

Mortgages

With this loan, I thee wed

Then, Simon Carne's financial marriage fell apart. Divorce was inevitable

It was probably a mistake to get so emotional over my mortgage. But Woolwich building society had a deal that was so "right" for me, I couldn't help myself. Besides, it was Christmas.

Carol singers were at full volume outside the branch. Inside, the woman at the enquiries desk reminded me of the famous Woolwich Girl on television, the one who said "Good morning" with a smile that advertising agents would kill for.

I felt so great that I almost didn't mind about the near-15 per cent interest rates. This was a financial marriage made in heaven.

Looking back, it did not take long for the first cracks to enter our relationship. Perhaps I should have been suspicious about the insurance premiums from the start. Instead, I looked the other way.

But then, I did ask. And that is how I found out that Woolwich had miscalculated my premiums from the start.

The overpayments added up to £1,000. Woolwich was most contrite and a full refund arrived before you could say "extra interest savings account". It even promised to look into paying me interest.

Unfortunately, its computer had other ideas. Apparently, no one had programmed it to recognise my refund for what it was. To the computer, money paid out to a borrower could only mean one thing: an increase in my loan.

So the computer began to charge me interest. And it soon became clear that it was going to carry on doing that until I paid back the £1,000.

After several months, the computer and I came to an agreement. I received a statement of my account



which was called - very appropriately - a "reconciliation of differences".

But our reconciliation was short-lived. My next statement showed the balance moving £850 in Woolwich's favour. So, I complained again.

This time, the society was not quite so contrite. It offered to knock the £850 off my balance "for this financial year". I telephoned. "You're saying that, this year, I don't owe you the £850, but next year I will?" It confirmed that I understood the offer correctly.

That was when I realised counselling was needed, so I contacted the building societies' ombudsman to tell him my tale. He was sympathetic, but said he could do nothing unless both parties wanted his help.

Woolwich saw no need. It

said our disagreement was one "we feel best qualified to resolve". I was beside myself. Harsh words were said - all of them by me. The society restored my £850 permanently.

By now it was clear that this mortgage had to end. A clean break would be best for both of us. But Woolwich had other ideas.

It said I could cancel my insurance policy but, if I paid off my mortgage, I would not get any free shares when it converted from building society to bank. I had to leave £125 outstanding to qualify - a sort of decree nisi.

Reluctantly, I agreed. I told myself it was only £125. How much can go wrong with £125? And the free shares would be worth it.

I was foolish, I know. People promise to change all

the time: "It'll be different in future. You'll see." But it never is, as I found out when the next payment notice arrived.

Calculator in hand, I rang Woolwich. "Do you realise you're charging me over 100 per cent a year on my £125 loan?"

It told me I had my figures wrong and suggested different ones. I tapped on my calculator again: "In that case, the interest rate is 270 per cent." It promised to investigate.

Several letters and telephone calls later, we agreed the figures - almost. There was still a difference of 5p against me. Not worth the cost of a call to complain.

Four days later, Woolwich wrote again. It said I had been paying insurance premiums on the cancelled policy (not true). It sent me a

cheque for the supposed overpayment of £60 (how long, I wondered, before it started to demand interest on the refund?)

It also threatened that I would be ineligible for the free shares if I continued to overpay (meaning, no free shares if it continued to imagine I was overpaying).

I rang to plead with Woolwich to take the £60 back. No deal. The money, it insisted, was mine. If I didn't take it, I could lose my shares. In fear and confusion, I banked the cheque.

Now I am counting the days until I can finally pay off the loan: my decree absolute.

People may ask why a 25-year mortgage that started out with such high hopes ended after seven years. The answer is simple enough: irreconcilable differences.