

The complaint

The complaint is about a mortgage Mrs W holds with Lloyds Bank PLC. The mortgage was originally held jointly with her husband, who has sadly died. It's one of several complaints she's asked us to look at about the various financial arrangements she and her late husband held with Lloyds. It relates to attempts on her solicitors' part to obtain a mortgage redemption statement in preparation for her selling the mortgaged property and buying a new home. Mrs W is represented by Mr E.

The Investigator to whom the case was allocated agreed that Lloyds had unduly delayed issuing the redemption statement. However, she wasn't persuaded Lloyds should meet the financial consequences Mrs W was attributing to the delay. She was of the view that Lloyds had already paid reasonable compensation (£500) for Mrs W's time, trouble and upset. Mr E has asked for Mrs W's case to be reviewed by an ombudsman.

What happened

The broad circumstances of this complaint are known to the parties. I'm also aware that the investigator issued a response to the complaint, a copy of which has been sent to both parties, and so I don't need to repeat the details here. Our decisions are published, and it's very important that I don't include any information that might result in Mrs W being identified.

Instead I'll focus on giving the reasons for my decision. If I don't mention something, it won't be because I've ignored it. It'll be because I didn't think it was material to the outcome of the complaint. For the avoidance of any doubt or ambiguity, this decision deals solely with the complaint about the mortgage redemption statement.

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.

Like the Investigator, I've confined myself to addressing the complaint about Lloyds' admitted mis-handling of the request for a mortgage redemption statement. Our consideration of any other complaints Mrs W has brought, or may bring, is entirely separate.

To find in Mrs W's favour and award her the redress she's seeking, I have to be persuaded of two things on the balance of probabilities (the test used by the courts in civil cases):

- firstly, that Lloyds unduly delayed issuing a mortgage redemption statement; and
- that such delay was the sole or primary cause of Mrs W's sale and purchase falling through, with all the adverse consequences, financial or otherwise, flowing from that.

There's no dispute about the first; Lloyds has accepted that it failed to act in a timely fashion on the letters it received from Mrs W's solicitors. So I don't need to make a finding on that. However, having considered everything that has been said and provided, I don't find that the second test has been met. I'll explain why.

The available evidence indicates that Mrs W's solicitors were aiming to complete the sale and purchase by 31 March 2025. I'm satisfied that if Lloyds had issued a redemption statement as soon as it reasonably could have done, the statement would have been with the solicitors in time for that deadline to have been met, all other things being equal.

In fact, the statement wasn't issued until 8 April 2025. Following new rules introduced on 1 April 2025, Mrs W would now be liable for Stamp Duty Land Tax (SDLT) on her new purchase. That, along with abortive transaction costs and the early repayment charge (ERC) Lloyds had included in the redemption quotation, form the basis of Mrs W's loss claim. I'll deal with the latter first.

The levying of the ERC had nothing to do with the delay in issuing the redemption statement. That flows from the terms of a mortgage interest rate product that was applied to the mortgage in 2022. An ERC is chargeable, on a sliding percentage scale, if the mortgage is repaid before 30 April 2027. In the event Mrs W arranges a new sale, any new redemption statement generated before 30 April 2027 will include an ERC, albeit it will be for a lesser amount than was quoted in the 8 April 2025 statement.

Turning to SDLT, at the time of writing, Mrs W hasn't completed a new purchase, so hasn't paid any SDLT. In its final response to the complaint, dated 17 June 2025, Lloyds did offer to cover Mrs W's SDLT liability in the event the new property purchase went ahead. It later told us that this offer was no longer appropriate; I'll address that next.

Accepting that Lloyds was at fault for not issuing the redemption statement in time, it's then logical to think about what happened once it *did* issue the statement. I've already explained that the delay in doing so needs to have been the sole or primary cause of Mrs W's sale and purchase falling through. If it were, then I would have expected the transactions to have completed soon after 8 April 2025. Had that happened, Mrs W's loss claim would have a much stronger footing.

However, Lloyds' contact notes record that as late as 17 June 2025, the day the final response was issued, Mrs W told it that the sale should be going through shortly, that there was still some issues with the purchase but that she was hopeful these would be resolved once the sale had completed. I don't know, and won't speculate on, what those issued that Mrs W was referring to were.

The fact that Mrs W told Lloyds this is a strong indicator that the absence of a redemption statement wasn't the obstacle that delayed the transaction beyond the introduction of new SDLT rules on 1 April 2025, and wasn't what led to the transaction falling through altogether. Even if Lloyds had issued a redemption statement in good time, it seems more likely than not that the other things that were going on in the background, beyond Lloyds' control, would still have delayed the sale and purchase, and ultimately led to them being aborted altogether.

Putting all of the above together, I'm not persuaded there's a case for me to order Lloyds to cover Mrs W's legal and other costs for the abortive sale and purchase, or that it should be required to cover any SDLT or ERC for which she might be liable in the event of a future sale and purchase.

Assessing fair compensation for people's time, trouble and upset is not an exact science; everyone perceives things, and reacts to them, differently. One person's minor annoyance is another significant and stress-inducing inconvenience. It's all about the individual, and their personal circumstances. That's why the guide we publish on the subject incorporates ranges rather than tariffs.

There's no doubt in my mind that Mrs W has gone through, and continues to go through, a truly horrible experience, following the loss of her husband. I would never seek to trivialise that, but at the same time, I have to keep in mind the cumulative effect on Mrs W, quite understandably, of the fact that she has more than one dispute with Lloyds. Here, though, I have to confine myself solely to the one dispute, and taking everything into consideration, I think that the £500 that Lloyds has already paid Mrs W is broadly fair and proportionate.

My final decision

My final decision is that I don't uphold this complaint or make any order or award against Lloyds Bank PLC.

My final decision concludes this service's consideration of this complaint, which means I'll not be engaging in any further consideration or discussion of the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 14 January 2026.

Jeff Parrington
Ombudsman