

The complaint

Mr K is unhappy with information he was given by Charter Court Financial Services Limited trading as Precise mortgages when he applied for a payment holiday on his mortgage.

What happened

Mr K contacted Precise Mortgages through their financial support team on 20 February 2024 following on from an email he had sent to them.

Mr K explained the financial position he had found himself in and told Precise Mortgages that the fixed rate on his four buy to let mortgages had come to an end and since he had moved to the standard variable rate, it had a significant impact on his monthly payments. He explained that the rental income he was receiving on those properties wasn't enough to pay the mortgage since the interest rates had increased.

Mr K asked Precise Mortgages for a three-month payment holiday which would give him enough time to resolve the situation. Precise Mortgages agreed to call Mr K back on 22 February 2024.

Precise Mortgages called Mr K on this day and they explained to Mr K that they required an income and expenditure (I&E) so that they could understand Mr K's situation further. Precise Mortgages explained the consequences of a payment holiday and how it could impact Mr K's credit file. Mr K told Precise Mortgages that his plan was to sell a property so that he could clear the arrears from the payment holiday and he said he understood capitalisation and that the loan term couldn't be extended.

Mr K then provided some personal information to Precise Mortgages regarding his health conditions and how they were affecting him. Mr K explained that he was under a lot of stress, and he couldn't cope with completing an I&E but he told Precise Mortgages he could provide them with the Memorandum of Sale and proof of the outstanding balance for the property he was selling to reassure Precise Mortgages of his intentions. He also said he could provide details of his diagnosis and confirmation of how he would clear the arrears.

On 27 February 2024, Precise Mortgages called Mr K and confirmed they would approve the payment holiday without the need for an I&E as they understood that Mr K wasn't in a position to complete one at that moment in time. They agreed to arrange the payment holiday from February to April 2024. The agent provided Mr K with the figures as to what his monthly payments would be following on from the payment holiday – for all the mortgage accounts. The agent told Mr K that he would also receive this information in writing. Unfortunately, the figures that Mr K was provided with over the telephone were incorrect.

On 7 March 2024, the confirmation letter was sent to Mr K and this is when he said he became aware that the figures were different to what he had been told over the telephone. He said he called Precise Mortgages on 12 March 2024 to discuss this. Precise Mortgages called Mr K on 14 March 2024 to apologise for the error but they confirmed that the figures in the letter were correct.

Mr K wasn't happy about this and on a call on 15 March 2024, Precise Mortgages offered to pay for a third party to visit Mr K at his home to complete an I&E so that they could have a better understanding of Mr K's financial position, but Mr K refused this.

Mr K had discussions with Precise Mortgages on 25 and 27 March 2024 again expressing his dissatisfaction regarding the error made and Precise Mortgages offered to reverse the payment holiday and said in doing so there would be arrears on the account that Mr K could clear from the sale of his property and his monthly payments wouldn't increase. Mr K wasn't happy with this offer as he wanted the payment holiday based on what was agreed previously.

Precise Mortgages explained to Mr K that they wanted to complete an I&E as they were not sure how they could help Mr K any further. But they acknowledged that they did make an error so they offered to pay Mr K £350 for the distress and inconvenience caused.

Mr K brought his complaint to the Financial Ombudsman Service as he wasn't happy with this outcome. The complaint was looked at by one of our investigators who thought that the amount offered by Precise Mortgages was reasonable. He acknowledged that Precise Mortgages did give Mr K incorrect information but thought they did enough to try and resolve the matter.

Mr K didn't agree with the investigator. He said that he hadn't added anything different to what Precise Mortgages had already told him. He wasn't happy with the amount of £350 that Precise Mortgages offered and asked the investigator to think about this again as their error had caused him damage. Mr K would like Precise Mortgages to honour the original information regarding the figures that he had been given over the telephone.

As Mr K disagreed with the investigator, he asked for the complaint to be reviewed by an Ombudsman, so it's been passed to me to decide.

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'd firstly like to say how sorry I am to hear about Mr K's health issues. I can appreciate it's been and still is a very difficult time for him.

While I am sorry to disappoint Mr K, having considered everything very carefully, I agree with the outcome that our investigator reached, and I'll explain why.

The crux of the issue here is that Mr K was given incorrect information over the telephone when Precise Mortgages approved a payment holiday for him for four of his buy to let mortgages. The payment holiday was approved for February to April 2024 and the agent on the telephone gave Mr K incorrect figures which gave him an indication as to what his monthly payments would be following on from the payment holiday. Having looked at these figures, I can understand why Mr K was so disappointed because they were very different to what they should have been.

There is no dispute here that Precise Mortgages gave Mr K wrong information – that is not in question. But when considering complaints like this one, we have to think about what should have happened had the correct information been given to Mr K.

I think first and foremost, Precise Mortgages did agree a three-month payment holiday for Mr K without Mr K completing an I&E due to the stressful situation that he found himself in. I think this was the right thing for Precise Mortgages to do. But they should have given him the correct information over the telephone regarding what his monthly payments would be once the payment holiday ended.

The letter that Precise Mortgages then sent to Mr K on 7 March 2024 did contain the correct monthly payments so at that point, Mr K was given the right information. But this left Mr K very unhappy as the figures were very different.

I can see that Precise Mortgages did offer to cancel the payment holiday and they did explain to Mr K that any arrears on the account could be cleared once Mr K sold the property

and they would not increase the monthly payments. Mr K wanted to keep the payment holiday but he wanted it on the terms that were given to him on the telephone – but Precise Mortgages explained they could not do this.

I appreciate how frustrating and upsetting it would have been for Mr K to then find out that the figures were different to what he had been told, but just because Precise Mortgages gave Mr K the wrong information, it doesn't mean that they need to honour what they told him over the telephone. I need to think about what Mr K would have done at that point had he of been given the right information.

Mr K was in some financial difficulty. He explained that since the fixed rates on his mortgages ended, his monthly payments increased, and the rental income wasn't enough to pay the mortgages each month. So he wanted some breathing space as he had a plan to sell one of his properties to repay the payments that would have been missed from the payment holiday and any arrears.

It's more than likely that had Mr K of been given the correct figures over the telephone on 27 February 2024, he would have proceeded with the payment holiday as he was finding things difficult. And I can see that Precise Mortgages did give Mr K the option to cancel the payment holiday and change the arrangement to missed payments with arrears which would have brought Mr K's monthly payment down to the level it would have been in before the payment holiday was agreed.

Whatever option Mr K would have chosen would have impacted his credit file and I listened to a telephone conversation where Mr K was told that the payment holiday would in fact affect his credit file which he understood.

I do appreciate that Mr K is in a difficult position and it's unclear whether his financial situation has in fact changed but based on what I have seen so far, it doesn't look like it has. He may want to engage with Precise Mortgages and complete an I&E to see if they can help him in any other way, or for him to seek independent financial advice to see what other options may be available to him.

I think the amount that Precise Mortgages have paid to Mr K of £350 is fair and reasonable in the circumstances of this complaint. They gave him incorrect information on 27 February 2024 and the correct information was sent to him by letter on 7 March 2024. I know this has caused him a great deal of stress and inconvenience but I won't be asking Precise Mortgages to do anything further.

I appreciate this will come as a disappointment to Mr K but I am not in a position to ask Precise Mortgages to honour the figures they originally gave him on the telephone for the reasons I've already explained.

My final decision

For the reasons given above, the amount paid by Precise Mortgages to Mr K of £350 is fair and reasonable in the circumstances of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 19 February 2025.

Maria Drury
Ombudsman

