

complaint

Ms R complains that Lloyd Boswell Partnership caused unnecessary delay before paying her the compensation she was due. In February 2014 our service upheld Ms R's complaint about a mortgage endowment policy Lloyds Boswell advised her to take out. But she didn't receive the compensation we directed Lloyds Boswell to pay her until December 2014.

background

Ms R made a complaint to the Financial Ombudsman Service against Lloyd Boswell about the sale of a mortgage endowment policy. This complaint was considered by an ombudsman who made a final decision on 19 February 2014. The decision was accepted by Ms R on 3 March 2014.

Our ombudsman upheld the complaint. He directed Lloyd Boswell to pay Ms R compensation in accordance with the approach set out in the Financial Conduct Authority guidance "*Handling Mortgage Endowment Complaints*" (sometimes referred to as a Regulatory Update 89 or RU89 calculation).

Ms R only received the payment from Lloyd Boswell in December 2014, after our service became involved again.

Lloyd Boswell says the delay was because it was not satisfied with the identification documents Ms R gave it. Ms R had changed her name and Lloyd Boswell thought that the information she gave was not sufficient to comply with the strict rules that apply to financial firms when identifying customers. Lloyd Boswell has accepted that it is partly responsible for delay. This is because several months passed before it let Ms R know the information it needed to prove her change of name. But it didn't think it could be blamed for more than 3 months of delay. It offered to pay Ms R £50.

Lloyd Boswell made a mistake in calculating the amount of compensation to pay Ms R. It only paid her the right amount after our service recalculated the amount due. And the amount calculated by Lloyd Boswell was significantly lower than the amount it was actually obliged to pay. This caused a further delay.

Our adjudicator upheld the complaint. He thought Lloyd Boswell was partly responsible for the delay. But he said he could see why Lloyd Boswell was concerned about Ms R's identification. And he could understand how a calculation mistake had happened because Lloyd Boswell isn't used to calculating compensation. But he did think Lloyds Boswell could have responded more quickly to enquiries from both our service and Ms R. He recommended that Lloyd Boswell should pay Ms R £150.

Lloyd Boswell accepted the recommendation. Ms R did not. She thought she should receive more because of the amount of upset she had been caused and the length of the delay.

my findings

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

The delay between our decision being accepted by Ms R on 3 March 2014 and the payment to her in December 2014 was far too long. Looking at the correspondence between our service and Lloyd Boswell, I think there are several reasons for the delay.

First, the endowment policy provider took a long time to send information to Lloyd Boswell. This was information Lloyd Boswell needed to calculate the compensation to be paid to Ms R. I don't think Lloyd Boswell should be held responsible for the delay caused by this and this was only a small part of the overall delay anyway.

Secondly, Lloyd Boswell had concerns about the identification documents provided by Ms R. Ms R had changed her name and there are strict requirements on financial services businesses about properly identifying customers. I have looked carefully at the concerns raised by Lloyd Boswell and I think they were legitimate. So I don't think it was responsible for the delay this issue caused. However, I think that Lloyd Boswell waited too long before telling Ms R what identification documents it needed before it could release the money. I am aware that Lloyds Boswell has recognised it should've requested this information sooner.

Thirdly, Lloyd Boswell miscalculated the amount of compensation due. This meant that our service had to recalculate what should be paid to Ms R, which caused extra delay. I don't think the miscalculation was intentional. And I can understand how it happened, given that Lloyd Boswell is not used to making such calculations. But Lloyd Boswell is still responsible for the mistake. If it had got the calculation right in the first place, Ms R would've received the money she was due faster. So I think Lloyd Boswell was responsible for delay caused by this mistake.

Fourthly, Lloyd Boswell was slow in responding to correspondence from both our service and from Ms R. I have carefully looked at the emails between our service and Lloyds Boswell and I can see several occasions where we have had to chase it to respond to us.

Taking everything into account, I have decided that I agree with our adjudicator that Lloyd Boswell was partly responsible for the delay. I have thought carefully about how much compensation it should pay. I think £150, which is what our adjudicator suggested, is a fair amount to reflect the trouble and upset it caused Ms R.

my final decision

My final decision is that I uphold part of this complaint. I find that Lloyd Boswell Partnership was partly responsible for some of the delay in Ms R receiving the compensation she was due.

In full and final settlement, I direct that Lloyd Boswell Partnership pays Ms R £150 for the trouble and upset it caused.

Under the rules of the Financial Ombudsman Service, I am required to ask Ms R to accept or reject my decision before 5 February 2016.

Daniel Sheridan
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