

## **The complaint**

Mr H is unhappy that North Edinburgh and Castle Credit Union Limited, trading as Castle Community Bank, considered him to still owe money on a loan after he paid an agreed loan settlement figure to them.

## **What happened**

On 30 October 2024, Mr H received a loan settlement quote from Castle which explained that he could settle his loan early by paying £9,939.12 so long as he did so before 22 November 2024.

Mr H then paid the £9,939.12 as quoted, but the money didn't reach Castle until 25 November 2024, by which time the early settlement quote Mr H was paying in accordance with had expired. Because of this, Castle calculated a new settlement quote for Mr H and considered him to still owe £125.50. Mr H wasn't happy about this, so he raised a complaint.

Castle responded to Mr H but didn't feel that they'd done anything wrong in how they'd administered his loan. Mr H didn't agree, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn't feel that Castle had treated Mr H unfairly as he felt was the case and so didn't uphold the complaint. Mr H remained dissatisfied, so the matter was escalated to an ombudsman 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.

In his correspondence with this service, Mr H has referred to his dispute with Castle as being of a legal nature. But this service isn't a Court of Law and doesn't operate as such. Instead, this service is an informal, impartial dispute resolution service with a remit based on fairness of outcome. As such, I've considered this complaint based on what I feel is a fair outcome to it, as per the remit of this service. If Mr H would like to pursue this matter legally, then he would need to do so through a Court of Law.

Upon review, I'm satisfied that the early settlement quote that Castle provided to Mr H clearly explained that the quote was only valid until 22 November 2024 and that if Mr H didn't make the payment by that date that a new early settlement quote would be required.

In this instance, Castle didn't receive the money from Mr H until 25 November 2024, which was after the early settlement quote had expired. As such, I feel that it was fair that when Castle received Mr H's money, that they then conducted a new early settlement calculation, given that the prior early settlement quote had expired.

Additionally, because the later date of the new early settlement quote meant that interest accrued on the outstanding balance for longer than would have been the case had Mr H made the payment in time for the prior quote to have been valid, it feels fair to me that the

new early settlement quote would be for a higher amount than the older quote.

Mr H is unhappy that Castle's terms and conditions don't include that an early settlement quote will have an expiry date. But I'm satisfied that the nature of a loan, and specifically the fact that the loan balance outstanding accrues interest monthly, means that it should be self-evident that any early redemption quote would be time sensitive. And, as previously explained, I'm satisfied that the fact that the early settlement quote was only valid until a certain date was clearly stipulated in the early settlement quote itself.

Finally, Mr H is unhappy about how Castle handled his complaint about this matter. However, as per the rules by which this service must abide – which can be found in the Dispute Resolution ("DISP") section of the Financial Conduct Authority ("FCA") Handbook – this service is only able to consider complaints about specified activities, of which complaint handling isn't one.

This means that this service can't consider a complaint about how a business has handled a complaint, regardless of the subject matter of that complaint. And this in turn means that this aspect of Mr H's complaint isn't one that it's within the remit of this service to consider.

All of which means that I won't be upholding this complaint or instructing Castle to take any further or alternative action here. This is because I feel that, ultimately, Mr H made the settlement payment too late for the settlement quote he was paying in accordance with to still be valid. And because of this, I don't feel that it was unfair for Castle to have calculated a new early settlement quote and to consider that the payment that Mr H had made in accordance with the older, expired quote still left £125.50 outstanding.

I realise that this won't be the outcome Mr H was wanting, but I trust that he'll understand, given what I've explained, why I've made the final decision that I have.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 21 April 2025.

Paul Cooper  
**Ombudsman**