

## **The complaint**

This complaint is about Mr C's mortgage with The Mortgage Works (UK) Plc; I'll call it TMW from hereon. Mr C was arranging a new interest rate deal for the mortgage and wanted to have a monthly payment under £100. To do this, he needed to pay a lump sum to reduce the mortgage balance. Based on what TMW told him, Mr C paid £28,500. Unfortunately, TMW had forgotten about the fee for the new interest rate being added to the mortgage balance, and the monthly payment turned out to be around £103\*.

For reasons I've set out below, I won't be telling TMW to do anything our Investigator hasn't already recommended it do.

## **What I've decided – and why**

The details of this complaint are well known to both Mr C and TMW so I won't repeat them again here. Instead I'll give the reasons for my decision. 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 an issue it's not because I haven't considered it, but because I don't think commenting on it is necessary for the overall outcome.

We don't replicate the work of the courts. Whilst statutory, our scheme is intended to provide swift outcomes to disputes between business and the customers, with a minimum of formality. Mr C has indicated he's willing to go to court if not happy with the outcome here. That's his legal right and still will be if he rejects my final decision.

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

This isn't a complaint where I have to decide if a mistake was made; TMW has already admitted that. What I do have to decide is how things should be resolved.

When a business gives someone wrong information, the fair thing to do is to put the person in the position they'd be in if the business had given the correct information. If TMW hadn't made the mistake Mr C would have told he needed to pay a bigger lump sum than he did, in order to have a monthly payment below £100.

He does still need to do that. I've seen from his comments how strongly Mr C feels, but I can't fairly tell TMW to remove the fee from the mortgage balance. The fee is part of the price of the interest rate product that Mr C is benefitting from.

The additional amount Mr C would have needed to pay in the spring of 2025, when the problem arose, was in the region of £1,800. In October 2025, TMW said it would be around £1,215.\*

(\*So that there's no doubt, any figures I quote here are round figure estimates.)

We're several months on from the most recent figure, so the final figure is likely to be different again now. It's not for me to impose a sum; if Mr C accepts my final decision, TMW

will need to calculate the necessary amount at the time of settlement and tell Mr C what it is. TMW is aware of Mr C's need for reasonable adjustments and should be mindful of this when communicating with him.

If Mr C accepts my final decision, and pays the appropriate lump sum in reduction of his mortgage balance to achieve a monthly payment below £100, TMW must ensure that the lump sum doesn't use up any of Mr C's over-payment allowance under the terms of the interest rate product.

When assessing fair compensation for people's time, trouble and upset there's no specific calculation to work this out; 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.

In its initial response to the complaint, TMW paid Mr C £50 compensation. Our Investigator thought that to be too low and recommended it be increased to £100 to reflect the additional impact of the mistake as a consequence of Mr C's needs. TMW paid the additional £50 as well, believing the dispute had been settled.

Mr C has said he'd like to see the compensation be in accordance with the lump sum reduction, but I don't think that's either fair or proportionate. Overall, I think the investigator's assessment of £100 was fair and reasonable, and that is what I award. Insofar as the £100 I'm awarding is equal to what TMW has already paid Mr C, it will only need to pay the money again if Mr C returned it, as was suggested might happen.

There's one last thing; the Investigator said that TMW should provide a written apology. I agree with the sentiment, but I won't be ordering TMW to apologise. There's a reason for that. If I do order an apology as part of the final decision and Mr C accepts it, then TMW will be apologising because it *has* to. However, an apology given under duress has no value, so I will leave it to TMW's discretion to recognise that providing an apology would be a good thing to do.

### **My final decision**

My final decision is this complaint should be resolved fairly and reasonably by The Mortgage Works (UK) Plc doing the following:

- calculate the lump sum part redemption needed to reduce Mr C's monthly payment to a figure below £100 and, if Mr C then pays it, apply the part redemption without using up any of Mr C's over-payment allowance under the terms of the interest rate product; and
- pay Mr C any portion of the £100 compensation already paid that he can show he has returned to the business. To be clear, if Mr C cannot show that he has returned the £100, TMW will not need to pay him anything.

I make no other order or award.

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 Mr C to accept or reject my decision before 2 March 2026.

Jeff Parrington  
**Ombudsman**