

The complaint

Mr A complains that Lloyds Bank PLC failed to provide him correct information about his mortgage account and he's lost out as a result.

What happened

Mr A has an interest only mortgage in joint names which came to an end in February 2022. It is only Mr A that resides in the property.

There were conversations between Lloyds and Mr A where it was outlined Mr A intended to sell the property, but he wished to remove the joint account holder from the deeds before doing so.

In May 2022 Mr A explained to Lloyds an agreement had been reached with the joint account holder and he would be contacting the land registry to change the deeds to his sole name.

Between June 2022 and August 2022, Mr A provided updates regarding the process of this. Lloyds requested an overview of the agreement from Mr A's solicitor to ensure its security wasn't impacted. In August 2022 Mr A explained to Lloyds that his solicitors had informed him he would need consent from Lloyds to change the deeds. After contacting the deeds department, it was explained to Mr A he wouldn't need consent from Lloyds to alter the deeds. A letter was to be sent to Mr A confirming this.

There was a delay in the letter being sent and following Mr A chasing this, a letter was sent on 21 September 2022. The letter was generic and not specific to Mr A's circumstances – and it also conflicted the information given verbally as it explained Lloyds would need to see a court order before agreeing to the deeds change.

Mr A followed this up in November 2022 to get clarification on what was needed. There was further incorrect information given on the phone to Mr A and following a complaint being raised, Lloyds explained to Mr A in December 2022 that the deeds could be changed without Lloyds' consent.

Mr A outlined in his complaint that the conflicting information led to a delay in him being able to sell his property, and he's lost out as house prices have reduced. And Mr A added the delay led to further issues in his civil dispute with the joint account holder.

In the final response letter to the complaint, Lloyds agreed they should have provided clearer information to Mr A and accepted there was conflicting information provided. Lloyds offered £750 to recognise the impact to Mr A for providing unclear information and agreed to cover £234 in legal costs that Mr A incurred as a result. Lloyds didn't agree to cover any reduction in the sale of Mr A's property as they said this was a potential cost that hasn't been incurred. Our investigator looked at the complaint and agreed with how Lloyds have offered to put things right. They thought Lloyds have recognised any impact their errors caused, and any additional impacts Mr A has outlined is a result of his civil dispute with the other account holder and not Lloyds' actions.

Mr A disagreed with the investigator and explained the delays caused additional costs with the joint account holder, a reduction in his property price and unnecessary additional monthly payments at a higher interest rate. He also explained in some detail the impact this complaint has had on his health with stress and anxiety.

However, the investigators opinion remained unchanged, and the complaint has been passed to me for 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.

In doing so, I've decided to not uphold this complaint – for broadly the same reasons as the investigator. I appreciate this will be disappointing for Mr A, but I'll explain why I don't think Lloyds needs to do anything else to put things right.

I think it's important to highlight the mortgage is in joint names. As we do not have the other account holders' consent, I'm unable to comment on matters that involve them. Nor can I comment on the on-going civil dispute regarding the entitlement to the property. Mr A has made comments regarding this as to why there has been an additional impact of the conflicting information provided by Lloyds. I appreciate his strength of feeling, but neither our service nor Lloyds are able to comment on these matters and so I won't be considering this when reviewing the complaint.

Both Mr A and Lloyds agree that conflicting information was given. Lloyds should have made it clear to Mr A that he did not need its permission to change the deeds with the land registry. Because they didn't do so, Mr A has been impacted.

Lloyds have agreed to refund any additional solicitor costs Mr A incurred due to the conflicting information. I think this is a reasonable approach and put's Mr A back in a position he should be – which is what I would expect from a business.

Mr A has said the correct information has caused a delay in him being able to market the property for sale, causing a loss as house prices have since reduced and is the crux of this complaint. He also reiterated additional payments were made to the mortgage over this period and the overall impact this matter has had on him.

To be able to determine there was a consequential financial loss as a result of the incorrect information provided by Lloyds, I'd need to be persuaded that but for the error, the outcome now would be different.

With this in mind, it's important to highlight there is no guarantee that, had the correct information been given to Mr A, he could have progressed with the sale of the property any sooner. The time it will take for a property to sell is not guaranteed and while I appreciate Mr A feels he has lost out because of the incorrect information; I've not been provided with anything to demonstrate this. Nor can it be determined that even if advertised sooner, the property would have sold sooner. So there is no loss in terms of a reduced sale price and it's likely Mr A would have always needed to continue making payments to the mortgage when it remained in place due to the outstanding dispute between the account holders.

Related to this, it is my understanding that Mr A and the other account holder are still in dispute regarding the entitlement to the property. Lloyds have explained they would allow

continued holds on the action, providing they are kept up to date with the progress of this. I would highlight the term has come to an end and it isn't unreasonable for Lloyds to eventually want to explore how the mortgage balance will be repaid. If Mr A has any concerns regarding the approach from Lloyds following this decision, this would be classed as a new complaint and wouldn't form part of this complaint. But I think it is acting fairly currently applying this approach.

I acknowledge the conflicting information caused Mr A unnecessary confusion during an already stressful time. But I agree that Lloyds' offer of £750 is a fair award in recognition of the impact caused.

Mr A said when this offer was made by Lloyds he was not thinking straight and he feels Lloyds has attempted to exploit this with its phrasing within the final response. He has also indicated he felt like he had six months to request Lloyds' reconsideration of its position. The six-month limit set out within a final response is not done so that a consumer can continue to converse with a business during this period – although this option is one that remains. But it is set out as the amount of time that a consumer has to bring a complaint to this Service, allowing enough time to recognise they may not be able to do this immediately.

Mr A brought his complaint in time but I appreciate he didn't want to bring the complaint to us and tried to get things sorted directly and this will have added inconvenience. However, the complaint could have been brought sooner and I don't think Lloyds acted unfairly when continuing to speak with Mr A about the issues.

Overall, I feel Lloyds made an offer for the distress and inconvenience it caused which is in line with an award I would have made and so while I acknowledge Mr A is unhappy with this amount, I am not recommending this be increased.

For this reason, whilst I appreciate Mr A may be disappointed with my decision, I won't be asking Lloyds to do anything further.

My final decision

For the reasons I've set out, I don't uphold Mr A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 28 March 2024.

Thomas Brissenden
Ombudsman