

## **The complaint**

Mr and Mrs B complain that Accord Mortgages Limited has not administered their mortgage correctly following a product transfer.

## **What happened**

In 2022, Mr and Mrs B took out a mortgage with Accord. It was a repayment mortgage with a fixed rate of 2.95% that applied until 31 August 2024.

On 11 July 2024, Accord issued a mortgage offer to Mr and Mrs B. The mortgage was in two parts – part one on a repayment basis and part two interest only, with a fixed rate of 5.36%. Mr and Mrs B accepted that offer. Accord wrote to them and said it would process the product transfer on 1 September 2024 when the current product ended.

On 14 August 2024, Accord issued a new mortgage offer to Mr and Mrs B. The mortgage was in two parts – part one on a repayment basis and part two interest only, with a fixed rate of 5.21%. On 21 August 2024, Mr and Mrs B accepted the new offer.

Accord did not process the product transfer in time. As a result, Mr and Mrs B's September 2024 mortgage payment was calculated on the standard variable rate (SVR). On 4 September 2024, it collected higher mortgage payment than Mr and Mrs B expected.

Mr and Mrs B complained. In addition to paying £75, Accord refunded the difference between the amount they expected to pay and the SVR. But its system then thought the mortgage was in arrears by the amount of the refund. Accord wrote to Mr and Mrs B to say their mortgage was in arrears. Mr and Mrs B complained. Accord paid them £75 and explained the mortgage was not in arrears.

In February 2025, Accord sent Mr and Mrs B their annual mortgage statement. It said that the mortgage was in arrears and that their monthly payment would increase.

Mr and Mrs B complain that Accord has not administered their mortgage correctly. They said it was not using the correct figures to calculate their mortgage and that has resulted in their payments increasing incorrectly – and that was not normal practice on a fixed rate mortgage.

I issued a provisional decision proposing to uphold the complaint. My provisional findings, which form part of this decision, were:

### *What I can't consider*

*At the ombudsman service we have to follow the rules in the Financial Conduct Authority's handbook. It sets out which types of complaint we can (and can't) look at and includes time limits for consumers to bring a complaint. I must apply those rules and decide whether a complaint is one we can look at.*

*After considering everything, I agree with the investigator that part of this complaint has been brought outside our time limits. I will explain why.*

*Our rules say that I can't consider a complaint that is made:*

- *More than six months after the date the business sent its final response.*

*Unless:*

- *The failure to comply with the time limits was as a result of exceptional circumstances; or*
- *The business consents to us looking at the complaint.*

*On 10 September 2024, Accord sent a final response to the complaint about the delay in switching the mortgage to the new fixed rate and the collection of the higher payment on SVR. On 1 October 2024, Accord sent Mr and Mrs B a final response to the complaint about incorrectly saying their mortgage was in arrears.*

*Mr and Mrs B referred those complaints to us on 1 April 2025. That is more than six months from the date of both of the above final responses. Therefore the complaints dealt with in those final responses have been referred outside our time limits.*

*Accord has not consented to us considering those complaints and I am not aware of any exceptional circumstances that prevented Mr and Mrs B referring the complaint to us in time. So I'm unable to consider the complaint about the delay in switching to a new rate, the collection of the SVR payment and the arrears letter.*

*I can consider a complaint that Accord has calculated the balance of the mortgage and the monthly payments incorrectly. I am satisfied that Mr and Mrs B would not have known how Accord treated the refund of the SVR overpayment so it did not form part of their initial complaint.*

#### *What I can consider*

*I don't consider Accord has got to grips with this matter. Its offer does not go far enough and it is not in line with our published approach. Where a business has made a mistake we look to put the affected party back in the position they would have been had the mistake not occurred. In this case, if Accord had acted fairly and reasonably Mr and Mrs B would have been up to date and on track to repay their mortgage as expected and as set out in the mortgage offer dated 14 August 2024. So Accord should put them in that position.*

*It is not in dispute that Accord made an error when it collected the September 2024 mortgage payment. It calculated what was due on the SVR rather than the new fixed rate of 5.21%. Accord refunded the difference in payment to Mr and Mrs B and deducted that amount from the mortgage. But it appears it did not adjust the interest that was due from 1 September 2024 – so it appeared that Mr and Mrs B paid less than was due. That was only because Accord had failed to adjust the mortgage as it should have. That only came to light when Mr and Mrs B received their mortgage statement in February 2025 and were asked to increase their payments to make up the shortfall.*

*Accord's new offer appears to recalculate the mortgage correctly as if it had transferred to the new rate on 30 September 2024. But my understanding is that the new rate should have been in place from 1 September 2024. So the calculation should be from that date.*

*It appears that Mr and Mrs B have been underpaying – they paid less than set out on the mortgage offer. But I accept they were paying what Accord was claiming in good faith. In those circumstances, we would not usually expect a borrower to make up any capital or interest shortfall that has arisen because their payments have not been calculated correctly. That is because the difference has likely been swallowed up by day to day expenditure and it would not be fair to expect a consumer to make up the difference in those circumstances.*

*Therefore, I consider Accord should calculate what the position of Mr and Mrs B's mortgage*

*would have been had it been on a fixed rate of 5.21% from 1 September 2024 to the date this complaint is settled and it should adjust their mortgage so that it is in that position – as if they had made all of the payments of capital and interest that were due in full and on time. Mr and Mrs B would not be required to make up any amounts they have underpaid.*

*I accept this matter has caused Mr and Mrs B have been caused avoidable distress and inconvenience because of this matter. They've had worry and upset caused that the matter had not been resolved despite making two previous complaints. Along with the uncertainty and stress that they are not paying the correct amount to their mortgage for over six months. I understand that Mrs B is undergoing medical treatment and this matter has caused Mr B a great deal of stress.*

*In all the circumstances I would usually award £500 for that. But if Mr and Mrs B have made savings that are more than that – because they have paid less than was due to their mortgage. I would not therefore tell Accord to make a separate payment to them as they have effectively had the benefit of that money already by making lower payments than required to their mortgage.*

*Accord should provide its calculations in line with the above in response to this provisional decision – including what Mr and Mrs B's monthly payments will be going forward. If that amount is different than set out in the mortgage offer dated 14 August 2024 it should explain why.*

*Accord should also make sure that Mr and Mrs B's credit file is showing that they have made all the payments required in full and on time.*

Accord accepted my provisional decision. Mr and Mrs B did not. They responded to make a number of points, including:

- The monthly payment would never have been £2,737.73 as stated on the mortgage offer. The balance of their mortgage was overstated on the offer and the balance would have reduced further by the time the new product commenced on 1 September 2024.
- The £2,718.91 payment was higher than it should have been as it incorrectly included the refunded amount of £1,261.17.
- The award of £500 compensation does not cover the amount that had been “stolen” from them by Accord – so they would be left with no compensation for distress and inconvenience. We award compensation of more than that where a business has been found to have not followed the correct process. £1,000 was a fair amount to reflect Accord's behaviour in this matter.
- Accord should tell us what the mortgage balance was at “the exact minute” before it calculated the payment and the mortgage balance after it applied the recalculation.

### **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 afraid I don't agree with Mr and Mrs B's response to the provisional decision. In response

to their comments Accord said:

*“Had the transfer and change of term been actioned in time for September payment then the total payment from September 2024 would have been £2736.78. The offer quoted a payment of £2737.73.*

*The payment registered from October 2024 was only £2718.91, this is because we received a higher payment on 4th September for £3919.97. The system calculation had taken this into account as an overpayment. However, an amount of £1261.67 was then returned on 9th September, but the monthly payment wasn't adjusted and unfortunately, they continued to underpay until March 2025 following our annual review.*

*Had we received the payments of £2736.78 from September 2024, the total estimated balance at close of business 31st October 2025 would have been £562,867.79. The actual balance was £563,029.31, a difference of £161.52.”*

After reviewing all of the evidence, I do not consider it likely that Mr and Mrs B's mortgage balance would have been different to the extent they believe when the new product should have started. Therefore, I do not consider that Mr and Mrs B have overpaid – they paid less than they should have when their payment was calculated as £2,718.91, and Accord has given us an explanation for that.

Accord has shown that if Mr and Mrs B's mortgage had been administered correctly, they would have paid the higher amount from 1 September 2024 and their mortgage balance would be £161.52 lower. It has agreed to adjust Mr and Mrs B's mortgage as I proposed – and I consider that is a fair way to put things right.

Accord has agreed to pay Mr and Mrs B £500 for any distress and inconvenience. I consider that is a fair amount in all of the circumstances. As I set out in my provisional decision that reflects the length of time this matter has been going on for, the fact Mr and Mrs B had to raise a number of complaints and their personal circumstances. After reviewing everything again – and in view of the actual losses Mr and Mrs B have made as a result of this matter, I still consider £500 is a fair amount. Mr B is correct that we can and do make higher awards. But each case is determined on its individual circumstances. And I have explained why £500 is a fair amount in this case.

### **My final decision**

- Work out what the position of Mr and Mrs B's mortgage would have been had it been switched to a 5.21% fixed rate until 30 November 2026 on 1 September 2024 and they had made all of the payments due to the capital and interest in full and on time.
- Accord should then adjust Mr and Mrs B's mortgage in line with the above.
- Pay Mr and Mrs B £500.
- Make sure Mr and Mrs B's credit file shows no adverse information in respect of the mortgage as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B and Mr B to accept or reject my decision before 15 December 2025.

Ken Rose  
**Ombudsman**