

## The complaint

The estate of Miss S has complained about a mortgage Miss S held with Bank of Scotland plc trading as Halifax. The complaint falls under two broad categories:

- The estate is unhappy that Halifax continued to charge interest on the mortgage whilst it was obtaining the Letters of Administration.
- Mr S, who has been representing the estate, is unhappy with the service he's received from Halifax since Miss S passed away.

The estate is being administered by Mr S and Ms G, although most of the contact with both Halifax and the Financial Ombudsman Service has been with Mr S. Any reference to Mr S and/or Ms G in this decision should be taken to mean them acting in that capacity where appropriate.

## What happened

I won't detail every contact between Halifax and the estate as matters have spanned over two years and there have been numerous contacts and attempted contacts in that time. Instead, I will focus on the key points and complaints raised in that time.

Miss S took out this mortgage in August 2022 to buy a new property for £235,000. She borrowed £143,500 (plus fees) on a repayment basis over a 30-year term. The mortgage payments were made by direct debit.

Miss S sadly died on 1 June 2023, and Halifax was notified on 22 June 2023. The mortgage balance in June 2023 was around £140,750.

On 6 July 2023 Mr S raised a complaint. He'd phoned Halifax about a letter that had been received, and he was unhappy with the service he received in that phone call. He was also unhappy that Halifax said interest would continue to be charged on the account.

Halifax responded to the complaint on 20 July 2023 over the phone and in writing. It said:

- The call of 6 July 2023 hadn't been handled in the way that it should have been and it apologised for that. It said feedback had been given to the staff member concerned and Halifax paid £80 compensation for the poor service.
- The monthly payments remain due on the mortgage but Halifax doesn't expect them for up to 12 months from the date of death to allow time for probate to be obtained and the mortgage be repaid. However, if the payments aren't made the mortgage falls into arrears and the balance increases. If the estate wanted to make any payments then it provided a phone number that should be called to do so.

In the meantime, Halifax wrote to Mr S on 11 July 2023. It gave its condolences and provided details of the outstanding balance. It said the direct debit had been cancelled and it didn't expect the monthly payments to be made (albeit they were still due). It explained that

meant the mortgage would fall into arrears and the balance would increase, and whilst arrears letters would be sent (as Halifax was required to send those by the regulator) no action needed to be taken when those were received. It said the payments remained due but Halifax wouldn't expect them for up to 12 months to allow time for probate to be obtained and the mortgage repaid. However payments could be made (either on a regular basis or ad-hoc) by calling the number provided in the letter.

Arrears letters and statements were sent to Mr S over the next year.

On 4 July 2024 Mr S contacted Halifax in response to a letter about the arrears. The contact notes indicate Mr S was upset at the letters as he had received three close together all saying the same thing, and he felt harassed. He also said that the fact the account was in arrears due to the interest being charged was profiteering and Halifax was the only bank that would do that. Halifax apologised for the duplicate letters and how Mr S felt and it was agreed the complaint would be closed. Mr S said he was in the process of obtaining probate but there was no timescale on that. And once it was received the property would be sold, and the mortgage repaid.

The Letters of Administration we have on file indicates it was issued on 6 September 2024 with it noting Mr S and Ms G were to administer the estate.

On 8 January 2025 Mr S raised a complaint about how Halifax had treated him and the information it had provided. He wanted to know why Halifax hadn't told him the mortgage balance was increasing and payments could have been made whilst probate was being obtained. The contact notes indicate he told Halifax they were still in the process of obtaining probate and he thought it should be finalised in the next month.

Halifax responded to the complaint on 29 January 2025. It said:

- It had previously dealt with the concerns about the fact interest would still be charged in its complaint response in July 2023 and the six month time limit to refer that complaint to the Financial Ombudsman Service had expired.
- It was sorry to hear of Mr S' upset and difficulty understanding the information that had been sent. It wanted to support him so it said if he wanted to talk through any of the information then he could call a number it provided.
- It had arranged for a copy of the call to be provided to Mr S as requested, and he should allow up to 30 days for that to arrive.
- It had recently sent him a copy of the mortgage offer and a statement for the account. It said those would show the details of the mortgage, payments due and interest that had been added to the account. The balance of the mortgage was around £146,930.
- Whilst waiting for probate, payments can be made to the mortgage account as it explained in its letter of 11 July 2023. It provided the bank details that should be used for a bank transfer, and said if the account remains unpaid then legal action may be considered, but that is always a last resort. It asked Mr S to keep it informed about obtaining probate and the sale of the property.

On 5 February 2025 Mr S raised a complaint that his call was answered by someone from Lloyds rather than Halifax and wasn't transferred correctly. He also said he had previously asked for call recordings and hadn't received them.

Halifax responded to the complaint on 17 March 2025. It said:

- It was sorry for the confusion and delays experienced when contacting Halifax. It aimed to provide a seamless service across all its brands, and if Mr S had encountered issues or been transferred incorrectly it apologised.
- It was sorry Mr S had not received the DSAR containing the calls he had asked for. It could see they had been ordered, but if they hadn't reached him yet then to let Halifax know and it will ensure he gets them promptly.
- Letters about the mortgage were sent to Mr S' address and the property address.
- The complaint about the interest had already been addressed so no further comment would be made on that.
- It would be paying £100 compensation for the frustration caused on the calls.

On 21 March 2025 Mr S spoke to Halifax. The contact notes indicate he said probate had been granted, but he wouldn't disclose who the administrators were. He said the property had been on the market for four weeks with no offers. He said he didn't want to be called or harassed, or extra costs incurred as he was doing his best to sell the property. Halifax explained it needed the probate document so things could be discussed fully.

On 3 April 2025 Halifax issued a revised final response for the January 2025 complaint as Mr S had said he hadn't received that final response letter or the information he had requested. It said:

- It was sorry it hadn't actioned Mr S's request for all the call recordings. It had requested all the call recordings since 2023 to be sent to him, along with copies of any correspondence. It said it may take a few weeks as the calls have to be listened to before they can be issued.
- It wouldn't be commenting further on Mr S' complaint about the fact interest continued to be charged on the account.
- It had sent a copy of the mortgage offer and a statement to Mr S which will detail the important information about the account.
- It needed Mr S to send it a copy of the probate document as requested in a recent call.
- It enclosed a cheque for £150 compensation for the upset caused by not sending Mr S the information he had requested.

On 6 May 2025 Mr S raised a complaint covering various points (amongst others) about the charging of interest, that Halifax threatened legal action, he wasn't given time to obtain legal advice, and he felt harassed and the beneficiary was being affected financially. He said he wanted copies of all previous calls and unanswered calls to be sent to him, and he also said he had received an email with the DSAR attached, but he was unable to access it.

The arrears of around £12,500 were cleared on 8 May 2025, and from then monthly payments were made to the account.

Halifax responded to the complaint on 22 May 2025. It said:

- Mr S had been given incorrect information in the call of 6 May 2025 about the impact on the balance of the mortgage once the arrears were cleared. It said the balance of the account at the end of May 2025 would be around £135,670 now the arrears had

been cleared.

- It appreciated Mr S had needed to obtain probate and was apprehensive to make payments in the meantime. But whilst it recognised that was a difficult position to be in, it said it hadn't done anything wrong in considering legal action. However, it said that Mr S' request to postpone instructing a solicitor for a couple of days to allow him to discuss the matter with his own solicitor was reasonable as that would not have caused a significant impact. It apologised for the trouble and upset caused by not allowing those couple of days.
- It had previously dealt with a complaint about the fact interest would continue to be charged and would not be reviewing that again.
- It had chased for an update on when the calls that had previously been requested would be provided to Mr S.
- Although it wouldn't be relooking at the complaint about the interest charged, an adjustment would be made to the mortgage to place the account in the position it would be in if the payments had been made in full and on time since June 2023 rather than as a lump sum in May 2025. It said that would reduce the balance by around £320.
- It would be paying £200 compensation for the frustration caused by the inaccurate information in the call of 6 May, and it not providing a hold for a few days to allow time for Mr S to consult a legal representative.

On 5 June 2025 Mr S raised a complaint that he was unable to access the call recordings that had been sent to him. He was also unhappy that when he contacted Halifax about it he only had the option for a call-back to be made rather than speaking to someone at the time.

Halifax responded to the complaint on 25 July 2025. It said:

- The CD with the calls had been sent by DHL but it was returned to Halifax after two unsuccessful delivery attempts. It was then resent via Royal Mail recorded delivery.
- The DSAR team has busy periods and when that occurs callers are directed to the call back service to try to ensure customers receive a response as soon as possible.
- As Mr S was currently away it would hold off resending the replacement CD until he confirmed he was home. It provided a number he should call when he was ready for it to be re-sent to him. It would also send the CD without encryption due to the issues Mr S had bypassing the encryption.

The complaint was referred to our service on 6 June 2025 and Halifax let us know it had made a mistake in calculating the interest adjustment. It said the correct figure should have been around £430, so a further approximate amount of £110 would be credited to the mortgage account. It also said it would like to offer Mr S a further £100 for the trouble and upset caused.

Our Investigator put that offer to Mr S but he didn't accept it, so our Investigator fully considered the complaint and sent his assessment to both sides.

Our Investigator said we couldn't consider the complaint that was dealt with in July 2023 as that complaint hadn't been referred to us in time. He also explained that we couldn't consider the impact on Mr S personally as he wasn't the eligible complainant here, he was

representing the estate. In respect of the remainder of the complaint, he said that whilst Halifax hadn't always handled things as well as it should, the compensation already paid of £550 plus the roughly £430 interest adjustment was sufficient.

Mr S didn't accept our Investigator's assessment and asked that an Ombudsman decide the complaint.

I issued a decision about our jurisdiction in which I said we couldn't consider the July 2023 complaint as that hadn't been referred to us in time. I also explained that whilst I didn't want to appear disrespectful to everything Mr S and his child had gone through, and the impact on them, I wouldn't be able to comment on that in my decision as I have no power to consider a complaint about, or award compensation for, the impact on Mr S (or his son) personally as he wasn't Halifax's customer here. I now issue this decision about the remainder of the complaint as the last stage in our process.

### **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.

Although I've read and considered the whole file I'll keep my comments to what I think is relevant. If I don't comment on any specific point it's not because I've not considered it but because I don't think I need to comment on it in order to reach the right outcome.

As I explained in my decision about our jurisdiction, much of the complaint is about the impact this has had on Mr S personally. But I don't have the power to look at a complaint from Mr S in his personal capacity or look at how this matter has affected him personally. In saying this I understand the points he's made and it's clear that this matter has been incredibly difficult and distressing for him to deal with, but unfortunately that's just not something I've got the power to consider or award compensation for.

It is clear that Halifax got some things wrong here. It admitted that in some of its complaint response letters and paid a total of £450 compensation for the trouble and upset caused to Mr S. In addition it reworked the account as if the payments had been made in full and on time, rather than paid as a lump sum in May 2025. It then, when the complaint was referred to us, reviewed the account adjustment and said it had miscalculated that and made a further adjustment and offered a further £100 compensation.

Whilst I understand Mr S feels that isn't enough, the account adjustment isn't something I would have told Halifax to do as I don't think Halifax did anything wrong in that regard.

I'm satisfied Halifax made it clear since July 2023 that interest would continue to be charged and the mortgage balance would increase. It also explained that payments could be made, and how that could be done. That is entirely normal in the mortgage industry and exactly what would happen on any mortgage account if the customer died. This isn't something that just Halifax does; it is entirely normal. Interest is still charged and the monthly payments are still due, but the mortgage lender allows a period of time (often a year) before it takes any action to allow time for probate to be obtained and the estate to be settled. In that time, if payments aren't made, the interest is added to the account and the balance increases.

Having considered all the information Halifax gave Mr S about that I wouldn't have told it to make the account adjustment as the interest was correctly charged to the account. It follows I also wouldn't have told it to make the further adjustment (to take it to £430) or pay £100 compensation for miscalculating the original adjustment.

In relation to the service Halifax provided, as I've explained I can't consider how any of that impacted Mr S personally. I can consider if the estate was inconvenienced but an estate (as it is a body, rather than an individual person) can't suffer distress. I acknowledge that often, as here, an estate is represented by an individual and sometimes that is a close relative, and that person may also be a beneficiary. But under our rules these are distinct roles, and we can only consider a complaint about the impact on the estate (as a body) rather than the impact on the person that is representing the estate. That means that however distressing things may have been for the person representing the estate, we simply don't have the power to consider a complaint about, or award compensation for, that.

There is always going to be a certain amount of inconvenience when administering an estate, so I can only make an award if I feel the inconvenience goes beyond what would be expected when administering an estate and that it is the fault of the business concerned.

I don't in anyway intend to downplay what an impact this has had on Mr S, I can see that it has and I've a great deal of sympathy with that. But I can only act within the powers that are given to me in our rules, and those rules simply don't give me the power to make any award to Mr S for any distress caused to him (or any other personal impact on him).

As I said, it is clear Halifax got things wrong. There were multiple delays and issues with Mr S obtaining the information he requested (such as the call recordings), and some of the calls weren't handled as well as they should have been. I agree that Halifax should have given Mr S a few days to obtain legal advice in May 2025 and the information about the mortgage balance (if the arrears were cleared) given in that same call was incorrect.

I understand Mr S feels Halifax has been deliberately difficult and obstructive, for instance saying the recordings were withheld from him, but I don't think things were done intentionally to cause issues. Whilst I acknowledge how frustrating it is when a business makes a mistake, mistakes do happen. In this case I've no reason to believe the things that Halifax got wrong weren't just human error. I understand that will be of little comfort to Mr S as he was the one dealing with it, whilst also suffering personally with his grief, but there's no reason for Halifax to withhold the recordings (for example) as Mr S could simply keep asking for them until he got access to them.

I have considered everything very carefully, and as part of doing so I have to take into account everything Halifax has already done and paid. Having done so I'm satisfied the account adjustment of around £430, plus total compensation of £550, is more than I would have awarded had this complaint come to me without any offers having already been made due to the limitation of what I can award compensation for. That's because, as I've explained, Mr S isn't the eligible complainant here, he is simply a representative of Miss S' estate, and so I can't award compensation for any distress caused to him, or the impact on him personally.

I'm aware how disappointed Mr S will be with my decision, but I can't act outside the powers given to me in our rules which is what I would be doing if I were to make findings on, and/or award compensation for, any impact on Mr S personally.

### **My final decision**

I don't think Bank of Scotland plc trading as Halifax needs to do anything further to settle the complaint as it has already paid more compensation than I would have awarded.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Miss S to accept or reject my decision before 11 December 2025.

Julia Meadows  
**Ombudsman**