

## **The complaint**

Mrs K complains that Bluestone Mortgages Limited says it can't set her monthly mortgage payment date to be the very last day of the month. It offered to set it as late as possible, and for her to pay on the last day, but Mrs K says it then wants to charge her extra interest.

## **What happened**

Mrs K told us she wanted to change her mortgage payment date from the first of the month, to the very end of each month. She made this request in early 2025. She'd had some time off work, for reasons I don't need to set out here, and would therefore receive a smaller than usual wage for that month.

Mrs K said Bluestone told her it couldn't do that. The latest it could set up a direct debit payment for, was the 28th of each month. Bluestone said that the best it could do, would be to set Mrs K's payment date as the 28th without a direct debit in place, and Mrs K could pay manually instead. Bluestone said as long as she paid before the end of the month, then it would not mark her credit file with a missed payment. But Bluestone said that if her payments were expected on the 28th and she paid later than this, there would be a small amount of additional interest to pay.

There has been some confusion about what Mrs K wanted our service to consider as part of this complaint, because I can see that mistakes were made with the changes to Mrs K's payment date, and Mrs K had complained about that to Bluestone too. However, Mrs K has since clarified for us that the only complaint point she wants us to look into is that she cannot set her payment date for the last day of each month, and if she sets her payment date for the 28th then pays after this, she will be charged additional interest from the 28th to the date she pays.

Mrs K said she was being financially penalised because of how Bluestone's system was set up. She said a mortgage payment should be allowed on the last day of the month, she thought that was a reasonable request. And she didn't think it was fair or appropriate that she should be incurring additional costs simply because Bluestone does not permit this. So she wanted that additional charge to be removed.

Bluestone didn't think it had done anything wrong by telling Mrs K it couldn't set her payment date any later than the 28th of each month, or by asking Mrs K to cover the additional interest which would accrue on her account if she didn't pay until a day or two after this.

Our investigator didn't think this complaint should be upheld. He said Bluestone is the same as almost all mortgage providers, in that the latest it can schedule payments is the 28th of each month. He said that's to make sure payments will still be received in the right month, if the payment date falls on a weekend. And our investigator said this hadn't changed since Mrs K's mortgage had been taken out. He didn't think this was unfair or unreasonable. He said he wasn't aware of any mortgage lender who could do what Mrs K wanted.

Our investigator also said that interest on Mrs K's mortgage is charged daily. The only way to avoid additional interest being charged, is to pay on by the scheduled date.

Mrs K said we hadn't understood. She said the problem was the charge being applied from the 28th to the end of the month. She said she had to agree to the 28th as a payment date, otherwise Bluestone would have charged additional interest from the first of the month. Mrs K said she didn't think she should have to pay this extra daily interest when she was making her payments within the month due.

Our investigator didn't change his mind. He set out where the relevant mortgage conditions provide for daily interest, and for payment on the specific payment date that Bluestone sets for Mrs K. He said that meant if Mrs K paid later than this date, she would have to pay extra interest. He said if Mrs K was finding things difficult, then he'd encourage her to talk to Bluestone about that.

Mrs K wanted her complaint to be considered by an ombudsman, so it was passed 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.

I recognise that Mrs K has faced a number of difficulties recently in her personal life, and I've been sorry to hear about that. I understand that all she wished to do here, was find a way to avoid making a mortgage payment in one month when her pay would be lower than usual, so that she could manage that temporary dip in her earnings. So I appreciate why this complaint is important to her.

However, Bluestone has said it just can't do exactly what Mrs K wants, which is to set her payment date for the very end of the month. It's explained why that isn't possible, and also pointed out that the terms of Mrs K's mortgage don't support this. I know that Mrs K will be disappointed by my decision here, but I don't think it's unreasonable for Bluestone to have said it can't set her payment date for the end of the month. I note it has suggested that she could schedule her payment for the 28th but actually pay a day or two after this. Or alternatively it has offered to provide other support if Mrs K is finding it difficult to manage her payments just at the moment.

Mrs K is also unhappy that if she does schedule her payments for the 28th of each month, and pays a couple of days later, then she will then be charged a very small amount of additional interest, to cover the time between her scheduled payment day and the date payment is actually received. She doesn't think that's fair.

I'm sorry to disagree, but I don't think Bluestone is doing anything wrong if it charges this extra sum. Although Mrs K says she's still paying within the same calendar month, the interest on her mortgage isn't charged on a monthly basis. It's paid on a monthly basis, but that's not quite the same thing.

In other words, each month, Mrs K starts with a mortgage balance of a certain amount, and interest keeps accruing on all of that amount, until the monthly payment is made. So Mrs K pays less interest overall if her payment is at the start of the month, and her debt reduces that little bit sooner. She pays a bit more interest if she pays at the end of the month.

Importantly, Bluestone works this all out for Mrs K each month, based on when it expects her to make her payment. So if her payment date is, say, the tenth of the month, then it works out how much interest she will need to pay because her mortgage payment won't be received until then. And the same if her mortgage payment is the 28th of the month – her debt won't be reduced by that month's payment until later in that month, so the interest payment will be slightly more.

The difficulty comes if Mrs K then delays her payment past the due date. If Mrs K schedules her monthly payment for the 28th, then each month, Bluestone's calculations of how much interest she will owe, are based on her paying then. And if she doesn't pay until two or three days later, Bluestone's advance calculations won't have allowed for that. So she'll be paying a little bit less than she owes.

We know Bluestone can't set Mrs K's payment date for the end of the month. But it's worth considering what would happen if Bluestone was able to do what Mrs K wanted, and set her payment date for the end of the month.

Mrs K wouldn't pay less interest overall, if her payment date was set for, say, 30 November, than she will pay if her payment date is set for 28 November but she actually pays on 30 November.

If Bluestone was able to schedule Mrs K's payment for 30 November, and she paid on that date, the only difference would be that she'd be paying on the date Bluestone expected. So it would be able to include all of the interest due, in its request for a monthly payment. In that situation, it would ask her for a bit more money to pay on the 30th (slightly more than it will ask for if her payment date is set for earlier). And then it wouldn't have to ask her to make up a small amount of unpaid interest later.

It's important to note that what Mrs K pays overall would still be the same.

In these circumstances, if Mrs K does choose to have her payment date set for the 28th of each month, then pay a couple of days after this, I don't think it is unfair or unreasonable for Bluestone to ask Mrs K to pay that small extra amount which she will owe. I think it's in line with the terms of Mrs K's mortgage. So I don't think Bluestone has to waive or refund this charge for Mrs K. I know Mrs K will be disappointed, but I don't think this complaint should be upheld.

There may be other changes that Bluestone is able to make, or other support it can offer, to help Mrs K with any short-term payment difficulties she is having. I would encourage her to talk to Bluestone about this, and explore what else it may be able to do, if she's still experiencing these difficulties.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 4 December 2025.

Esther Absalom-Gough  
**Ombudsman**