

The complaint

Miss S complained that, about a year after she paid off her mortgage with Accord Mortgages Limited, it contacted her to refund some money. Miss S said Accord had kept this from her for a year, and said it had done nothing at all to make up for that.

What happened

Miss S said she paid off a BTL mortgage with Accord in October 2023. Then in August 2024, she got a letter saying Accord had been trying to get in touch with her, because it owed her some money. Miss S said Accord had kept this money for about a year, and her contact details hadn't changed, so it should have been able to get in touch with her. She was very angry that Accord had kept her money, and she said it had done nothing to compensate her for this.

Miss S complained, but she said Accord just paid her £100 and closed her complaint. She didn't think her complaint had been handled properly, and she didn't think the payment was enough to make up for Accord just keeping her money. So she asked us to look into things.

Accord said something different. It said Miss S made an overpayment on her mortgage in late July 2023. It didn't realise there was anything wrong at the time. Miss S then paid off her mortgage in early October 2023.

But more recently, in August 2024, Accord had realised that something had gone wrong with one of its systems, and some of its customers had been charged too much interest. So it started to look through all the customer accounts, to find which ones were affected. It realised Miss S's redeemed mortgage had been affected, so it rang her on 23 August. She wasn't able to talk then, and asked Accord to call her back the following week. Rather than do that, Accord wrote to her, telling her about the refund she was due.

Accord said it couldn't have told Miss S about this problem a year earlier, as it didn't realise there had been a mistake until August 2024. So it contacted her as soon as it realised it owed her some money.

Accord also said it hadn't just paid Miss S back the money she was overcharged. It had also paid her 8% interest on that money for all the time she'd been deprived of it. So her refund was made up of about £675, which was the original overcharged interest amount, and also about £40 which was interest Accord paid on that overcharged sum, to make up for having unintentionally held on to Miss S's money for about a year.

Accord said Miss S then complained, and it paid her £100 to say sorry. It also said it had sent her statements on 24 October 2024 and again on 11 February 2025.

Our investigator didn't think this complaint should be upheld. He said the refund Accord paid included 8% simple interest, to cover that Miss S had been out of pocket for some time. That's in line with what he'd expect lenders to do to put things right in these circumstances.

Our investigator said Accord didn't know about the error until August 2024. It paid Miss S

back promptly once it realised. He said Miss S also hadn't been aware of the error earlier, and hadn't needed to chase Accord for her money back. He thought the £100 that Accord had paid was in line with the level of compensation he would expect in these circumstances.

Our investigator also said Miss S raised a complaint on 3 September 2024 and Accord responded in writing to that on 28 October 2024. So he was satisfied that this complaint was reviewed within the set-out timescales. Our investigator said Accord should send Miss S a statement showing her overpayment, if it hadn't already done so.

Miss S replied, to strongly disagree. She said Accord took over a year to identify the overcharge, and then didn't even add the current interest rate to her repayment. It had just paid £100 and closed her complaint.

Miss S wrote again, to say Accord wrote to her in July 2024 telling her it had miscalculated the final balance, and overcharged her. It didn't apologise, but it did say it had been trying to contact her. Miss S said no message or letter had ever been received about this. She said that she'd contacted Accord, and asked for a statement, but it didn't show the final payment, or that the mortgage was paid in full. Miss S said she couldn't review the payment she'd received, because of this. Miss S said she thought the law only allowed Accord 90 days to deal with a customer, but Accord had taken over a year. She said she was shocked that her complaint had not been upheld.

Miss S then wrote again, setting out what she said were the facts of her case. She said she didn't know why only one of the many overpayments she'd made hadn't been deducted from her balance, and couldn't be sure the same hadn't happened with other overpayments. She said she'd had no clear explanation. She said when she complained, she only got letters asking for more time.

Miss S wanted our service to say what the allowed time is, to refund an overcharged amount, with reference to our rules so she could look this up. She repeated that it was unfair for Accord not to contact her about this for a whole year.

Because no agreement was reached, this case was then passed to me for a 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 reached the same overall conclusion on this complaint as our investigator. I know Miss S will be disappointed by this decision, but I think there has been some confusion here. I hope that setting things out here will help.

Miss S paid off her mortgage in October 2023. Accord didn't know it had overcharged her then. It only realised this in August 2024. So it couldn't have contacted her about this mistake earlier than it did. It didn't know a mistake had been made.

Miss S said that Accord hadn't deducted one of the overpayments she'd made from her balance. But that's not what went wrong here. The letter Accord sent to Miss S said this –

“...due to a system error, there was a miscalculation of the interest on your account following the overpayment. This means that we have overcharged you.”

Accord has provided our service with some more detail. It said when Miss S made her overpayment, that triggered something going wrong on its system. So after her overpayment

was credited to her mortgage, Accord was charging her too much interest. That meant it owed Miss S some money.

As soon as Accord realised this, it tried to get in touch with Miss S. It tried one call, and when she couldn't talk, it wrote to her. I think that's reasonable.

Accord paid Miss S back all the money it had overcharged her- a bit over £675. But it also added interest to that. It added that interest at 8% simple. I think that's fair.

Miss S then complained. Accord wrote to her on 30 September 2024 to say it needed a bit longer to investigate. I've seen a complaint response letter from Accord to Miss S, dated 28 October 2024. So I think Accord did respond to Miss S's complaint at the time. She later said she didn't get this, but the letter is addressed to her, at her home address. And I do think it was sent. So if it wasn't received, I don't think that is Accord's fault. I do think it responded appropriately to her complaint.

Accord paid Miss S £100 in compensation, and it said it was also sending her a statement with all transactions from 1 January 2023 to date. It resent statements on 11 February 2024. Miss S has told us what she'd received from Accord didn't show what she needed. If Miss S is unhappy with the content of those statements, she would need to complain to Accord about this in the first instance.

I know that Miss S will be disappointed by my decision, but I don't think Accord has to do any more now. I think it contacted Miss S as soon as it realised a mistake had been made which affected her. I think it did offer a high-level explanation of what had gone wrong at the time. I think it then paid Miss S the money it owed, along with interest to make up for the time she'd been without funds, promptly. And I think it then dealt reasonably with her complaint.

So my decision here isn't that Accord hasn't done anything wrong. Clearly it has. But I also think that the steps Accord has already taken to put things right, do provide a fair and reasonable outcome to this complaint. And that's why I don't propose to ask Accord to do any more now.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 30 April 2025.

Esther Absalom-Gough
Ombudsman