



Case study: Non-Bank Money Services/Credit

COMPLAINANT'S MORTGAGE ACCOUNT INSTRUCTIONS NOT FOLLOWED CAUSING LOSS

Themes: arrears; distress and inconvenience; mortgage account.

This complaint relates to the maladministration of a joint mortgage account which led to overdue payments.

Mr F held a joint mortgage account. In 2021, he instructed his mortgage provider to move his joint mortgage account to a new interest rate mortgage account. Apparently, Mr F's mortgage provider did not receive Mr F's instruction, and his joint mortgage account reverted to a standard variable interest rate account. As a result, Mr F's joint mortgage account fell into arrears. Mr F made a complaint to his mortgage provider who moved his joint mortgage account to a new two-year interest rate account and offered to remove the arrears. Mr F agreed. Unfortunately, the arrears remained on Mr F's mortgage account.

In 2023 Mr F wanted to again move his joint mortgage account to a new interest rate account, but as the arrears had remained on his joint mortgage account the request was rejected. Mr F again made a complaint to his mortgage provider. Mr F communicated with his mortgage provider multiple times to explain his complaint. Mr F's mortgage provider advised that the employee dealing with Mr F's mortgage account was on annual leave. In April 2023 they advised Mr F they had sent a new proposal via post to him. Mr F again contacted his mortgage provider, as he had not received the new proposal, and his mortgage provider advised they would repost the proposal. When Mr F finally received his mortgage provider's new proposal it again advised that as Mr F was in arrears a new mortgage product would not be offered.

In June 2023 Mr F referred his complaint to CIFO. Before CIFO could fully investigate, Mr F's mortgage provider accepted that there had been issues with their administration of Mr F's joint mortgage account. These included the failure to remove the arrears despite offering to do so but advised CIFO that some of the arrears were correct. Mr F had not updated his standing order for the joint mortgage account when the interest rate had changed. Mr F's mortgage provider offered to remove the arrears and compensate Mr F £750 for the distress and inconvenience caused, but Mr F rejected their offer and requested CIFO to continue with its complaint investigation.

CIFO investigated Mr F's complaint and upheld it in part as CIFO believed Mr F's mortgage provider had acknowledged they had inappropriately managed Mr F's joint mortgage account, but had offered adequate compensation for the distress and inconvenience they had caused Mr F. In addition, CIFO noted that Mr F's mortgage provider had subsequently moved his mortgage account to a new interest rate account and had correctly removed the arrears, thereby putting Mr F back in the position he would have been in had the original problem not occurred. CIFO accordingly concluded that Mr F was not entitled to any further compensation.