

The complaint

Mr G complains that Lloyds Bank PLC did not send a redemption statement for his mortgage. He said that Lloyds agreed to stop charging interest on his mortgage – but it has continued to do so.

What happened

Mr G has an interest only buy-to-let mortgage with Lloyds.

On 20 October 2022, Mr G asked Lloyds for a redemption statement for his mortgage. But it did not send it to him until 31 December 2022.

Mr G complains that on 6 December 2022 Lloyds told him that it would waive interest on his mortgage and backdate the redemption date to 20 October 2022 – but it has not done so. Lloyds said that it only agreed to do so on the basis that Mr G was going to repay the full balance.

The investigator didn't think the complaint should be upheld. She said Lloyds took reasonable steps to put things right, including by paying Mr G £80 for any distress and inconvenience caused to him.

Mr G did not accept what the investigator said. He said Lloyds told him that he would not have to pay any more interest and this was a verbal contract that Lloyds was obliged to honour. He also said that Lloyds was discriminating against him.

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 the phone call of 20 October 2022, Mr G asked for a redemption statement. Lloyds did not send that to Mr G as requested. So there was clearly a mistake by Lloyds.

I have listened to the phone call that Mr G had with Lloyds on 6 December 2022. I think it would be very difficult to interpret the offer made by Lloyds in the way Mr G has. Mr G told Lloyds that he was intending to repay the mortgage "as soon as possible". Lloyds offered to backdate payments to 20 October 2022 and refund the difference in interest.

I am satisfied that the offer was made on the basis that Mr G was going to repay the mortgage in full shortly and this was what Lloyds understood when it made the offer. I don't see how it could reasonably be interpreted as an offer to waive any interest or backdate any payments made indefinitely.

Even if there was a verbal contract, Lloyds' offer was, in my view, conditional on Mr G repaying the mortgage in full soon after the 6 December 2022 phone call. As he did not do so, I don't consider Lloyds would be required to refund any interest.

Mr G's original complaint did not include that Lloyds had discriminated against him. The

events here appear to be a genuine mistake by Lloyds – I do not consider it was treating Mr G differently to any other customers. I've not seen any evidence that there is an “ongoing campaign of discrimination” by Lloyds. But Mr G would need to raise a new complaint about that.

Lloyds has paid Mr G £80 for any distress and inconvenience caused. Mr G had the inconvenience of chasing Lloyds up over a few months and the worry it wasn't doing what he asked. In all the circumstances, I think that was a fair way to settle the complaint, bearing in mind it also offered to backdate the interest, albeit not in the way Mr G wanted.

My final decision

I understand Lloyds Bank PLC has already paid Mr G £80. So I don't consider it needs to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 19 February 2024.

Ken Rose
Ombudsman