

Frequently Asked Questions

Am I due a refund?

All accounts that have been in arrears have been fully reviewed and we have written to anyone who is due a refund.

Over what period were the fees charged?

1st November 2004 to 31st October 2009.

Why should they be refunded?

The fee or charge exceeded the actual cost to us of undertaking the administration involved.

How many fees and charges are affected?

Only 3 (2 in full, 1 part only).

Which fees and charges are affected?

The FSA determined that certain arrears fees and charges did not reflect the administration costs incurred and those three specific arrears fees and charges are:

1. All charges for non-payment of the monthly mortgage payment by direct debit when your account was in arrears and no monthly payment was being made.
2. All Early Repayment Charges applied to arrears fees and charges.
3. Part of the solicitor's instruction fee that was more than the actual cost (£39).

No other fees or charges that may have been applied to your account are affected by this and no further refunds are due.

How do I contact you?

Call us on 0844 770 8030.

Why are these fees being refunded?

Because they exceed the cost to us of undertaking the work involved for which the charge was made. If you are a previous customer you should call 0844 770 8030.

Are other fees included?

No – only the 3 specified. For other fees charged when a mortgage is in arrears, the costs incurred versus the charge have been validated.

Am I due anything if I have never been in arrears with my mortgage?

No.

Why are you only refunding the non-payment by direct debit fee when the account was in arrears and no payment was made?

When no payment is made there is nothing to administer, so no cost to us. If payments are made by other means (cheque or cash) there is additional work to do to process these payments.

Will I receive interest on the amount of any refund made?

Yes, interest will be added to all refunds due, calculated at a flat rate of 8% (e.g. £100 due X 8% = £108 total refund, including the interest payment). If you are a PREVIOUS customer please call us on 0844 770 8030, we will confirm your identity and arrange to send you your refund.

What is a PREVIOUS Customer?

Someone who has redeemed their mortgage, whose loan was sold to another lender or who was repossessed.

If I have redeemed my mortgage with you do I qualify for a refund?

Yes. If you were in arrears and have been subject to any of the three charges involved.

If my mortgage was sold to another lender do I qualify for a refund?

Yes. If you were in arrears and have been subject to any of the three charges involved while you were with us.

If my home was repossessed do I qualify for a refund?

Yes. If you have been subject to any of the three charges involved.

How will refunds be made?

If you are a CURRENT customer we have re-credited your account with us. Refunds to PREVIOUS customers will be made by cheque unless your mortgage was repossessed and there was a shortfall when we sold the property. In this case, we will reduce the amount still owed.

What is an Early Repayment Charge?

This is a core term of your mortgage. In the early years of your mortgage typically the first 2 years, you would have benefited from a fixed or discounted rate. If you decided to redeem the mortgage during that period the cost of funding the loan exceeded the rate charged to you, so a penalty or charge was applied (common market practice).

The solicitor's instruction fee was £100 – how much of that will be refunded?

£39 for every time the fee was charged.

How far back do the refunds apply?

Back until 1st November 2004.

If a particular fee or charge was applied more than once will they all be refunded?

Yes.

What do I need to do to get my refund?

If your mortgage is still with us, we have written to you and credited the refund to your account. If you are a previous customer you should call 0844 770 8030 to confirm your identity and provide us with any new contact details.

Who will the cheque be made payable to?

To the name or names on the mortgage. If you want the cheque payable to only one person on the mortgage this must be confirmed in writing by all parties to the mortgage.

How do I have to verify my identity when I call you?

You will be asked some security questions about your account with us.

Will you make cheques payable to third parties?

No. If you have changed your name (marriage / divorce etc) we will require documents to confirm this.

What if I no longer live at the property on which I had the mortgage?

You need to call us on 0844 770 8030. We will write three times to the address we have on our records in an attempt to contact you, hopefully that will be forwarded.

Will my mortgage payment be reduced following the re-credit of any fees charged?

Yes – your mortgage payment will be recalculated at the next review following an interest rate change.

Will the refund show on my next mortgage statement?

Yes.

If I was charged more than one of the particular fees being refunded, will they all be dealt with together or individually?

All together. You will receive one refund for the total amount due to you.

Who are the Financial Services Authority?

Our regulator – read more at www.fsa.gov.uk

Will it cost me anything to call you?

You will be charged for a local rate call. Cost of calls from mobile phones may vary.

Should I call you on that number for other queries?

No – that number is for customers who have queries about this fee refund process only. Please continue with your regular contact numbers for all other matters.

Should I call you or wait for my letter?

All letters have now been sent to those who are due to receive a refund. If you are a PREVIOUS customer who had arrears, please call us on 0844 770 8030 to verify your identification and confirm any new contact details. We will then arrange for your refund to be sent to you.

How long will it take to get my refund?

If you are an existing customer then the refund has already been credited to your account. If you are a previous customer and you have received a letter you need to call us on 0844 770 8030. If you are a previous customer and no

longer live at the property on which you had your mortgage with us you need to call 0844 770 8030. When you do we can start the process.

Are Buy to Let mortgages included?

Although not regulated in the same way or covered by these findings we will in the spirit of Treating Customers Fairly also be making refunds to Buy to Let customers – the same process applies.

Is there a minimum level of refund?

For current customers – no.

For previous customers – only redress amounts in excess of £10 will be refunded.

If my mortgage is still with you can I have a cheque instead of a re-credit to my account?

Unfortunately not.

Why won't you send me a cheque instead of re-crediting my account?

Where a mortgage is current, the process we have agreed with the FSA is to credit the refund to the account. Charges applied to a mortgage account attract interest, so by re-crediting your account, we are reducing the balance on which you pay interest for the remainder of the mortgage term. This is the process agreed with the FSA.

If I was repossessed and there was a shortfall can I have a cheque instead of a reduction in the amount still owed?

Unfortunately not.

Will you require my bank account details?

No. You should not provide your bank account details to anyone and we will definitely not need them for this redress exercise.

How have you calculated the amounts of the redress due?

By analysing your account we can calculate back to 1st November 2004 when you have been charged the fees impacted. The total of these charges up until the 31st October 2009, plus interest calculated at a flat rate of 8%, is the amount of redress due.

I currently have arrears on my account, can you please credit this refund against my arrears?

Unfortunately not. As the fees were originally debited to your mortgage balance, we will recredit this fee to your mortgage balance. This will mean that your overall balance outstanding will reduce. This approach has been agreed with the FSA.

I have received a refund from you, can you please tell me how this is broken down?

Non Payment by Direct Debit

If the refund is in respect of the Non Payment by Direct Debit Fee, this is based on the number of times this fee was charged to your account whilst no monthly payment was made during the period 1st November 2004 until 31st

October 2009. This fee was charged at £10 per month until May 2005 and £15 thereafter.

Solicitors Instruction Fee

If the refund is in respect of the Solicitors Instruction Fee, you will be refunded £39 for each occasion this was charged to your account during the period 1st November 2004 until 31st October 2009.

Early Repayment Charges

If the refund is in respect of Early Repayment Charges applied to arrears fees and charges, this is based on whether any of the following fees were debited to your account during the period 1st November 2004 until 31st October 2009.

Monthly Arrears Fee
Non Payment by Direct Debit
Unpaid Standing Order
Unpaid Direct Debit
Solicitors Instruction Fees
Repossession Fee
Home Visit Fee
Cancellation and Non Attendance Home Visit Fee

Please note that you will only receive a refund in respect of the Early Repayment Charge which was applied to these fees. There will be no refund of the full Early Repayment Charge made.

I have also been charged an arrears fee of £50, will this be refunded?

Unfortunately not. The only fees that are affected are the following

1. All charges for non-payment of the monthly mortgage payment by direct debit when your account was in arrears and no monthly payment was being made.
2. All Early Repayment Charges applied to arrears fees and charges.
3. Part of the solicitor's instruction fee that was more than the actual cost (£39).

Can my refund be paid directly into my bank account rather than by cheque?

Unfortunately not.

I currently receive housing benefit, will this refund affect my payments and do I need to do anything?

No you do not need to do anything. We have a process in place where we will inform the Department for Work and Pensions of any changes to balances on a quarterly basis.

I have been contacted by a firm who suggested that if I paid them a fee they could obtain a refund for me from GMAC RFC. Do you pass on customer details to third parties?

No. GMAC RFC does not sell any customer data to third parties. If you have been in arrears and are eligible for a refund, we have written to you.