

The complaint

Mr E and Mr T complain that Landmark Mortgages Limited (“Landmark”) recorded a late payment against their mortgage account.

What happened

Mr E and Mr T hold a joint mortgage with Landmark. Their contractual payment is usually paid on the last working day of the month.

Mr E and Mr T explain that in May 2021 the payment for the mortgage was made by online transfer on 29 May 2021. But due to this date being a Saturday, the payment was sent by their bank to Landmark on the next working day, which was Tuesday 1 June, due to a bank holiday.

As the payment for May wasn’t received in May Landmark has recorded a late payment marker against the mortgage on Mr E and Mr T’s credit files. Mr E and Mr T complain that this is unfair and doesn’t consider their circumstances, as they say they had the money available to make the payment earlier than the date Landmark received it.

Landmark considered Mr E and Mr T’s complaint but didn’t uphold it. So Mr E and Mr T referred the complaint to this service.

Our investigator considered everything, but she didn’t recommend the complaint should be upheld. Whilst she acknowledged Mr E and Mr T’s circumstances, she noted that the payment for May reached the mortgage account in June. And she explained that Landmark has a duty to report accurate information to the credit reference agencies – which in this case means the fact that it didn’t receive a payment in May, so she didn’t think Landmark had done anything wrong or treated Mr E and Mr T unfairly.

As Mr E and Mr T didn’t agree with the investigator’s opinion the complaint has been passed to me to make a decision.

What I’ve decided – and why

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

I’m sure this’ll come as a disappointment to Mr E and Mr T but I’m afraid I agree with the outcome reached by the investigator. I’ll explain why.

I should start by explaining that I've seen Mr E and Mr T's comments around the funds they had available at the time of the payment being made, and the fact that they were on holiday so they didn't notice the issue immediately. But in reaching a decision on the complaint I need to consider what – if anything – Landmark has done wrong. And only if it has done something wrong, or treated Mr E and Mr T unfairly, can I tell it to put things right. I can see from the bank statements provided by Mr E and Mr T that the payment for May 2021 was made as two separate instalments – one on 1 June 2021, and one on 18 June 2021. And Landmark's records show that the payments were credited to the mortgage account on the same day as they were made. So with this in mind, I'm satisfied that Landmark's records are accurate and correctly reflect the series of events that has now been complained about. That said, I can certainly understand why it feels unfair that the payment should be recorded as being made late, despite Mr E and Mr T taking action to make it before the end of the month by instructing their bank to send it on 29 May 2021.

Turning to what this means for Mr E and Mr T, I'm afraid that I haven't found a reason that Landmark shouldn't have taken the action that it has by reporting a late payment to the credit reference agencies.

I can see that Mr E and Mr T's mortgage payment is due on the last working day of the month and I'm satisfied that they know about that. Looking at their payment history their payments have always been made on the day they've become due.

Lenders have a responsibility to record accurate information to the credit reference agencies. And whilst there's often a story or reason behind late or missed payments, that doesn't give lenders the discretion not to report information, or to report it inaccurately. So whilst I fully appreciate that Mr E and Mr T have explained there was a reason behind their payment being made late, that doesn't change my decision on the matter.

I should also note that the payment made on 1 June 2021 was for £660.82, and the payment made on 18 June was for £147.50. As the payment due on 31 May was 857.25, even if these payments had been made on or before the due date, I still think there'd have been a shortfall. I don't know why this happened and it may have been part of an arrangement Mr E and Mr T had with Landmark, but I think it's likely this would've been reported to the credit reference agencies in any case.

I do appreciate that this is likely to be unwelcome news for Mr E and Mr T as they've mentioned that it's making it more difficult for them to re-mortgage. But I'm afraid I haven't seen anything to persuade me that Landmark has treated them unfairly by taking the action that it did. So I don't require it to put anything right.

My final decision

I don't uphold Mr E and Mr T's complaint against Landmark Mortgage Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E and Mr T to accept or reject my decision before 11 May 2022.

Sam Wade
Ombudsman