

## **The complaint**

Mr and Mrs B complain about poor advice and service given to them by an appointed representative of Personal Touch Financial Services Ltd, part of the PRIMIS Mortgage Network. Mr and Mrs B ask for compensation.

## **What happened**

Mr and Mrs B contacted Personal Touch in November 2018 as they wanted to re-finance their mortgage. They say they were repeatedly asked for more information, which they didn't consider necessary. And they say the adviser told them they wouldn't be offered a mortgage while they had £43,000 of credit card debts.

Mr B took out a lump sum from his pension and repaid the credit card debts. When they tried to contact the adviser in January 2019 they found she was no longer working with Personal Touch. This worried them as the term of their existing mortgage was about to expire.

Another mortgage broker was able to source a mortgage for them quickly. Mr and Mrs B say he told them lenders weren't interested in the credit card debts.

Personal Touch said it hadn't told Mr and Mrs B to repay the debts and didn't know Mr B intended to take money from his pension. It offered compensation of £300 for the inconvenience caused to Mr and Mrs B by having to re-start the application process with a different mortgage adviser. Mr and Mrs B say they've lost out by withdrawing £43,000 from Mr B's pension and now have to pay the related tax of about £6,800.

Our investigator didn't recommend that the complaint be upheld. He said there was no evidence the adviser told Mr and Mrs B to clear their credit card debts. Personal Touch didn't know that Mr B was taking a lump sum from his pension. And while the adviser leaving Personal Touch caused some inconvenience, it didn't cause any loss.

Mr and Mrs B didn't agree. Mrs B said she couldn't find any written evidence that Personal Touch said a consolidation loan wasn't possible. She said the adviser dragged the whole process out for so long that by the time she told them they couldn't afford a consolidation loan they felt their only course of action was to withdraw pension funds. Mrs B said if they'd known the adviser had left Personal Touch in mid-December 2018 they could have gone elsewhere and their decisions would have been different.

## **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.

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.

*Did Personal Touch advise Mr and Mrs B to repay their credit card debts?*

*Did it advise them to fund this by withdrawing money from Mr B's pension?*

Mr and Mrs B had credit card debts of about £43,000, costing about £1,350 per month. Personal Touch says while the debts were outstanding Mr and Mrs B's monthly outgoings meant the maximum mortgage loan they could afford to borrow was about £45,000. This was less than they needed to borrow. The adviser says she told Mr and Mrs B they could look into consolidating the debt into a new mortgage or repaying the debts before the mortgage application, if they had the means to do so.

On 13 December 2018 the adviser emailed Mrs B to say due to Mr B's age and the level of debt consolidation she'd need to get the case authorised internally before applying to the lender. She said she'd need all supporting documents, including full credit card statements.

Mrs B spoke to the mortgage adviser on 14 December 2018. The adviser says she told Mrs B about her options – to consolidate or repay the debts – but didn't go into detail as Mrs B was in shock after an accident. Mrs B says she thinks this is when the adviser said she wouldn't be able to get a consolidation loan, so they'd have to clear their debts. However, Mrs B also says she can't remember what was said as she'd had an accident the previous day.

On 16 December 2018 Mrs B sent an email to the adviser saying they intended to repay the debts before proceeding with the mortgage. The adviser replied the next day saying she'd need evidence of the funds used to pay the credit card debts "*such as savings account statement, encashment or similar*". While Mrs B says she phoned the adviser and said they'd be using money from Mr B's pension, none of the emails or notes provided to me refer to this call. There's no email or other record of Mrs B sending evidence of the funds (such as account statements), as requested by the adviser.

On 7 January 2019 Mrs B emailed the adviser saying they expected to receive funds to clear the credit card debts later that week. The email didn't say where the funds would come from. The adviser replied saying she couldn't continue with their application as she was changing networks.

The adviser told Mr and Mrs B at the outset they wouldn't be able to borrow the loan amount they wanted while their credit card debts were outstanding. There was a discussion about their options – to take out a consolidation loan or repay debts, if they had the means to do so. There's no written record (such as an email, letter or notes) of Personal Touch telling Mr and Mrs B they had to clear their credit card debts. While Mrs B says she was told this on a call she also says she can't remember what was said on that call.

While Mrs B says she told Personal Touch they intended to use money from Mr B's pension, the available evidence doesn't support this. On balance, I don't think Personal Touch told Mr and Mrs B to clear the debts. I don't think it told them to take money from Mr B's pension to fund this, and I don't think Personal Touch was aware this was what they'd decided to do.

*did Personal Touch delay the application process?*

Mr and Mrs B say the adviser repeatedly told them she had the information she needed, then asked for more. Personal Touch says the adviser had to ask for more information as Mr and Mrs B hadn't given her complete information about their financial circumstances and some of the documents they sent were incomplete. The available evidence supports what Personal Touch says – the adviser sent emails asking for information. I don't think what she asked for was unreasonable.

There's no evidence that Mr and Mrs B tried to contact Personal Touch between 17 December 2018 and 7 January 2019. I don't think it's reasonable to say Personal Touch could have progressed the application during this time, as Mr and Mrs B hadn't provided the information it had asked for.

When Mr and Mrs B contacted the adviser in January 2019 she responded to say she couldn't take the application forward. She returned original documents on 9 January and copies on 11 January 2019. Personal Touch offered to put Mr and Mrs B in touch with another adviser, but they said they'd already gone elsewhere.

It was unfortunate that the adviser left Personal Touch while dealing with Mr and Mrs B's application. But I don't think this caused delays. Mr and Mrs B chose to repay their credit card debts before making the application. Having done so, they made an application in about the same time scale as they'd have done if they'd continued with Personal Touch.

Mr and Mrs B had to repeat some of the application process and provide documents to the new adviser. I think Personal Touch's offer of £300 for the inconvenience this caused is fair and reasonable in the circumstances.

### **My final decision**

My decision is that I do not uphold this complaint. This is because I find the compensation offered by Personal Touch Financial Services Ltd is fair and reasonable in the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B and Mr B to accept or reject my decision before 18 September 2020.

Ruth Stevenson  
**Ombudsman**