

## **The complaint**

Ms L has complained that Topaz Finance Limited trading as Heliodor Mortgages incorrectly recorded her mortgage account as being in arrears when she claims to have made her mortgage payment on time.

## **What happened**

Ms L holds a mortgage with Topaz Finance Limited trading as Heliodor Mortgages (Heliodor). Ms L didn't make her monthly mortgage payments through a direct debit mandate. Ms L paid the monthly payment due in December 2023 on Saturday 30 December 2023 through a bank transfer. This mortgage payment wasn't credited to Mrs L's mortgage account by Heliodor until Tuesday 2 January 2024.

As the above payment hadn't been credited to Ms L's mortgage account in December 2023, Heliodor recorded that her mortgage account had been in arrears and applied a late payment marker to her credit file.

Ms L complained to Heliodor. She claims that it's unfair for Heliodor to have recorded a late payment marker for her as she had made her mortgage payment before the end of December 2023. Ms L has said that she has previously made payments on her mortgage at the end of a month, and this hasn't resulted in any issues.

Heliodor didn't uphold Ms L's complaint. It said that under the repayment terms of her mortgage Ms L needed to make a monthly payment before close of business on the last working day of each month. Because Ms L made her payment on Saturday 30 December 2023, then this was after the end of the last working day of the month.

Ms L wasn't happy with Heliodor's response, so she took her complaint to the Financial Ombudsman Service. One of our Investigators reviewed Ms L's complaint. Their view was that Heliodor had done nothing wrong and because Ms L hadn't made her mortgage payment on time for December 2023 then Heliodor had a duty to report this on her credit file. Our Investigator did however tell Ms L that she could apply to the credit reference agencies and apply a note to explain the late payment marker.

Ms L didn't agree with our Investigator's view. She thinks that Heliodor's actions are unfair and asked for her complaint to be considered by an Ombudsman.

## **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.

Mrs L made her December 2023 mortgage payment on Saturday 30 December 2023. As Monday 1 January 2024 was a Bank Holiday, then I think this meant that the first working day after Ms L made her mortgage payment was Tuesday 2 January 2024. This is the date that Heliodor credited the mortgage payment to Ms L's mortgage account.

Heliodor has said that mortgage payments need to be received before the close of business on the last working day of each month. I've examined the information set out on Heliodor's website. As I've said above, Ms L didn't make payments on her mortgage through a direct debit mandate. Under the heading "Other ways to pay" the website says:

*"There are several other ways you can make your payment if you can't pay by Direct Debit. Please read the information below carefully to make sure that, whichever payment method you use, your payment reaches us on time. **This is particularly important when the last day of the month falls on a Saturday, Sunday, or on a bank holiday.**"*

*If we don't receive your monthly payment by the end of the month in which it's due, your account could fall into arrears, and that may have a negative impact on your credit file".*

Under the heading "Make a bank transfer" Heliodor's website goes on to state:

*"We'll need to receive your bank transfer by no later than 4pm on the last working day of the month, because bank transfers received after 4pm on the last working day of the month won't be applied to your account until the next working day. If we're unable to process your payment by the last day of the month, we may treat your account as being in arrears."*

I think this meant that Ms L needed to make the December 2023 monthly payment on her account before 4pm on Friday 29 December 2023. I think that Heliodor is also saying that if it didn't receive payment by then, Ms L's mortgage account would be treated as being in arrears. I also think that Heliodor is saying that it was particularly important for Ms L to make sure that her mortgage payment arrived on time if the last working day of a month fell on a weekend, which it did in December 2023.

I believe it would be reasonable for Ms L to have understood that she needed to make her monthly mortgage payments before close of the last working day of each month and that for December 2023 this meant that she had to make payment before 4pm on 29 December 2023. I also think it would have been Ms L's responsibility to make sure that her December 2023 mortgage payment arrived with Heliodor on time. However, Ms L didn't make her payment before 4pm on 29 December 2023.

Heliodor didn't process Ms L's mortgage payment over the weekend of 30 and 31 December 2023, or on the Bank Holiday of 1 January 2024. I don't think that Heliodor acted unreasonably when it didn't process Ms L's mortgage payment over a weekend or on a Bank Holiday. Because Ms L's mortgage payment wasn't credited to her account until 2 January 2024 then I think that this meant that her Heliodor mortgage account was in arrears for two days. I also don't think it's unreasonable that Heliodor uses the end of the month as a standard cut-off point.

Ms L has said that she's previous made monthly mortgage payments on the last day of a month and this hasn't caused any issues on her mortgage account. But I think this would be the case if the last day of a month was a working day. But this wasn't the case in December 2023 when the last day in the month fell on a Sunday, which wasn't a working day.

Ms L has also said that she has previously made payments on the last day of the month when her mortgage was with different lenders, which again didn't cause an issue on her mortgage account. However, in December 2023 Ms L's mortgage was with Heliodor and therefore I think it's reasonable that she needed to follow Heliodor's repayment requirements, as set out above.

I also think that Heliodor has a duty to record accurate information on Ms L's credit file. Because Ms L's December 2023 mortgage payment was received late, then I think that Heliodor acted reasonably when it recorded this information on Ms L's credit file.

I therefore conclude that Heliodor didn't act unfairly or unreasonably when it didn't apply the mortgage payment that Ms L made on 30 December 2023 to her account until 2 January 2024. I also don't think that Heliodor acted unreasonably when it then recorded a late payment marker on Ms L's credit file.

As I don't think that Heliodor has acted unfairly or unreasonably then I am unable to uphold Ms L's complaint.

### **My final decision**

My final decision is that I don't uphold Ms L complaint against Topaz Finance Limited trading as Heliodor Mortgages.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms L to accept or reject my decision before 2 October 2024.

Ian Barton  
**Ombudsman**