

## **complaint**

Mr D complains that Hull and East Yorkshire Credit Union Limited (HEYCU) didn't include a reference on a payment to his mortgage provider, which meant that the payment wasn't made. He says this caused negative information to be recorded on his credit file.

Mr and Mrs D have made a separate complaint about their mortgage provider.

## **background**

I attach a copy of my provisional decision, which I sent to Mr D and HEYCU in March 2017. I set out why I thought HEYCU made a mistake in processing Mr D's payment request in October 2016. I also said what I thought HEYCU should do to put this matter right.

## **my findings**

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

Neither Mr D nor HEYCU have provided any fresh information or evidence in response to my provisional decision. For the reasons set out in my provisional decision, I think HEYCU should've told Mr D it couldn't retrieve the reference or use it in this type of payment. It should also have told him how he could make a payment using a reference and asked him to provide it again.

## **my final decision**

For the reasons set out above and in my provisional decision, I uphold this complaint. I now require Hull and East Yorkshire Credit Union Limited to:

1. Write to Mr D in terms that he could show to his mortgage provider. That letter should include that Mr D gave instructions for a mortgage payment on 28 October 2016 and asked it to use the details it already had, which included the correct reference number. In error, it sent the payment without the reference number.
2. Pay Mr D compensation of £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 2 June 2017.

Louise Povey  
**ombudsman**

## **copy provisional decision**

### **complaint**

Mr D complains that Hull and East Yorkshire Credit Union Limited (HEYCU) didn't include a reference on a payment to his mortgage provider, which meant that the payment wasn't made. He says this caused negative information to be recorded on his credit file.

Mr and Mrs D have made a separate complaint about their mortgage provider.

### **background**

In October 2016, Mr D cancelled standing orders in relation to his mortgage payments. On 28 October 2016, he rang HEYCU and asked it to make a one off payment using the details already held on file.

HEYCU sent the payment but it didn't include a reference number with it, so Mr D's mortgage provider didn't receive it. The payment was returned to HEYCU in November 2016. On 18 November 2016, HEYCU made a payment to Mr D's mortgage provider, which it received.

Our investigator said it's not possible to say exactly what happened when Mr D gave instructions for payment. He said HEYCU had a duty to ask some further questions about the payment. Mr D said he made it clear the payment was for his mortgage and that he wanted to use the details already on file, so it would've been reasonable to confirm if Mr D wanted to include a reference number.

Our investigator said he noted that HEYCU's system didn't allow a reference for one-off payments but it could've offered an alternative payment system. He said it wouldn't be fair to hold HEYCU accountable for the late payment but it could've done more to ensure that the payment was sent in accordance with Mr D's request. Our investigator said HEYCU had offered compensation of £50 and he thought that was fair.

Mr D didn't agree. He said when he asked HEYCU to make the payment, the person he spoke with asked whether she should use the details it already had on file. He says it's had the relevant information for over seven years. Mr D says he'd have given the reference number if he'd been asked for it or if HEYCU had said it held incomplete information. He asked that an ombudsman look at his complaint.

### **my provisional findings**

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

There's no recording of the phone call Mr D made asking HEYCU to make the payment. Unsurprisingly, the member of staff to whom Mr D spoke can't recall the conversation. Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I have to consider what's most likely to have happened.

I accept Mr D's recollection that he asked HEYCU to make the mortgage payment using the details already on file. That would've included a reference number. HEYCU says it would've been technically possible, though difficult, to retrieve the reference number from the cancelled standing orders. It also says its system at the time didn't allow for a reference for a one-off transfer. There's no reason Mr D would've known any of that.

Mr D says he made it clear this payment was for his mortgage. It's not unusual to include a reference when making this sort of payment, whether it's for a mortgage or not. Many payments require a reference so the receiver can allocate the money correctly.

There's nothing to suggest that HEYCU told Mr D it couldn't retrieve or use the reference or that it asked him to provide it again. HEYCU is the expert in this scenario. I think it should've told Mr D it couldn't retrieve the reference or use it in this type of payment. It should also have told him how he could make a payment using a reference and asked him to provide it again.

To put this right, I think HEYCU should write to Mr D in terms that he could show to his mortgage provider. That letter should include that Mr D gave instructions for a mortgage payment on 28 October 2016 and asked it to use the details it already had, which included the correct reference number. In error, it sent the payment without the reference number. That would enable Mr D's mortgage provider to consider whether it wishes to amend adverse information it's reported about this transaction.

Mr D has also been put to the trouble of dealing with this matter and the worry of a late mortgage payment. I think fair compensation for that is £100.

### **my provisional decision**

I intend to uphold this complaint and require Hull and East Yorkshire Credit Union Limited to write to Mr D in the terms I've set out above and pay him compensation of £100.

Louise Povey  
**ombudsman**