

## The complaint

Mr A complains that when he told Bank of Scotland plc trading as Birmingham Midshires Mortgages (“BM”) it had delayed payments going to his three mortgages, resulting in arrears, it initially said it would amend his credit file. But then it changed its mind.

## What happened

Mr A said BM had told him that payments to the three Buy To Let (“BTL”) mortgages he holds with BM, were received late. But Mr A said he’d paid before the end of the month, and he had a receipt to prove that. Mr A said BM was refusing to log a complaint about this.

BM said it hadn’t refused to log a complaint for Mr A. But it had changed its mind about what it was going to do about the complaint.

BM said Mr A had three mortgages with it, and he was previously able to make payments to those mortgages using a passbook. But that changed in September 2021. BM wrote to Mr A then, and told him how to make payments in future. BM said that Mr A was still using the old method to make payments, and giving the cashier old account details, although those had now changed. That was causing a delay in his payments reaching his mortgage accounts.

BM showed us that Mr A had complained about delays in his payments reaching his mortgages, or payments being wrongly assigned, a number of times previously.

BM said Mr A was now complaining about payments which were due before the end of May 2023. He made those payments on 30 May 2023 but they were only credited to his accounts two days later, on 1 June 2023. BM said when Mr A first talked to it about this most recent problem, it had agreed to backdate the payments and amend his credit file, one last time. But then BM said it realised Mr A was still using the details it had asked him to stop using almost two years earlier. And BM said it had already told Mr A it wouldn’t amend his credit file any more. So it changed its mind.

BM showed our service a number of letters it had sent to Mr A giving him the right account details to make his payments. And it showed us letters it sent Mr A in September 2022 and November 2022, which said BM would not amend his credit file.

BM wrote to Mr A again, saying that it wouldn’t amend his credit file after all. It paid him £50 to say sorry because it had said something different at first. But BM said it thought it had reached the right outcome now.

Our investigator didn’t think this complaint should be upheld. She could see BM changed its mind about amending Mr A’s credit file, once it realised it had previously told Mr A, a number of times, to use different payment details. She thought Mr A had used the old mortgage account details when he made these payments, and that’s why the payments were delayed. She could see BM had given Mr A the new details, a number of times. Our investigator said BM had explained that when Mr A uses the old details, the payments can’t be applied to the mortgages straight away. Someone at BM has to work out which mortgages to put the

money on. And that takes longer. Our investigator said she couldn't say BM was at fault for this delay.

Our investigator said BM had agreed that Mr A should have been given correct information when he made his payments, about when the money would reach his mortgages. So it agreed to backdate the payments. But it wouldn't amend Mr A's credit file, and our investigator didn't think that was unfair. She said it was understandable that using the old details would lead to delays.

BM had paid Mr A £50 to make up for the disappointment he experienced when he found out his credit file wouldn't be amended. Our investigator thought that was fair and reasonable. She said she wouldn't ask BM to amend Mr A's credit file now.

Mr A didn't agree. He said that what BM had done was stopping him from getting credit now. And he wanted his complaint to be considered by an ombudsman, so it was passed to me for a final 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've reached the same overall conclusion on this complaint as our investigator. I'm sorry to have to tell Mr A that I don't think BM has to amend his credit file now.

I have seen a number of letters where BM has explained the new payment details Mr A needs to use, to ensure that payments he makes are credited to his mortgages as quickly as possible. And I've seen a number of previous complaints that Mr A has made, which, like this one, reflect that Mr A appears to still be using the old account details for his mortgages. Like our investigator, I think this is why Mr A's payments are taking longer to reach his mortgage accounts. And, also like our investigator, I don't think that's BM's fault.

I can see that when Mr A initially failed to use the new account details, BM did at first make some credit file amendments for him, so the late payment didn't affect his credit file. But I don't think BM has to keep doing that each time Mr A's payments don't reach his mortgages on time. And I can see that in September and November 2022, BM said it wouldn't amend Mr A's credit file. So I don't think Mr A had been led to believe, before he made this payment, that BM would do this again.

I understand Mr A was told, in the branch, that the payments would reach his mortgages quickly. But I don't think Mr A decided to use the old account details, because of this. So I don't think this advice from the branch staff is why Mr A's payments were late.

I know BM then said it would amend Mr A's credit file, but it's explained this was a mistake, as this decision was taken before BM realised how many times this had happened before.

I realise Mr A would be very disappointed that BM then changed its mind, and I know he's told us this is causing him difficulties. But I don't think BM has to amend Mr A's credit file now, just because it initially said it would. And in the overall circumstances of this case, I don't think it would otherwise be fair and reasonable for me to require BM to make those changes.

BM has paid Mr A £50 to make up for the disappointment when it changed its mind. I think that provides a fair and reasonable outcome to this part of Mr A's complaint. So I'm sorry to

have to tell him that I don't think BM's eventual decision was unreasonable or unfair. I don't think BM has to amend Mr A's credit file now.

I know Mr A will be disappointed, but I don't think this complaint should be upheld.

**My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 15 April 2024.

Esther Absalom-Gough  
**Ombudsman**