

## **complaint**

Mr S's complaint is that Bank of Scotland plc (trading as Halifax) gave him incorrect information about how a lump sum payment to his mortgage would affect his monthly payment.

## **background**

Mr S has a mortgage with Halifax, which has three sub-accounts.

Mr S made a lump sum payment to sub-account 1 in October 2015. Halifax told him his new monthly payment would be around £730. So this is what he paid in November.

After a review of Mr S's mortgage, his monthly payment increased to around £770. So this is what he started paying in December.

Mr S complained to Halifax about the increase to his monthly payment. He was unhappy that he had to pay more than he'd originally been told. Mr S also said that the change to his monthly payments meant he decided to pull out of a house purchase, which had cost him about £2,000.

Halifax said it had calculated Mr S's monthly payment incorrectly in October, so the monthly payment of £730 was wrong. But it said the payments of £770 it started taking in December were right. So Halifax made a payment of about £40 to Mr S's mortgage to cover the difference in payments that wasn't taken in November. It also offered to cover Mr S's costs for the house purchase he pulled out of. And it paid him £400 for the distress and inconvenience this problem had caused him.

Mr S didn't accept Halifax's response and referred the matter to us. Our adjudicator looked at Mr S's problem and agreed that Halifax had done something wrong. But she thought that Halifax had made a fair offer to sort things out. As Mr S didn't agree, his complaint has been passed to me.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I think Halifax has made a fair offer to resolve Mr S's complaint. I'll explain why.

Halifax has accepted that it made a mistake when it recalculated Mr S's monthly payment after he made the lump sum payment in October 2015. The figure it quoted was lower than it should've been – meaning Mr S's mortgage was underpaid in November – until the correct payment was calculated and taken in December. Halifax has already credited Mr S's mortgage with the underpaid amount to make sure he's not lost out as a result of this.

Mr S also says that he was planning to downsize to save money – but, on the basis that his monthly payment would reduce to £730, opted to make the lump sum payment instead. He says he incurred costs in pulling out of the house purchase. Given the relatively small difference between the payments (£40), I'm not sure that Mr S would've done anything differently even if he'd been given the correct quote at the outset. But I don't think I need to decide that here – as Halifax has already offered to reimburse any costs Mr S incurred (that

he can evidence with receipts). And this, together with the credit to his mortgage account, means that Mr S isn't out of pocket as a result of Halifax's error.

It's also right that Halifax compensate Mr S for the trouble and upset this matter caused him. I appreciate he would've been concerned to find his monthly payments were higher than he was originally told they would be. And this would've been all the more upsetting if he'd based his decision to withdraw from the house purchase on the basis of the lower monthly payment he was initially quoted. Halifax has already paid £400 compensation to Mr S for this. And, having thought about the impact this had on him, I think that's fair.

Mr S doesn't think Halifax's offer to settle his complaint goes far enough as he's unhappy that he has to pay a lot more over the remaining term of the mortgage than he was told he'd have to. But Mr S is now paying the correct monthly payments – what he would always have had to pay once he made that lump sum payment. Given that interest rates can (and do) change, there wouldn't have been any certainty that the monthly payments would've remained at the same amount for the remainder of Mr S's mortgage anyway. And Halifax has made a payment to cover the first six months' payment of the correct amount, to give him time to adjust his finances to cover this himself. So looking at everything, I don't think Halifax needs to do anything further to sort out Mr S's complaint.

### **my final decision**

For the reasons I've set out above, I think Halifax's offer to settle Mr S's complaint is fair. So it's now up to Mr S to decide whether or not he wishes to accept this.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 11 April 2016.

Ben Jennings  
**ombudsman**