

## **The complaint**

Mr D complains about what happened when he tried to redeem his mortgage with National Westminster Bank Plc. He said NatWest repeatedly failed to supply a redemption statement, and then kept over £3,000 of his money for some months.

## **What happened**

Mr D told us that redemption of his mortgage was delayed because of NatWest's mistakes. He said NatWest was extremely difficult to deal with, each time he rang he was on hold for 30 minutes to an hour, and spoke to someone different each time. He wanted a redemption certificate so that his solicitors could repay this mortgage, which had reached the end of its term, but although NatWest promised to send this, it repeatedly failed to send the statement when it was requested.

Mr D said when he tried to complain, the call was dropped, and a promised call back wasn't made.

Mr D said once he did manage to redeem the mortgage, NatWest then said it had asked for too much, so there was a large credit amount on his mortgage. This delayed removal of NatWest's charge on his property. And NatWest also kept over £3,000 of Mr D's money, from 13 March until 28 June 2024.

NatWest accepted it had made some mistakes. It said that Mr D's solicitors requested a statement on 4 March, and it had provided that on 13 March, which is within the ten working days it usually requires to complete this request, so it didn't think it had done anything wrong by not supplying this earlier. It said its lines had been busy, and that it hadn't been able to investigate why Mr D's call to complaints had been cut off, and no call back made, because it didn't have the details of when that happened.

NatWest accepted it hadn't paid Mr D back the credit on his mortgage promptly. On 15 May it referred to this delay as inexplicable and untimely, and paid him £200 to say sorry for that. NatWest didn't think it had to do any more.

Our investigator didn't think this complaint should be upheld. She said Mr D first requested a redemption statement in late 2023, but his plans then changed and redemption was scheduled for early 2024.

Our investigator said NatWest had supplied its redemption statement within its usual timeframes. But Mr D's solicitors weren't told about these timeframes, instead, they were told that a redemption statement could be issued within three to five days. And NatWest had confirmed on 5 March that a statement would be with Mr D's solicitors by noon that day. Although a statement was supplied then, items were missing from it, so redemption couldn't go ahead. Mr D's solicitors finally received a redemption statement on 12 March, and the mortgage was redeemed on 13 March.

Our investigator noted that Mr D's solicitors, and Mr D, had to contact NatWest a number of times to get the redemption statement, and then to get the credit on his mortgage paid back

to him. But she said NatWest had now paid back the credit balance on Mr D's mortgage, and had paid £200 in compensation. She said she was satisfied NatWest had made a fair offer, and she wouldn't ask it to do any more.

Mr D said he'd never received NatWest's final response letter, and he said we'd only looked at what happened at the end of this process. He wanted us to investigate what happened between July 2021 and September 2023, when he was trying to have a discussion and reach a solution to have this mortgage extended by putting his house up for sale. Mr D said NatWest wouldn't work with him on that.

Because no agreement was reached, this case was passed to me for a final decision. And I then reached my provisional decision on this case.

### **My provisional decision**

I issued a provisional decision on this complaint and explained why I did propose to uphold it. This is what I said then:

I should start by saying that our service is only allowed to consider a complaint, once it has been raised with NatWest and then referred to our service. I've considered the complaint that Mr D lodged with NatWest in March 2024, and then referred to our service, and I do think this is a complaint about what happened when Mr D tried to redeem his mortgage. It doesn't seem to me that Mr D has clearly raised with NatWest, and then referred to us, a complaint about what happened between July 2021 and September 2023, when he was asking NatWest to extend his mortgage term.

That doesn't mean our service won't be able to consider that for him in future, but it does mean I cannot add Mr D's concerns about NatWest's refusal to discuss a term extension with him into this complaint now. I will confine my decision below to Mr D's concerns about what happened when he was trying to redeem his mortgage.

NatWest has told us it doesn't think it caused a delay in providing a redemption statement, because it usually takes up to ten working days to do that. But it's not at all clear how Mr D, or his solicitors, were supposed to be aware of this usual timescale.

Rather, NatWest does appear to have repeatedly committed itself to providing a redemption statement much faster than this. I think it's likely that Mr D's solicitors relied on what NatWest said here, and prepared a number of times to redeem, only to find that NatWest hadn't supplied the required certificate. I think this is likely to have caused Mr D considerable additional work, and much concern.

In particular, NatWest made a clear commitment to have a redemption statement with Mr D's solicitors on 5 March, but didn't supply it. Mr D has told us his solicitors were ready to redeem then. So I think NatWest should refund any interest it charged on this mortgage after 5 March 2024, because I think if NatWest had done what it promised, then Mr D's mortgage would have been redeemed on this date. I don't think it's fair and reasonable for NatWest to charge interest after this date.

Although NatWest supplied a redemption statement on 12 March, it seems likely that this was a substantial overestimate of Mr D's debt. Mr D then paid on the basis of this statement, and his mortgage account was over £3,000 in credit as a result.

NatWest repeatedly told Mr D it couldn't give him a refund yet, because it hadn't yet resolved a solicitors bill which needed to be deducted from this amount. I don't think NatWest should have kept over £3,000 of Mr D's money from mid-March to late June,

on this basis. So I will ask NatWest to pay Mr D interest at 8% simple on the amount it finally refunded to Mr D, from the date his mortgage was redeemed to the date that NatWest repaid the credit.

Finally, Mr D told NatWest, and our service, that he'd tried on 11 March to complain about the service he was receiving, but the call was cut, and NatWest's agent hadn't made good on a promise to call back if that happened. I note NatWest didn't respond to this concern in its letter of 15 May 2024, because it said it didn't have enough detail to find the call. But I have seen emails between Mr D and NatWest, saying when this happened, and identifying both agents Mr D spoke to by name. So I think Mr D had provided enough detail for this concern to be investigated. I have taken into account that NatWest didn't do this, in my assessment of compensation.

Considering all of the above, I think that NatWest should pay Mr D more compensation than it has already paid. I think a total payment of £500 would provide a fair and reasonable outcome here, and would take into account the additional work and stress that Mr D has been caused in redeeming his mortgage. NatWest has already paid Mr D £200, so I'll ask NatWest to pay £300 now.

I should also note that there is one point of evidence missing in this case. Mr D has clearly been put to additional work here, in trying to get his redemption statement from NatWest, to get his credit repaid, and to get NatWest to remove its charge from his title deeds. But his solicitors have also been put to additional work too. I don't know if Mr D had agreed a flat fee for this work. So Mr D's solicitors may have billed Mr D for extra work which NatWest has caused.

If Mr D is able to provide evidence from his solicitors, that part of their charges to Mr D would not otherwise have been incurred or invoiced, if NatWest hadn't 1) delayed in providing a promised redemption statement on the date or dates promised, then 2) delayed in providing Mr D with his credit refund and removing the charge from Mr D's title deeds, then I will forward that evidence to NatWest, and I will also ask NatWest to pay that sum in my final decision.

I think the above would provide a fair and reasonable outcome to this complaint.

I invited the parties to make any final points, if they wanted, before issuing my final 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.

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

NatWest didn't reply to my provisional decision. Mr D did, he said he'd need more time to raise with NatWest the things that happened between July 2021 and September 2023. I explained to Mr D that our service couldn't consider that here. Mr D then asked about solicitor's costs, and I explained I didn't think, as part of this complaint, NatWest had to refund the legal costs it had added to his mortgage, but he could offer evidence of any additional costs he had been charged by his own solicitors, as set out in the provisional decision. Mr D has since confirmed that he won't be sending any further evidence, and he asked me to go ahead with the decision.

In the light of Mr D's comments and request, I have removed any mention of his solicitor's costs from my award. Otherwise, I haven't changed my mind. I'll now make the decision I originally proposed.

### **My final decision**

My final decision is that National Westminster Bank Plc must –

- refund all interest it charged on Mr D's mortgage after 5 March 2024.
- pay Mr D interest at 8% simple on the additional sum of £3,186 it retained, from his redemption on 13 March 2024 until 28 June 2024 when it paid Mr D back. (HM Revenue and Customs requires National Westminster Bank Plc to take off tax from this interest. National Westminster Bank Plc must give Mr D a certificate showing how much tax it's taken off if he asks for one.
- pay Mr D an additional £300 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 3 March 2025.

Esther Absalom-Gough  
**Ombudsman**