

The complaint

Ms L and Mr V complain about delays when they redeemed their mortgage with HSBC UK Bank Plc. Mr V has dealt with the complaint throughout. He asks for compensation.

What happened

Funds were received by HSBC on 31 October 2022 to repay Ms L and Mr V's mortgage. Mr V says HSBC failed to send confirmation of this for several weeks, passed him between departments and gave incorrect information about its timescales. Mr V says he wasted many hours and was caused hardship and stress and well as significant financial loss.

HSBC said it took longer than usual to redeem the mortgage and close the account. It said it gave Mr V incorrect timescales for this. It wrote to Mr V on 7 and 8 November 2022 confirming the funds had been received. On 22 November 2022 it sent a letter confirming the account was closed.

HSBC offered £500 compensation, which our investigator said was fair for the inconveniences caused. Our investigator said Mr V hadn't provided evidence of financial loss.

Mr L didn't agree. He said regardless of his financial loss, the stress caused warrants compensation far in excess of £500. He said Ms L thought he was misleading her for a significant period of time as he had no evidence from HSBC of the redemption. They were separated but living together at the time. Ms L needed confirmation the mortgage was repaid as she wanted to buy her own home.

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 should explain that where the evidence is incomplete, inconclusive or contradictory, I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

Mr V's solicitor wrote to HSBC asking for a redemption statement made up to 18 October 2022 as the property was to be re-mortgaged. The solicitor said this was for information purposes only as they didn't yet have a completion date.

Mr V also asked for a redemption figure and called HSBC in late October 2022 about making the payment. He told HSBC he was about to pay off the mortgage using savings. He asked if he could pay in more than one tranche. HSBC asked how Mr V would like to receive redemption information. HSBC said Mr V would be able to see redemption information online and would receive written confirmation within 48 hours.

It's possible there was a misunderstanding here, in that Mr V thought HSBC had said it would confirm redemption within 48 hours of receiving the funds. Having listened to a

recording of the call, I think what HSBC was saying was that it would provide the redemption figure online and send the written redemption statement (setting out the amount that needed to be repaid) within 48 hours. It's possible of course that Mr V was given incorrect information on a different call.

HSBC received funds from Mr V to repay the mortgage on 31 October 2022.

Mr V called HSBC on 2 November 2022. Mr V said HSBC hadn't redeemed the mortgage correctly or sent written confirmation. He said he'd been told he'd be able to see that the mortgage was repaid within 24 hours online, with written confirmation sent to his solicitor within 24 to 48 hours. Mr V said he couldn't access internet banking – although later in the call he said he was able to do so.

HSBC said it takes two to three working days to apply the funds and redeem the account. It said it had to cancel direct debits and notify the Land Registry that it no longer had security. After this it would send written confirmation that the account would be redeemed. Mr V said his solicitor had tried to contact HSBC to get confirmation without success. He wanted a letter sent to his solicitor to confirm the mortgage was repaid to allow a title transfer.

Mr V called again on 4 November 2022, asking for letters confirming the mortgage had been repaid to be sent to two addresses.

HSBC sent a mortgage statement on 7 November 2022 and a letter on 8 November 2022 to confirm the mortgage had been paid off and closed. It wrote to Mr V's solicitor on 22 November 2022 to confirm it had discharged its charge at the Land Registry.

Was Mr V caused financial loss?

During the call on 2 November 2022, Mr V said HSBC's delay had caused his mortgage offer to expire. He said he'd incurred fees and finance costs which could be as much as £6,000 or £14,000 as there were two or more properties involved. He said he had to pay off a string of mortgages in a certain order and this was holding up the chain. Mr V said he'd spent all of the previous day on the phone.

When he brought the complaint to us, Mr V said he'd borrowed £6,000 from Ms L for 48 hours to repay the mortgage. Due to the delays in HSBC confirming the mortgage had been redeemed he owed her £36,000.

More recently, Mr V said the delays had caused problems for Ms L as she wanted to buy a property in her sole name.

Despite requests from our investigator, Mr V didn't provide evidence to support his claims of financial loss. In the circumstances, I don't think it's fair and reasonable to require HSBC to pay compensation for the financial loss Mr V says he suffered.

Upset and inconvenience

Mr V says regardless of the position regarding financial loss, the stress caused warrants compensation far in excess of £500. I've thought carefully about what Mr V has said.

There was never any suggestion that the funds hadn't been safely received into the mortgage account. The issue seems to be that Mr V wanted written confirmation from HSBC that the mortgage had been repaid.

Mr V says this went on for a significant period of time. HSBC sent a mortgage statement on

7 November 2022 and a written confirmation of the mortgage redemption on 8 November 2022. This was about a week after it received funds.

The stress caused over this week could have been significant – for instance if Mr V did need written confirmation of the mortgage redemption in order to complete property transactions. However, he hasn't provided evidence of this.

Ms L hasn't provided evidence or comments to us about how this affected her. I can't fairly assess how this might have affected Ms L or her plans to buy a property. Mr V hasn't provided evidence that this stopped or delayed Ms L buying a property.

While Mr V says he spent tens of hours on the phone, incorrect information was reiterated time and time again and HSBC failed to deliver for weeks, the evidence doesn't support this.

It's clear from the recording of Mr V's call on 2 November 2022 that Mr V was upset that he hadn't yet received confirmation that the mortgage was redeemed. And he did contact HSBC several times which would have been inconvenient.

HSBC says it took longer than usual to complete the mortgage redemption and discharge of its security with the Land Registry. It says Mr V was given incorrect information and that this caused him inconvenience. HSBC offered £500 compensation. I think this is fair and reasonable in the circumstances.

My final decision

My decision is that HSBC UK Bank Plc should pay £500 to Mr V and Ms L, as it offered to do. It can deduct from this any amounts already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms L and Mr V to accept or reject my decision before 1 August 2024.

Ruth Stevenson
Ombudsman