complaint

Mrs K says Bank of Scotland plc (trading as Halifax) should increase its compensation offer. It recorded a default in error on her account. This stopped her getting a mortgage from the lender of her choice at the price she wanted.

our initial conclusions

Our adjudicator didn't recommend the complaint should be upheld. She said whilst Halifax accepted it shouldn't have recorded the default and removed it, she felt the £300 compensation already paid was a fair settlement. There wasn't enough evidence to conclude the default was the sole reason for the mortgage decline. Mrs K disagreed. She said after it was removed her credit score improved and she was accepted for a joint mortgage elsewhere so it must be linked. So the bank should cover her broker costs; the credit reference agencies' subscription costs; the mortgage interest rate differential and the cost of lost work time for her and her husband.

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. Having done so, I've reached the same conclusion as the adjudicator and for the same reasons.

I understand Mrs K's view that as her credit score improved after the default was removed - and she was accepted elsewhere for a mortgage - the default must have been the reason for the previous decline, but I'm not satisfied there's enough evidence to reach this conclusion. I say this because there was other adverse date on her credit record (late payment markers). And as we can't know the exact mortgage acceptance criteria for either lender I can't know why the different decisions were made. I think the bank's £300 compensation payment is fair and reasonable in the circumstances.

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs K either to accept or reject my decision before **15 February 2016.**

Rebecca Connelley

ombudsman at the Financial Ombudsman Service

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

ombudsman notes

Where the evidence is inconclusive (as some of it is here), I have based my decision on the balance of probabilities – in other words, on what I consider is most likely to have happened in the light of the available evidence and the wider circumstances.

what is a final decision?

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

what happens next?

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.