

The complaint

Mr Y complains about problems when he redeemed his buy to let mortgage with Bank of Ireland (UK) Plc. He asks for an explanation of what went wrong and for compensation.

What happened

In May 2025 Mr Y's mortgage with Bank of Ireland had a small balance outstanding. Bank of Ireland issued a redemption statement in mid-May 2025 which said Mr Y needed to pay about £200 (including the lending fee) to redeem the account.

At the end of May 2025 Bank of Ireland took Mr Y's usual monthly payment of about £400. It refunded the surplus in early June 2025 and closed the account.

Mr Y says he hadn't budgeted for the payment of £400 and this caused significant financial difficulty and distress. He says Bank of Ireland didn't respond to his complaint within the required time scale.

Our investigator said Bank of Ireland followed its process correctly and gave Mr Y correct information.

Mr Y didn't agree and asked that an ombudsman reconsider the complaint.

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.

Bank of Ireland issued a redemption statement on 16 May 2025.

This decision will be published. I won't use exact figures where that might risk Mr Y being identifiable. Where that could be the case, I've used rounded numbers.

The redemption statement said an amount of about £200 was needed to repay the account on 31 May 2025. The balance on Mr Y's mortgage was less than £3. He had to pay the lending fee of £195 when the account was repaid.

The mortgage offer said a lending fee of £195 was due on completion. Bank of Ireland says Mr Y chose to defer paying this until the mortgage was repaid. Mr Y accepted the terms of the mortgage offer when he took out the mortgage. I think it was correct that Bank of Ireland applied the lending fee.

The redemption statement set out ways to pay the redemption amount. Mr Y didn't make a payment to redeem the mortgage. As the mortgage account was still open Bank of Ireland took the normal monthly payment (about £400) by direct debit on 31 May 2025.

This payment repaid the mortgage. Bank of Ireland refunded the surplus (about £200) on 5 June 2025. Bank of Ireland confirmed the account was closed and provided a link for Mr Y to request his deeds.

I don't think Bank of Ireland made an error when it collected Mr Y's usual monthly payment. I haven't seen anything to suggest that Bank of Ireland told Mr Y it would adjust his direct debit so that it took exactly the amount required to redeem the mortgage or that it would cancel the direct debit.

Bank of Ireland said in the redemption statement that if an overpayment of £5 or over is made at redemption it would send a refund by bank transfer, and this is usually done once all payments to the account have cleared, after 10 working days.

The account was repaid on 31 May 2025. A refund was issued on 5 June 2025. This was in accordance with Bank of Ireland's usual process and the information it provided to Mr Y. While I can't set out the exact figures here, I have checked them. I don't think that Bank of Ireland made an error with the refund that means Mr Y is out of pocket.

I don't think Bank of Ireland made an error when it collected the direct debit, closed the mortgage account and refunded the surplus, in accordance with its usual process. It gave Mr Y correct information about this in the redemption statement and cover letter issued in mid-May 2025.

Letting property is a business, and Bank of Ireland is entitled to expect Mr Y to manage his buy to let mortgage accordingly. If Mr Y had wanted to make a payment prior to 31 May 2025 of the exact amount needed to redeem the mortgage he could have arranged this. Bank of Ireland isn't responsible if Mr Y incorrectly assumed that it would take a payment at the end of May 2025 of the exact amount needed to redeem the mortgage. Bank of Ireland isn't responsible if Mr Y didn't ensure there were sufficient funds in his account for the direct debit payment on 31 May 2025.

Mr Y raised a complaint on 4 June 2025. Bank of Ireland issued a final response on 6 June 2025. However, it sent the final response to the security property address instead of Mr Y's correspondence address. Our investigator sent a copy of the final response to Mr Y. Mr Y remains unhappy about the way Bank of Ireland dealt with his complaint.

Complaint handling isn't a regulated activity, so we can't always look into it. We can do so in some circumstances. For instance if the way the complaint was handled caused delays with the underlying problem being sorted out. That wasn't the case here. Bank of Ireland didn't make an error when the account was redeemed, and so there wasn't a problem to be sorted out. As I said, the redemption and refund happened in accordance with Bank of Ireland's process and the information it provided to Mr Y.

Mr Y says sending the final response to the security property is a data breach, as the final response contained his financial information and was opened by his tenants. He says Bank of Ireland should offer compensation. As our investigator explained, this wasn't part of the complaint that Mr Y raised with Bank of Ireland and brought to us. So I can't fairly look into it here. Mr Y should raise his concerns with Bank of Ireland.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 29 April 2026.

Ruth Stevenson
Ombudsman