

The complaint

Ms H complains that Bank of Scotland plc trading as Halifax hasn't treated her fairly considering her vulnerabilities.

What happened

Ms H has an interest-only mortgage with Halifax. Ms H extended the term of her mortgage a few years ago and the mortgage balance is now due to be repaid in 2028, with her fixed rate expiring the year before. Ms H has previously shared with Halifax that she is vulnerable and has significant health concerns. She's said that her mortgage approaching the end of its term and the possible repercussions of selling her home to repay it, caused her significant emotional and physical harm at that time.

Halifax wrote to Ms H in early December 2024 and invited her to call if she had questions or needed help with her repayment plans. Ms H called Halifax and her possible repayment plans – selling her home - were discussed. Ms H told Halifax she didn't like receiving these letters and it was distressing for her. Halifax wrote to Ms H following the call to thank her for sharing her repayment plans. It said to keep an eye on her plans and let it know if it changed. A duplicate of this letter was sent to Ms H almost a week later.

Ms H called Halifax again to express her concerns about receiving these letters and how she had felt when discussing her repayment plans with the agent. She let Halifax know how upsetting this was for her and gave details of her vulnerabilities and the impact of the situation on her. During the call, the agent asked to put Ms H on hold – but this didn't happen. Ms H heard the agent laughing and asking for guidance.

Ms H complained about the call she'd had and the letters she'd received from Halifax. Halifax upheld Ms H's complaint. It said the call fell below its standards and it had sent the letter twice in error. It sent Ms H a cheque for £150 for the distress she'd been caused.

Ms H remained unhappy and referred her complaint to our Service, where one of our Investigators looked into it. He thought the compensation offered by Halifax wasn't enough to reflect the significant impact of the errors on Ms H. He recommended Halifax pay Ms H £300 in total to put things right. Halifax accepted this but Ms H remained unhappy, so the complaint has been referred to me to make a 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.

It's clear that Halifax has let Ms H down here. Halifax has acknowledged its errors in sending duplicate correspondence to Ms H and for the way a call with its agent was handled. So, what I need to consider in this decision, is whether Halifax has done enough to put things right considering the impact of its errors.

Ms H's mortgage is interest-only, which means at the end of the term the capital balance will

be due to be repaid in full to Halifax. Lenders have a duty to communicate with consumers in these circumstances early and frequently, as it's important that consumers start thinking about their options early to ensure they have a feasible repayment strategy in place. But this needs to be a considered approach; balanced with the needs of the consumer, and how close it is to the end of the mortgage term.

Ms H has made Halifax aware of her vulnerabilities and it's clear that discussing repaying her mortgage is triggering and distressing for her. Halifax has a duty of care to Ms H, and it needs to treat her with sensitivity and do what it can to minimise any preventable distress its processes may cause her.

I consider it was reasonable for Halifax to reach out Ms H in the first instance to let her know she can contact it if she has concerns or questions about the end of her mortgage term. Ms H has over three years left of the mortgage term, and situations can change. So, it was good to remind Ms H she can contact Halifax if needed, but she didn't need to take any action at that time.

But when Ms H called and told Halifax she found these letters distressing – more could have been done. Halifax needed to be sensitive to the distress these conversations cause Ms H, and in these circumstances, it should have warned her it would follow up the conversation with another letter thanking her and setting out the need to keep an eye on her repayment strategy. Halifax also should've considered if it was necessary to send this letter given what Ms H had shared. Instead, Ms H received two of these letters in short succession and without warning. She's said she felt harassed about the repayment despite telling Halifax the impact of these letters and there still being years until the end of the mortgage term. I can appreciate why Ms H found this distressing, especially after she had shared personal details with Halifax about the impact of this previously. So, I don't consider Halifax treated Ms H fairly here.

I'm pleased to see Halifax decided it wasn't appropriate to read it's end of term script to Ms H on calls following this. Halifax should continue to give consideration to when it is appropriate to discuss the end of term and repayment with Ms H given what she's said about the significant impact on her wellbeing and her wishes not to be contacted about this until nearer the end of the mortgage term.

I'm grateful to Ms H for sharing the details of her and her family's health conditions and vulnerabilities, and the way these have and continue to impact her. I'm sorry to hear of the difficulties she experienced. I've kept this in mind while listening to Ms H's call with Halifax and it is clear she was caused significant upset and distress. This shouldn't have happened.

Ms H had told the agent sensitive and personal information, and she was understandably shocked and upset to hear the agent laugh when the call was supposed to be on hold. It was difficult to listen to this call and it falls way below the standard of care I'd expect to see. I've listened to the following call where the agent apologised to Ms H, and an internal call where the agent explained she was overwhelmed in the situation and Ms H's wellbeing was paramount to her which is why she was seeking guidance. In my opinion, it does seem the agent showed genuine remorse for the hurt and upset she had caused Ms H. But that doesn't change how Ms H was made to feel. She's said she felt mocked when she was very vulnerable, and this is understandable.

Ms H has said no amount of money will put things right and she wants Halifax to be held accountable for its actions. It's not my role to make an award intended to punish a business. I need to look at what is fair and reasonable in the circumstances of this individual complaint. It's difficult to put a monetary value on upset and hurt caused to someone. But having given this careful consideration, I agree with the Investigator that £300 feels fair.

This is an award we make where there has been repeated small errors, or a larger single mistake, requiring a reasonable effort to sort out. These typically result in an impact that lasts a few days, or even weeks, and cause either some distress, inconvenience, disappointment or loss of expectation. An award of £300 is at the top end in this bracket and that feels appropriate to me.

I appreciate this may be disappointing to Ms H and I'm sorry for that. I have taken everything she has said very seriously, and I agree with her that Halifax has let her down and hasn't done enough to put things right. But, for the reasons I've explained, I consider £300 fair and reasonable compensation.

My final decision

I uphold this complaint. If it has not already, Bank of Scotland plc trading as Halifax should pay Ms H £300 directly in total.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 17 July 2025.

A handwritten signature in black ink, appearing to read 'E. Taskas', with a long, sweeping horizontal line extending to the right.

Emma Taskas
Ombudsman