

The complaint

Ms W complains that The Co-operative Bank Plc trading as Platform agreed to a payment arrangement on her joint mortgage without her consent.

What happened

Ms W has a joint mortgage account with her ex-partner. I won't go into detail about Ms W's personal circumstances and her relationship with her ex-partner to protect her anonymity, but Platform was aware that they had separated, and that Ms W was in a vulnerable position.

Platform agreed a payment arrangement with the joint account holder for three months in 2023. Ms W contacted Platform in August 2023 after noticing the arrangement on her credit file. Platform looked into things, and accepted it shouldn't have agreed a payment arrangement on the account without her consent. It agreed to remove the arrangement from Ms W's credit file and offered to pay her £200 to apologise for the error. Ms W was unhappy that her credit file was still being reported incorrectly in October 2023. Platform increased its offer of compensation to £350.

Ms W asked our service to look into her complaint. She said that Platform's actions had a significant impact on her credit score. She said as a result, her credit card lenders reduced her credit card limits and she was prevented from transferring the balances to 0% interest rate deals. She also said that Platform was aware of her circumstances, and the impact this error would have had on her emotionally. She's had to spend a lot of time and effort on the phone sorting the issue out, and it's had a significant impact on her overall. She didn't feel £350 was a fair reflection of that.

One of our Investigators looked into things, and whilst she empathised with Ms W's circumstances, she thought the offer Platform had made to put things right was fair and reasonable in the circumstances.

Ms W disagreed, and so the complaint was passed to me to issue a decision.

My provisional decision

I issued a provisional decision in which I said the following.

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

Platform has accepted that it made an error and shouldn't have agreed to a payment arrangement on the mortgage account without Ms W's consent. It has updated the way it's reported Ms W's account to credit reference agencies. Ms W has told our service she would have made the monthly payments to avoid the account going into arrears if she was aware of the situation. So what remains for me to decide, is whether the offer it's made of £350 compensation is fair and reasonable in the circumstances.

It's clear that Ms W feels strongly about this complaint, and she has spent a great deal of energy in pursuing the issue and gathering evidence to send us to support what she's said. I'm grateful for the information Ms W has been able to provide, and her honesty throughout. I appreciate it can't have been easy for her to discuss such matters given her particular circumstances.

Having considered everything in the round, I'm currently persuaded Platform should pay Ms W more to recognise the distress and inconvenience its actions have caused her. Ms W has sent us evidence of her credit score both before the amendments to the account were made and after, and I'm persuaded that, on the balance of probabilities, it's likely her credit score was directly impacted by the arrangement Platform recorded on the mortgage account. This is because there was a significant change to the score during this period, and the only negative factor being recorded was the payment arrangement.

Ms W has also sent us letters that had been sent by her credit card providers on three accounts in July 2023. All three of those letters informed Ms W her credit limits were being reduced. Given they were all sent shortly after the payment arrangement was agreed and reported on Ms W's mortgage account, I think it's likely that arrangement was a contributing factor in the decision making of Ms W's credit card lenders.

Ms W wants Platform to pay her for the available credit she lost as a result of those limit reductions – which she said totalled £5,800. I don't think it would be reasonable to ask Platform to pay her that amount. Firstly, whilst the arrangement was likely a contributing factor that led to the reduction in Ms W's credit limits, it was the individual decisions of the relevant lenders to reduce the limits in line with their risk appetite. I don't think it would be reasonable for me to hold Platform accountable for the decision making of Ms W's credit card providers, and I can't be sure there weren't other factors that contributed to those reductions being made.

Secondly, that £5,800 was not a direct financial loss incurred by Ms W. She may have lost the option to use that amount of credit over the relevant period, but it wasn't cash that Ms W had in her pocket to spend. It's also not clear whether Ms W attempted to speak to her creditors after her credit file had been restored to see if they would increase her limits again. Ms W has said she missed out on 0% interest rate balance transfers during this period and so she's had to pay interest on her debt that she wouldn't otherwise have had to, but she hasn't sent in any evidence to support that. And in any case, for the same reasons I've set out above, I don't think it would be fair and reasonable to expect Platform to pay for losses that may have arisen as a result of decision making made by other lenders. As credit card providers will take into account several factors when considering a new application, it would be difficult for me to conclude that but for Platform's mistake, Ms W wouldn't have had to pay any interest on her outstanding credit card debt.

However, I do think this matter has caused Ms W significant worry, stress and inconvenience. She raised the issue with Platform in August 2023, and it took some time for Platform to get to the bottom of things and put things right. Ms W's credit file was still showing incorrectly by October 2023. Whilst Platform isn't responsible for the time it took each individual credit reference agency to make the changes, I've seen from Platform's internal notes that the correct alterations weren't requested until October 2023, as there was some initial confusion about what months needed to be updated. I think this should have been done earlier.

Platform was aware of Ms W's personal circumstances and the nature of the relationship between her and her ex-partner. Therefore, I think this error had a greater impact on Ms W and her emotional state than it might otherwise have done with someone in different circumstances. Platform was also aware how important Ms W's credit score was to her from previous conversations it had had with her about forbearance, and Ms W's reluctance to agree to anything that would impact her credit file. After the initial conversation in August, Ms W had to chase up the credit file amendments for a further two months, and regularly check her credit score to see whether it had been updated. She's explained how stressful this was for her and I accept that was the case. As a result, considering all the circumstances, I currently intend to instruct Platform to pay Ms W a total of £750 for the distress and inconvenience this matter has caused her."

Platform said that whilst it felt the compensation award was excessive, it agreed to pay it to resolve the complaint.

Ms W felt the compensation award should be higher. In summary she said she didn't believe the compensation goes far enough to put her back into the same financial position she was in before Platforms' actions. She said the multiple breaches of trust and lack of care around her financial product have not been given enough weight.

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.

That includes the additional comments made by the parties in response to my provisional decision. Whilst I appreciate this will come as a disappointment to Ms W, my decision remains unchanged.

I understand Ms W's strength of feeling about this complaint, and I want to assure her I've given everything she's said careful consideration. But I remain satisfied that the compensation amount of £750 is a fair amount and is in line with our service's approach to awards for distress and inconvenience. She hasn't provided any new information or evidence which leads me to conclude the compensation should be increased. As such, I remain satisfied that Platform should pay Ms W a total of £750 to resolve this complaint.

My final decision

For the reasons I've explained, I uphold this complaint and instruct The Co-operative Bank Plc trading as Platform to pay Ms W a total of £750 compensation (including the £350 it has already offered).

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 7 February 2025.

Kathryn Billings
Ombudsman