

## The complaint

Miss J's complaint is about her mortgage account with Bank of Scotland plc (BOS). Following a decision I issued on 29 April 2025, this final decision limited to consideration of the following matters:

- dissatisfaction with the way BOS handled telephone conversations with Miss J in January and February 2024;
- poor customer service from 29 February 2024 onwards, including End of Term (EOT) support;
- delays in receiving the information requested in a Data Subject Access Request (DSAR) and that the DSAR was incomplete;
- the outstanding balance on the mortgage following a partial settlement in October 2024;
- legal action taken by BOS.

## What happened

I don't need to set out the full background to the complaint. This is because the history of the matter is set out in the correspondence between the parties and our service, so there is no need for me to repeat the details here. In addition, BOS has acknowledged it made errors and has offered compensation. So I don't need to analyse the events in depth in order to determine whether or not the bank is at fault. What I need to decide is whether the compensation already paid is fair or if there is anything further BOS needs to do to put things right.

Finally, our decisions are published, so it's important I don't include any information that might lead to Miss J being identified. So for these reasons, I will instead concentrate on giving a brief summary of the complaint, followed by the reasons for my decision.

Miss J has a mortgage with BOS, originally taken out on a capital repayment basis but transferred to interest-only in 2009. The mortgage term ended in 2019 when the balance was due to be repaid.

After the term expired, there was no contact between Miss J and BOS until January 2024. This was partly due to BOS deciding not to contact customers during the pandemic between 2020 and 2022, but Miss J has also acknowledged that she "*buried her head in the sand*" after that and didn't contact BOS.

There were calls between Miss J and BOS in January and February 2024, when Miss J discussed her financial difficulties. She explained that she'd not had any regular income for several years, but was self-employed and worked on contract. Miss J explained that she owned another property, a buy-to-let (BTL). Miss J said her plan had originally been to sell the property mortgaged to BOS, pay off the mortgage and a student loan, and move into the BTL property, but the tenant had stopped paying rent and she was having to go to court to recover the property. (However, in a later call Miss J said that she intended to remain in the mortgaged property.)

Miss J also said she'd been told in 2013 that she wasn't able to make any further overpayments, and that after the mortgage term ended in 2019, her monthly repayments hadn't been adjusted. Miss J made a complaint about those issues and BOS issued its final response letter on 28 February 2024, giving Miss J six months to contact our service.

Miss J didn't raise a complaint with us at the time, but continued to discuss her situation with BOS with a view to reaching a resolution to the issue of how she was going to repay the capital balance on the mortgage. BOS considered whether or not to offer Miss J a new mortgage in May 2024, but an application didn't proceed, due to a lack of affordability.

In October 2024 Miss J made a partial repayment of the mortgage, paying off just over £165,000, leaving an outstanding balance of around £12,000. BOS's notes show that Miss J was put to some inconvenience when she tried to make this payment, which resulted in her wasting time and money going into a branch, and being given incorrect information about how she could make a partial redemption. BOS acknowledged it had made errors, and paid Miss J £107.50 compensation to cover travel and parking costs, and £80 for the inconvenience she'd been caused.

Miss J had taken the figure she paid off the balance from an historic statement, rather than requesting a redemption statement from the bank. However, Miss J justified her position because she believed that, because BOS hadn't increased her monthly repayment when interest rates increased, it wasn't her fault that she'd underpaid her mortgage since 2019.

At the end of 2024 BOS instructed its solicitors to pursue the remaining outstanding debt. Legal action has been put on hold while the Financial Ombudsman Service has been considering this complaint.

Miss J complained to the bank about the matters listed in the complaint section above. In its final response dated 12 December 2024, BOS paid Miss J a further £50 for the inconvenience she'd experienced when she visited the branch, and for the delay in Miss J being able to access the DSAR due to the size of the electronic file.

Miss J was unhappy about the way she'd been dealt with during phone calls with the bank in January and February 2024. BOS didn't agree that its staff had acted inappropriately during those calls. BOS also said the DSAR was complete. In addition, the bank confirmed that the payment of £165,000 had resulted in the monthly repayment being recalculated. BOS clarified that on an expired mortgage it will do this where the balance has been reduced, but not when interest rates fluctuate. BOS said that, although it had instructed its solicitors, it wanted to work with Miss J to resolve the matter.

Miss J had also raised other issues concerning overpayment issues from 2013, and that after the term expired BOS hadn't adjusted her monthly repayments when interest rates changed. However, the bank clarified it had already addressed those matters in the final response dated 28 February 2024 and so it wouldn't revisit them.

Miss J raised her complaint with us on 16 December 2024. BOS didn't consent to us looking at the issues covered in the final response dated 28 February 2024, and the Investigator found those matters to be out of time.

In relation to the other issues Miss J was unhappy about, the Investigator wasn't persuaded BOS needed to do anything further.

Miss J didn't agree with the Investigator, and asked for an Ombudsman to review the complaint.

## **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.

On 29 April 2025 I issued a decision in which I explained that the issues covered in the final response dated 28 February 2024 were out of time. These related to Miss J's concerns that she'd been told in 2013 that she couldn't make overpayments to the mortgage, and that after the term expired, BOS didn't recalculate the monthly repayment when interest rates changed.

Miss J has responded to that decision, explaining why she believes those issues are relevant to her current complaint, and why they should be taken into consideration. I've read what Miss J has said about this. Whilst I acknowledge her strength of feeling, I cannot comment on those matters, as I simply have no legal power to do so under our rules.

Turning now to the issues I am able to consider, I have made the following findings.

**Customer service:** Miss J is unhappy at the way the bank dealt with her during telephone calls in January and February 2024. I've listened to the calls.

During the first call in January 2024 Miss J was kept on hold for a long time while the adviser was trying to connect her to the EOT team. Miss J didn't get a call back from the EOT team and BOS paid her £50 for this in its final response of 28 February 2024. As the callback issue is time-barred, I'm not going to comment further on this.

Other than that, I've identified no customer service failings in relation to the way Miss J was spoken to, or in the information and support she was given either from mortgage servicing agents or the EOT team. The advisers were empathetic and helpful, and noted and acknowledged the points Miss J was making about her financial and personal circumstances. Miss J discussed her vulnerabilities with BOS, and these were noted, and BOS suggested various ways Miss J could access support and help.

I'm therefore not persuaded BOS made any errors in the way it handled the calls with Miss J, or that it disregarded her vulnerabilities. I'm therefore not ordering the bank to pay any additional compensation for this aspect of the complaint.

When Miss J wanted to make a partial redemption, I think it's fair to say that she was given a bit of a runaround by the bank about how she could do this, with conflicting information about making the payment. Eventually Miss J had to go into a branch, which resulted in inconvenience and expense for her. I'm satisfied that the compensation paid by BOS of £107.50 for this is fair and reasonable, and I'm not ordering any additional compensation to be paid.

**DSAR:** BOS has confirmed the DSAR is complete. I appreciate Miss J disputes this, but that would be a matter for the Information Commissioner, not the Financial Ombudsman Service. BOS has accepted that, because of the file size, this resulted in some difficulty for Miss J in accessing the DSAR. BOS paid £50 for this, which I think is fair in all the circumstances.

**Mortgage balance:** When Miss J made the £165,000 partial redemption in October 2024, this left a remaining balance of about £12,000. I appreciate Miss J is unhappy about the outstanding amount, but this reflects the interest charged on the mortgage, less the payments made. If Miss J had requested a redemption statement rather than simply relying on the figure from the 2018 annual statement, she'd have been aware of the full amount

required to redeem the mortgage. I'm unable to find BOS has done anything wrong in relation to this part of the complaint.

**Legal action:** On 5 August 2024 BOS wrote to Miss J to state that it was intending to instruct solicitors because the account balance at that time was over £177,000 and was repayable in full immediately. Miss J contacted BOS at the end of August 2024, but didn't address this issue or discuss any payment proposals. Her call on 27 August 2024 was to ask for a complaint reference number. In the circumstances, given Miss J didn't engage with the bank about the potential litigation, I'm not persuaded BOS acted incorrectly or unreasonably when it instructed its solicitors in September 2024.

Between then and a pending hearing in January 2025 (which was adjourned), Miss J made the partial redemption of the mortgage in October 2024. This leaves a modest balance compared with the likely value of the property of at least £600,000. I would therefore expect BOS to work with Miss J to come to an arrangement to pay off the remaining balance before deciding whether or not to recommence litigation.

In this regard, I must emphasise to Miss J that, because the term expired in 2019, BOS is entitled to repayment of the mortgage in full. The courts have no power to suspend a possession order where a mortgage term has expired, even if the balance is very low compared with the property value. Given this, Miss J will need to ensure that she can make repayment in full within a reasonable time, and I would suggest that three months is fair, in all the circumstances. Within the next three months I would expect Miss J to provide BOS with full details of how she intends to repay the balance, with evidence in support, so that BOS can give proper consideration to her payment proposals.

## **Conclusion**

Overall, after giving careful consideration to everything Miss J and BOS have said, I'm not persuaded there is any basis on which I can uphold the complaint or order BOS to pay any additional compensation over and above the redress it's already paid.

I know this isn't the outcome Miss J wanted. I can tell from what she's told us and from listening to the calls how important this is for her, and I don't disregard her strength of feeling. However, I have to put aside my natural feelings of empathy and decide the case impartially, on the basis of the evidence. Having done so, I'm afraid I can't find in Miss J's favour on the issues I am able to consider in this complaint.

## **My final decision**

My final decision is that I don't uphold this complaint.

This final decision concludes the Financial Ombudsman Service's review of this complaint. This means that we are unable to consider the complaint any further, nor enter into any discussion about it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 28 May 2025.

Jan O'Leary  
**Ombudsman**