrs M have been a position to refer their complaint to us and in light of the final response letters. There were clearly some customer service issues in April 2023 and a delay in Mr M then getting a call back. I thought that the amount of compensation already offered for that is reasonable. But I wasn't persuaded that the actions of Bank of Ireland have caused a financial loss for Mr M and Mrs M for the reasons I'd given.

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 didn't receive any further comments or evidence either from Mr M and Mrs M or from Bank of Ireland. As a result, I see no reason to depart from the conclusions of my provisional decision and the reasoning I gave above.

My final decision

My decision is that Bank of Ireland (UK) Plc should pay Mr M and Mrs M £100 as it has already offered to do.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Mrs M to accept or reject my decision before 6 December 2024.

Michael Crewe
Ombudsman