

## **The complaint**

Mr A complains that Bank of Scotland plc unfairly declined to extend the term of his mortgage and misled him that it would extend the mortgage term if he made a lump sum payment. He also complains about poor service, and that Bank of Scotland didn't provide requested documents or treat him fairly given his health problems.

## **What happened**

Mr A took out a mortgage with Bank of Scotland in 2004, on an interest only basis. The term is due to expire in September 2026.

Mr A contacted Bank of Scotland in June 2024 to discuss a term extension on a repayment basis. He says he was told this would be possible if he repaid about £67,000 of the mortgage balance.

Mr A made payments to reduce his mortgage balance. However, in early 2025 Bank of Scotland said a term extension was unaffordable. Mr A says Bank of Scotland misled him, failed to honour its commitment, and took advantage of his vulnerability and mental health conditions. He says it didn't make any effort to engage with his support worker during calls, explain matters via the support worker or offer reasonable adjustments.

Mr A also complains about delays, missed call-backs, and inconsistent information. And that Bank of Scotland didn't provide transcripts of calls or internal notes, the call recordings it sent might have been edited, and it didn't comply with a Data Subject Access Request (DSAR). He says Bank of Scotland didn't provide a copy of his original mortgage documents, the name of the broker that recommended the mortgage or proof of any insurance he took out in 2004. Mr A says he needs this as he suspects the mortgage was mis-sold.

Recently, when looking through his paperwork, Mr A found a mortgage illustration and related documents sent to him by Bank of Scotland in January 2023. These were for a repayment mortgage over a 15-year term. He says he signed and returned these documents. Mr A says Bank of Scotland did nothing and "buried" these documents.

Our investigator said Bank of Scotland considered Mr A's applications fairly. He said it didn't mislead Mr A and it was clear there was no guarantee it could offer a mortgage, even with a lower balance. He said Bank of Scotland fairly considered what options it could offer to Mr A. Our investigator said if the mortgage application in 2023 had progressed it would have been subject to Bank of Scotland's lending criteria.

Mr A explained why he didn't agree. He asks that an ombudsman listens to all call recordings relevant to his complaint and ensures that each issue he's raised is explicitly addressed.

## **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.

Mr A asked that we listen to all relevant calls, to understand how Bank of Scotland repeatedly failed him. However Mr A hasn't specified any calls that are relevant, other than the call in June 2024. Bank of Scotland sent call recordings to Mr A in mid-2025. If there's anything specific in these calls that causes concern or that is relevant to the complaint, Mr A (or his support worker) could have brought it to our attention.

Mr A also asks that I address explicitly every issue he's raised.

This service is neutral and we don't take sides. We aren't a regulator and it's not within our powers to regulate or punish businesses for their conduct – that's the role of the Financial Conduct Authority. Our role is to resolve disputes fairly, quickly and with minimal formality, and to reach a decision about what's fair and reasonable in the circumstances of the complaint. I'm not required to respond to each issue raised by either party. What I must do is explain my reasons for reaching my decision about what's fair and reasonable in the circumstances of the complaint.

Where the evidence is incomplete or inconsistent I make a decision on the balance of probabilities – that is, what I think is more likely in the circumstances. There's enough evidence available for me to reach a fair decision about this complaint without listening to all of Mr A's calls with Bank of Scotland.

While the complaint has been with us, Mr A said he's concerned that the mortgage might have been mis-sold. He'd like to know whether he took advice from a broker and if so who the broker was. I can't look into this complaint here. It wasn't raised with Bank of Scotland before the complaint came to us. I can't consider a complaint about a broker here, as this complaint is about Bank of Scotland.

*Did Bank of Scotland mislead Mr A in June 2024?*

I've listened to Mr A's call with Bank of Scotland in June 2024. Bank of Scotland asked Mr A about his income, credit commitments and outgoings. Bank of Scotland said a repayment mortgage wasn't affordable. Mr A didn't meet criteria for an equity release or lifetime mortgage.

Mr A said his income won't change. The longest Bank of Scotland will lend is up to Mr A's 80<sup>th</sup> birthday. Bank of Scotland said the only possible variable that could make the mortgage affordable was a lower balance, which would have to be under £90,000. It said "*this is not guaranteed and is only approximate*". Bank of Scotland said Mr A was not tied into Bank of Scotland and could look elsewhere as other lenders might have other options. It suggested a website where Mr A could look for an independent financial adviser. Bank of Scotland said there were a number of variables which would require a complex discussion, and this was only a quick chat to discuss Mr A's options. Bank of Scotland repeated that what it said was approximate and encouraged Mr A to seek independent advice.

Mr A asked whether Bank of Scotland would be interested if a family member repaid £60,000 to reduce the mortgage balance. Bank of Scotland said before he did that he should look at mortgage calculators online. It said there was no ERC if he made overpayments and it can review the situation again at any point. Mr A said he would look at contacting an independent financial adviser and think about finding a solution. Bank of Scotland said other lenders might offer other solutions, such as a part repayment and part interest only mortgage.

Mr A made overpayments of nearly £70,000. He said it took considerable effort to raise this

money, including selling personal items at below market value. When he spoke to Bank of Scotland in early 2025 it said a repayment mortgage was not affordable.

I can understand that Mr A was disappointed and frustrated. He wants to stay in the property, which has been adapted for his needs. He'd made regular overpayments to reduce the mortgage balance by more than £50,000. And he reduced it further in 2024, in the hope that Bank of Scotland would be able to offer him a solution.

Having listened carefully to Mr A's call with Bank of Scotland in June 2024, I can't fairly find that Bank of Scotland promised it could offer a solution if Mr A reduced the mortgage balance. Bank of Scotland said there was no guarantee that it would be able to offer a mortgage and the figures it gave were approximate. It encouraged Mr A to take independent financial advice.

*Did Bank of Scotland fairly consider what options it could offer Mr A?*

Rules on mortgage regulation require lenders to carry out strict affordability checks before agreeing to offer or vary a mortgage. There are limited exceptions to this. Mr A wants to vary his mortgage by extending the term and changing to a repayment method. I think it's fair for Bank of Scotland to carry out affordability checks before deciding whether to agree to this.

In early 2025 Bank of Scotland said a repayment mortgage wasn't affordable, even with the lower mortgage balance. It considered whether it could allow more of Mr A's income in the affordability assessment, outside its usual policy. It looked into possible options, such as adding Mr A's wife to the mortgage, or if it could offer a retirement interest only (RIO) mortgage.

Mr A had a number of discussions with Bank of Scotland in early 2025, and he was asked for additional information. I appreciate this was stressful and time-consuming. But I think it was fair for Bank of Scotland to explore possible solutions – even if, unfortunately, this was ultimately unsuccessful.

In mid-2025 Mr A asked for a term extension while he looks into options with other lenders. At that point there was more than 12 months of the mortgage term remaining. I don't know if Mr A has been able to progress an application with another lender. There's still some months remaining before the mortgage term expires and hopefully Mr A will be able to make arrangements for the mortgage to be repaid.

*The mortgage application in 2023*

Mr A provided a cover letter, mortgage illustration and recommendation letter for a repayment mortgage over 15 years secured on his property. These were sent to Mr A by Bank of Scotland in early 2023.

Mr A says he signed and returned the documents in January 2023. He says he was told upon receipt the transfer would be actioned, but received no further contact. Bank of Scotland says it has no record of this application in 2023. It sent its records which show no contact of this type with Mr A in 2023.

There's no obvious explanation for Mr A receiving these documents while at the same time Bank of Scotland having no record of sending them or of a mortgage application with Mr A at that time. Mr A increased his monthly payments at about that time, but reduced them after three months to an amount that was less than the payments in the mortgage illustration. That could suggest Mr A knew the transfer onto new terms hadn't proceeded.

I think it's unlikely that Bank of Scotland would have made these changes to Mr A's mortgage without checking affordability. This was more than a product transfer: the mortgage term was to be extended and the payment method changed. It's unclear what happened with this application, and why it didn't proceed. But I don't think, based on the available evidence, I can fairly find this was due to an error by Bank of Scotland. I don't think it would be fair and reasonable to require Bank of Scotland to extend the term of Mr A's mortgage based on the documents issued in 2023.

#### *Call recordings, transcripts, records and documents*

Bank of Scotland provided call recordings to Mr A. It offered £80 compensation for delays in sending the call recordings to Mr A.

Mr A asks that Bank of Scotland review all of his calls. Bank of Scotland said it reviewed the calls where Mr A had raised concerns. It said it can't review all of his calls due to the number of them. I think that's fair and reasonable in the circumstances.

Bank of Scotland says it doesn't provide transcripts of calls to customers. I can't fairly require Bank of Scotland to create call transcripts to send to Mr A when this isn't a service it offers to customers. I can't fairly require Bank of Scotland to provide its internal notes of telephone calls. They aren't transcripts or a record of everything that was said and are likely to contain commercially sensitive information, such as references to lending policies and internal processes.

Bank of Scotland says it no longer has the original mortgage documents from 2004, due to the passage of time. I can't fairly require Bank of Scotland to provide documents or information that it doesn't have.

If Mr A remains concerned that Bank of Scotland has not provided all of the data he's entitled to, he can consider contacting ICO.

#### *Failure to make reasonable adjustments*

Mr A says Bank of Scotland discriminated against him due to his disability, vulnerability and age, and took advantage of his vulnerability, mental health conditions and circumstances.

Bank of Scotland has to provide information to Mr A so that he can make well informed decisions on a timely basis. It needs to take Mr A's needs into account and, where appropriate, check with Mr A that he understands the information. From what Mr A has told us about his health conditions, it seems likely Bank of Scotland has a duty to make reasonable adjustments under the Equality Act 2010.

Only a court can make a decision as to whether Bank of Scotland has breached the Equality Act 2010. I've taken the Equality Act 2010 into account when deciding this complaint – given that it's relevant law – but I've decided this complaint based on what's fair and reasonable.

I don't think Bank of Scotland acted unfairly or unreasonably when it said it couldn't offer a term extension or a new mortgage. I think it was fair that Bank of Scotland considered affordability and applied its lending criteria as it would for any customer in the same position as Mr A. The evidence provided by Bank of Scotland shows that it fairly considered what options it might be able to offer to Mr A.

I don't think it would be fair to expect Bank of Scotland to offer a change to repayment terms, or a term extension to Mr A when its checks showed that wouldn't be affordable for him. It's not required to offer a mortgage of a type it wouldn't usually offer as a reasonable

adjustment - and it wouldn't be reasonable to tie Mr A into an arrangement that's not affordable for him.

Bank of Scotland's records say it asked Mr A what support he needed. It recorded that he needs large bold type and might need breaks during calls, and that he has help from support workers. Mr A didn't tell Bank of Scotland that he needs further reasonable adjustments.

In response to our investigator's view Mr A said providing call transcripts and internal notes of calls is an essential reasonable adjustment. I've explained above why I don't think it's fair to require Bank of Scotland to provide transcripts or internal notes, and what Mr A said hasn't persuaded me to change this.

The duty to make reasonable adjustments doesn't mean Bank of Scotland has to agree to all requests. I must be fair to both parties. I don't think Mr A needs call transcripts or copies of internal notes in order to access Bank of Scotland's services or deal with his account. Mr A has a support worker with him when he speaks to Bank of Scotland. And he has the call recordings sent to him by Bank of Scotland, if he wants to listen to what was said or create transcripts.

Mr A says his support worker was introduced at the beginning of the call in June 2024 and Bank of Scotland edited this out of the recording. He said Bank of Scotland didn't try to engage with his support worker during the call, or ask them to explain what it had said to him.

Bank of Scotland acknowledged Mr A's support worker was on the call in June 2024, and Mr A also confirmed this. There was nothing in the call that I think ought reasonably to have prompted Bank of Scotland to ask the support worker to re-explain anything to Mr A, or to engage with the support worker instead of with Mr A.

### *Poor service*

Bank of Scotland accepts that it made errors when communicating with Mr A. It failed to call Mr A as promised and took too long to respond to his complaint. It offered £500 for the impact this had on Mr A.

Bank of Scotland re-issued final response letters in large print. It offered £150 for failing to issue the letters in large print initially. And it offered £80 for delays in sending call recordings to Mr A.

Mr A wants to stay in his property and is looking for a solution in advance of his mortgage term expiring. Bank of Scotland couldn't offer a solution. While that must be worrying for Mr A, I think that's due to the situation rather than an error by Bank of Scotland. However, Bank of Scotland's poor service will have added to that worry, especially given the health conditions Mr A has told us about. I think for the additional worry and stress caused by its errors, Bank of Scotland's offer of £730 is fair and reasonable in the circumstances.

Bank of Scotland sent cheques to Mr A. Mr A said he didn't accept the compensation. If Mr A hasn't cashed the cheques, Bank of Scotland should cancel them and issue new cheques (or make payment to Mr A's bank account if he prefers).

### **My final decision**

My decision is that Bank of Scotland plc should pay £730 to Mr A, as it offered to do. It can deduct any amounts already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 5 March 2026.

Ruth Stevenson  
**Ombudsman**