

The complaint

Mr O complains about problems he encountered when he tried to repay his mortgage with Bank of Scotland plc trading as Halifax.

What happened

Mr O had a mortgage with Halifax. In December 2024 he decided to repay the outstanding balance of around £81,000. His existing fixed rate was due to end on 31 December, and that was the last date an early repayment charge (ERC) would apply.

Mr O says that during December he spoke to Halifax several times to try and find out how he would be able to repay on 1 January – bearing in mind that it was a bank holiday. If he repaid before then he would be subject to an ERC, but paying after 1 January would result in additional interest being charged.

Mr O says that he had various conversations with Halifax, which made different suggestions – causing Mr O confusion. He called Halifax again on 31 December – he says that after being on the phone for over an hour, he was told the previous information he had been given was incorrect. He says he was told that the only way to make payment was to visit a branch, and that interest would be frozen to allow him time to do that. Mr O says that he therefore had to arrange childcare at short notice to allow him to attend a branch that day.

When Mr O attended the branch, he says that branch staff told him they couldn't process the payment. He was kept waiting for over two hours in the branch, and says that staff were rude to him and made him feel that he was being accused of misleading them about what he had been told on the phone. He was unable to make the payment on that day.

Mr O did manage to pay the mortgage off successfully on 2 January. He complained to Halifax. He said that he had been caused serious inconvenience and trouble on 31 December – including the disruption to his family by having to arrange last minute childcare, as well as the time wasted and the cost of his travel to the branch. He'd also wasted time earlier in the month trying to find a way forward. And he said that he had incurred additional interest because the mortgage wasn't paid off until 2 January.

Halifax said that Mr O was unable to recall his security code to make a scheduled payment over the phone on 31 December, so it told him he would need to visit a branch to verify himself. And it said it wasn't clear why Mr O wasn't able to make the payment in branch, but it was possible that branch staff were unable to do so because they were using the wrong account details – this being a Halifax mortgage but Mr O having visited a Bank of Scotland branch. It apologised, said it would make sure the payments Mr O made on 2 January were backdated to 1 January with the extra interest being refunded to him, and it offered £50 compensation.

Mr O wasn't happy with that and brought his complaint to us. After he'd done so, Halifax increased its offer of compensation to £200. Our investigator thought this was a fair offer, but Mr O didn't agree and asked for an ombudsman to review his complaint. He said that the compensation offer was insulting given the stress he'd experienced trying to sort things out

in December, as well as the inconvenience caused on 31 December and the public humiliation he'd experienced in the branch. He said it didn't reflect the profit Halifax had made from the mortgage.

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'm sorry to hear of the difficulties Mr O experienced trying to pay off his mortgage. Halifax has made sure he's not financially worse off by refunding the additional interest charged because it was repaid on 2 January not 1 January. So all that's left for me to decide is the extent to which Halifax needs to compensate him for the distress and inconvenience caused.

With that in mind, I've taken into account everything Mr O has said about what he experienced and the impact that had on him. I've also taken into account our guidelines on the level of awards, available online.¹

The guidelines say that an award of up to £300 might be appropriate where there has been annoyance beyond that which can be expected of day to day life with a more than minimal impact, for example where there have been repeated small errors, or a larger single mistake, requiring a reasonable amount of effort to put right – typically involving an impact that lasts a few days or weeks.

An award of between £300 and £750 might be appropriate where there has been considerable distress, or significant inconvenience that requires a lot of effort to sort out, typically with an impact lasting many weeks or months, or with a serious short-term impact.

Putting things right

Taking that into account, I think that Halifax's offer of £200 compensation is fair in all the circumstances. Mr O had several interactions with Halifax during December. In particular, on 31 December he spent some time on the phone and then had to visit a branch at short notice. When he did so, the branch was unable to resolve the issue and, Mr O says, treated him in a way that caused considerable upset, so much so he hasn't been able to visit that branch again since.

It's clear what happened did have a significant impact on Mr O. He lost most of a day, at short notice. And he was clearly upset by what happened in the branch. But this was an incident that did not go on for weeks or months – Mr O was able to repay his mortgage on 2 January and is not now out of pocket as a result. I think this case comes within the "up to £300" guideline, and as such I'm satisfied that Halifax's offer is fair and reasonable in all the circumstances.

My final decision

My final decision is that Bank of Scotland plc trading as Halifax should pay Mr O £200 compensation in total (taking into account any payments already made) in addition to the interest it has already refunded.

¹ <https://www.financial-ombudsman.org.uk/businesses/resolving-complaint/understanding-compensation/compensation-for-distress-or-inconvenience>

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 26 August 2025.

Simon Pugh
Ombudsman