

The complaint

Mr B complains about how Bank of Scotland plc trading as Halifax handled his remortgage application. Mr B said Halifax's customer service was poor and it kept asking for a document he didn't have. Mr B had to stay with his existing lender, and says he's paying more now.

What happened

Mr B said his mortgage with his existing lender was on a fixed interest rate which was due to end at the end of April 2025. So he approached Halifax to remortgage. Mr B said Halifax's customer service was generally poor. He has told us it recommended additional products he didn't think he needed, and didn't respond promptly to his queries. But, most importantly, Mr B said that Halifax wouldn't complete his remortgage without a Memorandum of Sale.

Mr B said that Halifax kept asking for this document, and wouldn't offer him a mortgage without it. But Mr B wasn't buying a property, he was just trying to remortgage his own home, so he didn't have this document. His solicitor even contacted Halifax to explain that Mr B couldn't get this document, and he shouldn't need it for a remortgage, but Halifax wouldn't change its mind.

Mr B complained, and Halifax paid him £150 for some poor service, but said it didn't think it had made a mistake by asking for a Memorandum of Sale. Halifax said then that it would still need that document if Mr B did want to go ahead with his mortgage application.

Mr B asked Halifax to look again at his complaint, and it then realised it had been asking him for the wrong document. It should have asked him for information about the rent payment on his shared ownership home, rather than asking for a Memorandum of Sale. Halifax said it was very sorry about this, and particularly that it hadn't noticed this mistake until after Mr B had already had one formal response to his complaint. It offered Mr B a further £1,000 to apologise.

Mr B accepted this offer at the time, but then said he didn't think he should have accepted, and he wanted our service to look into things for him. He said he had decided to stay with his existing mortgage lender, but he was paying more each month now than he would have been if he'd secured the Halifax mortgage. So he didn't think Halifax's payment was enough.

Our investigator didn't think this complaint should be upheld. He said the mortgage illustration Mr B received from Halifax was for £30,000 of lending, at an interest rate of 4.61% fixed for five years. But Mr B hadn't been able to take up that offer, because of Halifax's mistakes. Our investigator said this was clearly poor service.

When he was looking at the impact of Halifax's mistakes, our investigator said Mr B had stayed with his existing lender, and had actually secured a lower interest rate of 4.14%. Mr B was paying a bit more each month but that was because he'd been planning to make a lump sum repayment when he moved his mortgage to Halifax, and he hadn't done that when he stayed with his existing lender. Mr B had also mentioned having to pay an Early Repayment

Charge, but our investigator said he couldn't see that Mr B had been charged that. So it didn't look as if Mr B was worse off because he'd missed out on remortgaging with Halifax.

Our investigator said he recognised the stress that Halifax had caused but he thought its offer of £1,150 did provide a fair and reasonable outcome here.

Mr B didn't agree. He said he'd been a Halifax customer for years, and he didn't think he should have been put through this stress. He repeated that his monthly payments were now higher with Barclays. He said the compensation was unacceptable, and he told us he'd received legal advice saying he should have been given much more.

Because no agreement was reached, this case came 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.

There is no doubt here that Halifax made a mistake, and provided Mr B with very poor service overall. But when I'm thinking about how Halifax should put things right, I need to consider how this has impacted Mr B. I quite understand that it has shaken his trust in the bank. But I don't think that Mr B is paying more for his mortgage each month now, because of what Halifax has done.

Mr B had a mortgage illustration with Halifax at a rate of 4.61%. This was offered on lending of £30,000. That would have meant monthly instalments of £289.06. Mr B wasn't able to take that mortgage out, and that's Halifax's fault. Halifax did provide Mr B with poor service, and it has accepted this.

Mr B decided to stay with his existing lender. Fortunately, he secured a lower fixed interest rate with that lender, of 4.14%.

If Mr B had moved his mortgage over to Halifax, he was going to reduce his mortgage debt by paying a lump sum of around £5,000. When his mortgage stayed with his existing lender, Mr B didn't do that.

I don't think that anything that Halifax has done, has prevented Mr B from making a lump sum payment to his mortgage. He could still have made that payment to his existing lender, if he'd wished to. So it's not Halifax's fault that Mr B's mortgage is still £5,000 higher now.

And it's that larger debt, which means Mr B's monthly payments are higher with his existing lender. It's not because of anything Halifax has done. So I cannot take any ongoing loss into account in my decision here.

Mr B said he hadn't been allowed to speak to specific staff members in Halifax about what had gone wrong, and he felt he had the right to ask for that. I do think Halifax needed to respond to Mr B's complaint, but I don't think it's obliged to make named members of staff available to talk to him, in order to do that. Halifax as a company is responsible for what went wrong here, and it's Halifax as a whole that needed to put things right, not specific members of staff.

Mr B also said he was promised sight of a surveyor's report into his property, when his mortgage application was completed, and he never got it. I haven't been able to see that this concern was raised by Mr B when he made the complaint to which Halifax has responded now. So I would have to ask Mr B to raise this with Halifax, before our service could comment on this.

Mr B said he'd been given legal advice which suggested this complaint was worth much more. I do appreciate that Halifax has made mistakes here, and I can understand why Mr B is disappointed and feels let down by the bank. But I do still think that the amount Mr B has already been offered is certainly no less than our service would have awarded in this case. And because I think Halifax has already done enough to provide a fair and reasonable outcome in this case, I don't think Halifax has to do more than it has already offered here.

I will ask Halifax to make sure that Mr B has received its full payment of £1,150, if it hasn't already done so.

My final decision

My final decision is that Bank of Scotland plc trading as Halifax must ensure that Mr B has received the full amount of £1,150 which it previously offered him, if it hasn't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 18 December 2025.

Esther Absalom-Gough
Ombudsman